



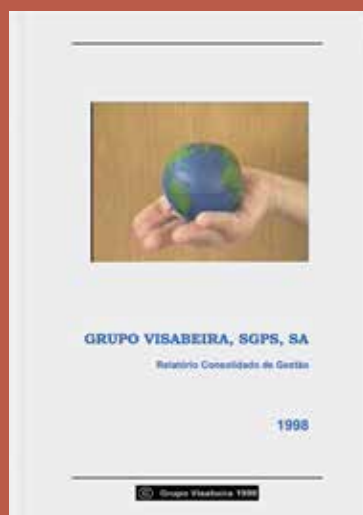
GRUPO
VISABEIRA

2020
Annual
Report

40 YEARS
*PERFORMING
DREAMS AROUND
THE WORLD*



1997



1998



1999



2000



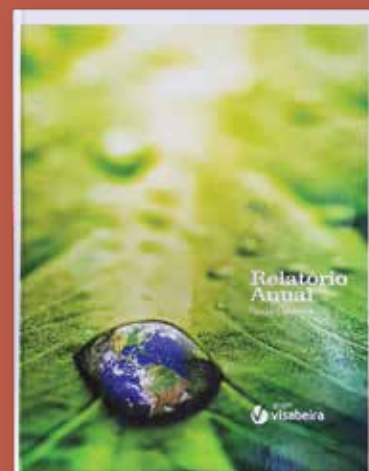
2005



2006



2007



2008



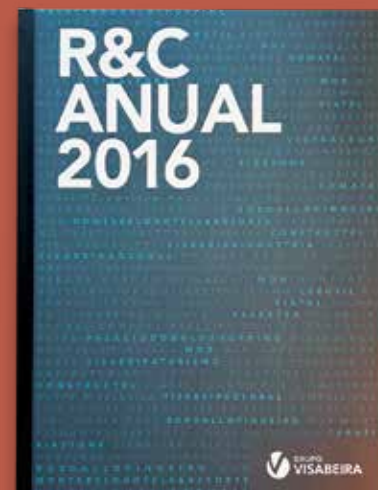
2013



2014



2015



2016



2001



2002



2003



2004



2009



2010



2011



2012



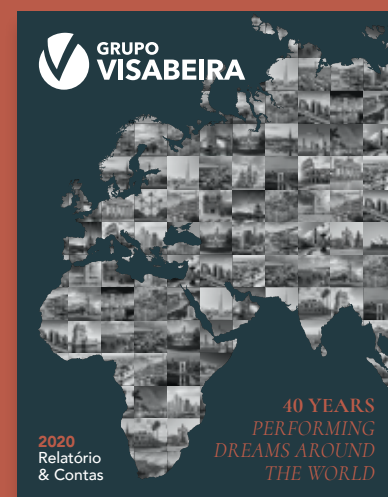
2017



2018



2019



2020

40 YEARS
PERFORMING
DREAMS
AROUND
THE WORLD

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*Grupo
Visabeira*

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2020 in retrospective

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Grupo Visabeira





Ol

New York

Chairman of the General and Supervisory Board

— *Fernando Campos Nunes*

The main milestone of 2020 was the 40th anniversary celebration of the Grupo in May. Four decades have gone by since the initial idea, which went from paper to reality, and which then quickly grew and brought forth new activities and challenges. We have overcome the most ambitious and daring expectations, creating the current reality we are so proud of. The result of a journey marked by creativity, innovation, dynamics, competitiveness and ambition, today we are a worldwide brand with an important role in the main areas of economic activity, with special emphasis on telecommunications, energy, construction, industry and tourism, among many other areas.

However, during this financial year, we were not able to give this landmark celebration the attention it deserved, while also many other things were pushed into the background, as our activities overall and the lives of us all were changed by the completely unpredictable emergence of the Covid -19 pandemic that definitely left its mark in 2020.

Grupo and its companies had the ability to quickly adapt to the new and very demanding reality and created the conditions within the main businesses to become a backbone of resilience by ensuring operations in telecommunications and energy that allowed support the new experiences and fundamental needs of people and markets. In addition, the company was aware of new opportunities and the adaptation of its businesses to assume a leading role in the assertive and objective contribution to the needs and demands of the new reality society and markets had to face.

In this difficult and challenging context, Grupo knew how to define essential goals

and, always keeping focus on the quality and capacity of its services and products, managed to outdo itself and reach new historical highs. I am pleased to highlight that we have exceeded 960 million euros in turnover, which corresponds to a growth of around 5.5%. EBITDA exceeded 155 million euros, which I would also like to emphasize given the enormous difficulties we had to face during this entire financial year in an extremely adverse environment.

*... exceeding
960 million euros
in turnover, which
corresponds to a
growth of 5.5%...*

The Grupo's geographic diversification and its international expansion, especially its growth within the European markets, continues to be a pillar of its strategy. Europe, excluding Portugal, already represents 62% of the Grupo's total turnover, which allowed business to grow in foreign markets to a new high of 75%, corresponding to an increase of 3.8 p.p. It should be noted that important markets such as France, which already accounts for 30% of our turnover, or England, with 15%, or even Germany, Belgium, Italy, Denmark and Spain represent mainstays of the recognition of quality and standards of our services. Also noteworthy is our entry into the United States of America in the area of energy network engineering services, which gives us an even more global position, operating in a high

potential market. The Visabeira team, an essential pillar for overcoming the challenges that marked this entire year, has also grown. Today we are more than twelve thousand two hundred people spread across the four corners of the world, true ambassadors of the brand and of their country. This vast team is what has driven the company towards its goals of strengthening the competitiveness, innovation and growing ambition which characterize the entire operation. Together, we have been able to leverage a brand that has gained the trust of the markets for its ability to overcome challenges and offer competitive, innovative, attractive and reliable products and services. One brand, several insignias, hundreds of companies, thousands of products and services that we believe are our future.

Concurrent with the company's 40th anniversary, Grupo Visabeira decided to adopt a new governance model based on a dual concept, supported by the creation of the General and Supervisory Board. The primary purpose of this new governance model is to ensure a focus on promoting greater and clearer separation between executive and supervisory functions and, at the same time, reinforcing the autonomy and participation of individuals at the supervisory level. This new type of organization is also intended to focus management on maximizing accuracy and optimizing resources. In the context of this new governance model, managing the company is no longer the exclusive responsibility of a management body, as it is shared between the Executive Board of Directors and the General and Supervisory Board. The Executive Board of Directors is responsible for managing the business and representing the company in dealings with third parties. The General and Supervisory Board with the powers of prior appraisal of the company's strategic plan, corporate

*... Europe, excluding
Portugal, already
represents 62% of
the Grupo's total
turnover....*

transformation projects, acquisitions and sales of significant economic or strategic value, as well as the inspection and ongoing monitoring of the activities of the Executive Board of Directors.

Grupo Visabeira will maintain its active corporate attitude, overflowing creativity, excellent quality and demanding accuracy, aiming at responsible competitiveness and a commitment towards sustainability, which we assume towards everyone, with a fundamental principle of collective survival.

A final word to all those who have contributed to overcoming the demanding challenges and are therefore partners in our success, suppliers, employees, shareholders, entities, institutions and customers. Thank you for sharing with us in the building of our own future

2021 will be a challenging year, with new and demanding obstacles and challenges to overcome. However, we have new solutions and are more prepared for the year, stronger, more focused on accuracy and excellence, in order to meet people's needs and expectations.

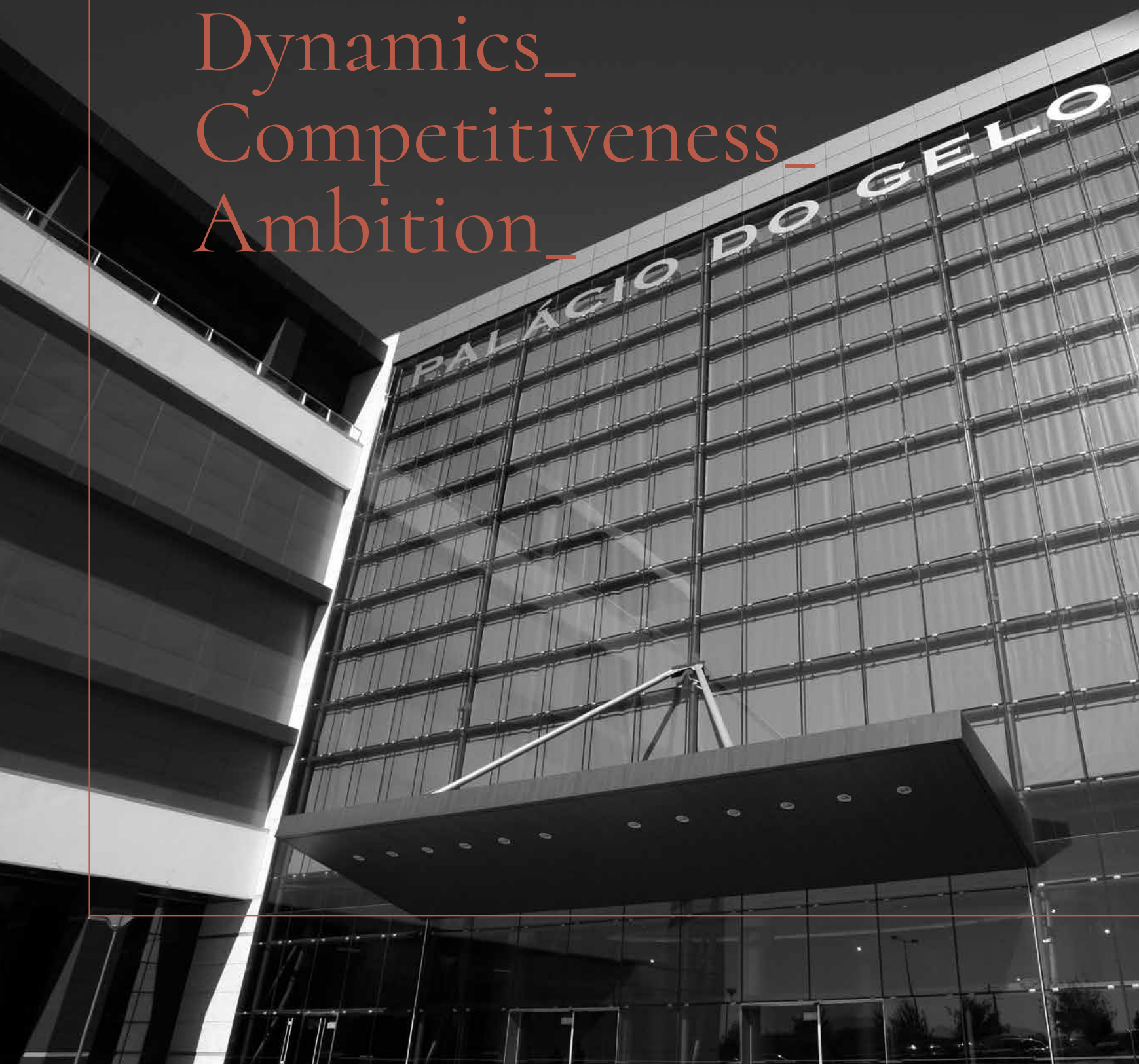


Fernando Campos Nunes
The Chairman of the General
and Supervisory Board



Creativity_
Innovation_
Dynamics_
Competitiveness_
Ambition_

PALÁCIO DO GELO



*FOR 40 YEARS WE HAVE BEEN
CREATING THE CURRENT REALITY
WE ARE SO PROUD OF, ALL OVER
THE WORLD.*

► **Vision**

To be an economic group of large multinational expansion, seeking leadership in every sector and market we operate and differentiating ourselves with innovative concepts and integrated solutions that create value both for customers and shareholders.

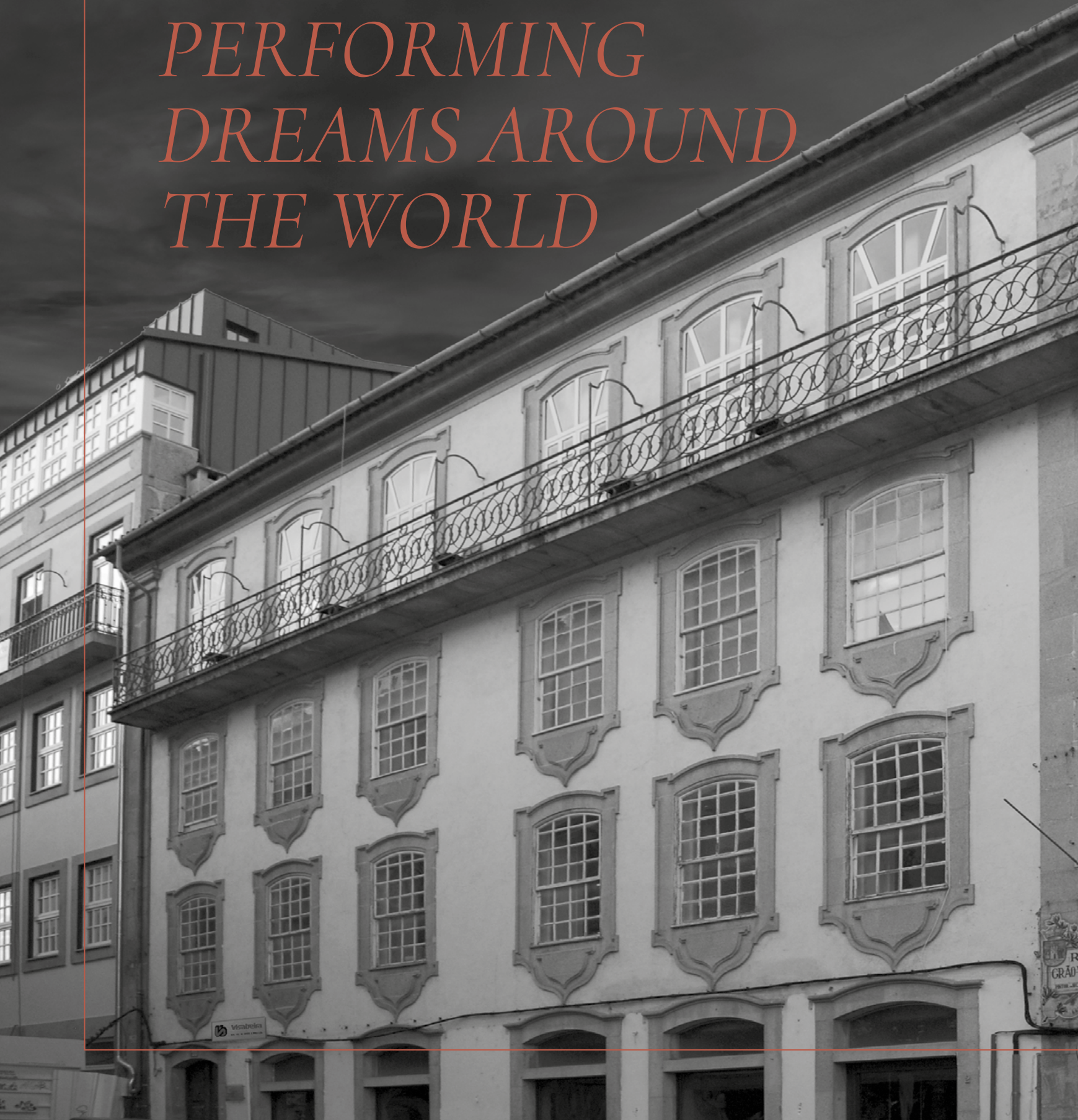
► **Mission**

To offer our partners and customers increasingly complete solutions, according to their needs and fulfilling their expectations, through an increasing productive and operational capacity. Thanks to the multi-sector characteristic that defines us, we produce a great diversity of goods, provide services in a wide number of areas and we create multiple business opportunities. To improve the everyday lives of thousands of people, all over the world.

► **Values**

The values we assume as defining elements of the Visabeira brand are common to all the professionals and the different areas of the organisation, proving to be decisive for the Grupo's evolution and its continued success.

40 YEARS PERFORMING DREAMS AROUND THE WORLD





**VISABEIRA WAS CREATED
ON THE 12TH OF MAY 1980,**

based in the historic centre of Viseu, at Rua Grão Vasco n.º 10. The company was initially designed to operate in the telecommunications and electricity sectors. The ability to perform and the dynamics which the company has stood for since the beginning, have been the driving force for its growth and for the creation of complementing companies which have expanded its ability to offer ever more complete and global solutions, positioning the company in the most diverse sectors of the economic activity.

► The 1980s

THE FIRST DECADE was marked by Visabeira's leading role within the telecommunications and electricity sector, which was marked by technological evolution. We still remember those times when the company's technicians would connect telephones using overhead wire circuits, whereas at the end of the decade, experimental optical fibre networks were already beginning.

Visabeira has continually expanded its facilities to ensure coverage of the entire national territory, a model which it would replicate in all the countries it would come to operate in. The company has to this day kept a leading position in the electricity sector.

With a dynamic and innovative profile, the company started creating companies that would leverage its skills and abilities in sectors such as infrastructures, metalworking, material and equipment, as well as vehicle mechanics, among others. In 1988, when many companies that would become the backbone of Grupo Visabeira were set up, the company Mob was established as well, which would later become the main national kitchen producer. Also during this period the first contracts for partnership with the Mozambique government were signed, resulting in the creation of the first foreign company of the Grupo Visabeira.

Within this context, it became a leading company on the market, acting centrally and coordinating various complementing activities, such that by the end of this decade a comprehensive holding company was created: Grupo Visabeira (on the 25th of September 1989).



Since its beginning in 1980, the telecommunications and electricity sectors have evolved in continuous growth towards creating companies in other activity areas. In 1988, when many companies that would become the backbone of Grupo Visabeira were set up, the company Mob was established as well, which would later become the main national kitchen producer.



► The 1990s

During **THE SECOND DECADE** there was a strong focus on internationalization strategy which will turn Grupo Visabeira into a worldwide player as well as strengthen its policy for diversifying activities within various sectors, which had begun during the prior decade. In January Viatel was created, a company which would take the lead in the technological sector, leading Grupo Visabeira to an absolute leadership position within the telecommunications sector, during times of strong growth and constant innovation. The expansion of activities and markets in this sector continued with specialized companies such as: PDT (in 2008), Real Life (in 2008) or Aeroprotechnik (in 2014). On the 12th of September 1990 the first company abroad was created, Televisa in Mozambique. This was the first step towards a leading position in southern Africa within the telecommunication sector, which was followed by Comatel in Angola, in 1997. Grupo Visabeira, always leading technological evolution, has always aimed at spreading cable television supply. After being the main shareholder of the first operators in Portugal, including in the Azores and Madeira (1992), the company started operating independently in Mozambique (1996) and Angola (2002), becoming a leading company in southern Africa with the brand TV CABO, signing shareholding partnerships with these countries' governments. In January 1990 Edivisa was established, which continued the Grupo's works within the civil construction sector, and which would be made up of several project and construction domains. From that moment on, the company developed the new comprehensive dynamics of skills it achieved a leading position with, through emblematic and striking projects. The company had already started working in the industry sector during the previous decade with Mob in producing kitchen furniture. However, afterwards there was a cycle of expansion to new sectors namely with the production (on the 27th of October 1992) of the first piece at Cerutil - a ceramic company established in 1990 -, which became the first milestone in the area of ceramics, which would become very important worldwide. Other brands became very important during this decade, such as Day After club, which gained national renown. On the 24th of October 1994, the Hotel Montebelo Viseu opened its doors. This was the first hotel of a chain of hotels which would achieve a leading position in Portugal and Mozambique, with various tourism offers combining the art of hospitality with leisure, entertainment and sports. Over the course of 1996 the first Palácio do Gelo shopping centre's sports, leisure and beauty facilities opened - once again introducing a unique concept to make a mark in the sector it does business in. This unique complex was reinvented and expanded in 2008, becoming one of the largest shopping centres in the Iberian Peninsula, with a unique offering and concept, which simultaneously became the head office of Grupo Visabeira in 2010.



In January Viatel was created, a company which would take the lead in the technological sector, leading the Grupo to an absolute leadership position within the telecommunications sector, during times of strong growth and constant innovation. The expansion of activities and markets in this sector continued with specialized companies has led to the creation of Constructel (in 2002), which would become one of the largest and most important telecommunications network service providers operating throughout Europe and guaranteeing the trust of the main world operators.

► The 2000s

During **THE THIRD DECADE**, the company focused on taking Grupo Visabeira worldwide, strengthening its position and conquering the European market. From the creation of the Constructel brand (in 2002), the company definitively conquered a transnational position, associated with the main European telecommunications and energy operators. Currently, the company is one of the main services providers in France, Germany, Belgium, Spain, Denmark, Italy, United Kingdom, the United States of America, Angola and Mozambique, among others. Constructel operates as well in other countries, such as its activity in the Caribbean. During 2001 the subholdings strengthened their position, standing as multidimensional brands focusing on each business activity, maximising internal synergies, having a current model that encompasses Visabeira Global, Visabeira Indústria and Visabeira Turismo, Imobiliária e Serviços. In 2009 Grupo Visabeira purchased Vista Alegre and Bordallo Pinheiro and undertook the mission of recovering these century-old brands. As a result of its focus on management, innovation, creativity and design, these companies' position worldwide was strengthened and took them across 5 continents. The company invested in the expansion of the facilities of Vista Alegre - in the porcelain, crystal and glass areas -, and Bordallo Pinheiro. Moreover, it creates new and modern factories with state-of-the-art technology, such as Ria Stone, showing the national brand Vista Alegre worldwide. Still in 2009 the Grupo's offering continued to grow as far as Tourism is concerned: with *Montebelo Aguieira Lake Resort & Spa* and *Casa da Ínsua*, a historic hotel with agriculture, livestock and wine production.



From the creation of the Constructel brand (in 2002) the company definitively gained a foothold in other countries associated with the main European operators. Still in 2009 the Grupo's offering continued to grow in the Tourism area with the opening of *Montebelo Aguieira Lake Resort & Spa* and *Casa da Ínsua*, a historic hotel with agriculture, livestock and wine production. In 2009 Grupo Visabeira purchased Vista Alegre and Bordallo Pinheiro and undertook the mission of recovering these century-old brands. As a result, it strengthened these companies' positions and took them across 5 continents.

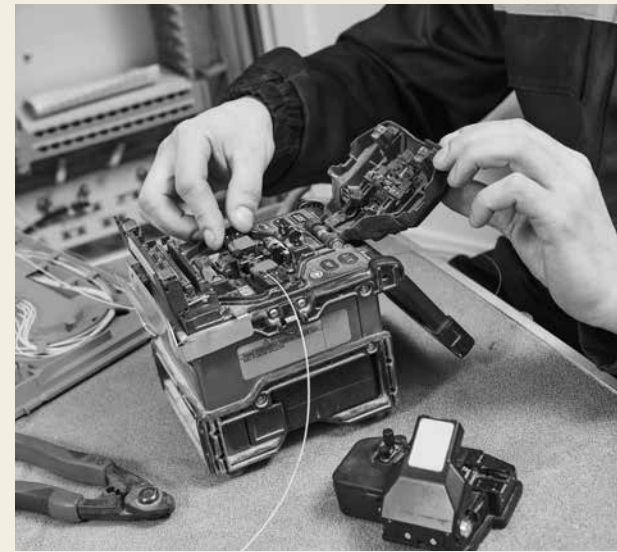


► The 2010s

THE FOURTH DECADE confirms growth, with accuracy and skills, reaffirming the brand, hundreds of companies and thousands of products and services, which have earned the trust of a variety of markets it operates in, across the four corners of the world. The following stage at an international level was the establishment in 2015 of the company Birla Visabeira, in India, which quickly played an important role as far as the construction of optical fibre networks is concerned. Grupo Visabeira main area, telecommunications and electricity, is even strengthened by the strong growth of Constructel throughout Europe, where it conquers a leadership position and becomes one of the main providers of engineering services for telecommunications and energy networks. At the same time, it has become a leading partner among the main technology operators and producers. To this growth is added a strong expansion resulting from the purchase of companies in the main European countries: Ieme (in 2017), in Italy, MJ Quinn (in 2018), in the United Kingdom, Toft Hansen (in 2019), in Denmark, the Modal group (in 2017) and OMV Natie (in 2020) in Belgium, Tensa (in 2020) in Spain, Franz-Josef Braun GmGH (in 2020) in Germany and John F. Edwards, in the United States of America, among others. Moreover, reinventing concepts it is renovating the *Sítio da Vista Alegre* and creating a new comprehensive approach combining tourism, culture and leisure. Thus, Vista Alegre was reinvented and the century-old brand was reborn in 2016, with a new concept, combining a hotel and Vista Alegre's historic areas: the 17th century Chapel, the 19th century Museum, Theatre and *Bairro* (Old employee's housing facilities). During this decade Grupo Visabeira was recognised for the success it achieved: countless awards, distinctions and mentions awarded to its products and services by various international institutions. Grupo Visabeira also has grown as far as human resources is concerned with over 12,500 people, who on a daily basis are Visabeira ambassadors in each of the different aspects of the company's mission. This was a decade when the Grupo grew internationally, from 31% in 2010 to 75% in 2020. The development in turnover is a great indicator consistent with growth and strengthening of the Grupo. In the beginning of the 90's, turnover reached 20 million euros. In 2000 it amounted to 100 million euros, in 2013 overcome the 500 million euros and in 2020 it amounted to over 1000 million euros.



Thus, Vista Alegre was reinvented and the century-old brand was reborn in 2016, with a new concept, combining a hotel and Vista Alegre's historic areas: the 17th century Chapel, the 18th century Museum, Theatre and *Bairro* [Employees' housing facilities]. But the mark of this decade is the leading position achieved throughout Europe in the sector of engineering of telecommunications and electricity networks, with special emphasis on countries such as France, Germany, United Kingdom, Belgium, Denmark, Sweden, Italy, Spain, among others.



The 2020s

40 YEARS BUILDING THE FUTURE DAILY. Visabeira is nowadays a worldwide player, operating mainly in Europe. It owns companies in 16 countries across several continents, and its products and services are present in over thirty countries, the outcome of hard work and success. With ambition, creativity, competition, innovation, dynamics and a lot of hard work, we have gone through four decades, during which, as a team, we played an important role in building this reality we are so proud of and will continue to build in the future. Grupo Visabeira is people. Our employees are the company's ambassadors across the world and over the course of 40 years have been building Grupo Visabeira, and will continue to do so in the future.

"The best way of foreseeing the future is building it."

Peter Drucker





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Grupo Visabeira
Vista AlegreThe Visabeira City
Ana Sofia Gonçalves

Visabeira from A to V

A AGUIEIRA, MONTEBELO
AGUIEIRA LAKE RESORT & SPA represents the scope of the Grupo's wide tourism offer. Here, a leading resort with an exuberant water surface is associated with worldwide canoeing.

B BORDALO PINHEIRO, a century-old brand founded in 1884 by Raphael Bordallo Pinheiro, whose legacy the Grupo has renovated and reinvented, giving it worldwide renown, is here represented by some iconic pieces: the frog, the sardines, the swallows...

C CONSTRUCTION sector, a key area in the aggregation of skills in this activity area, with impressive expertise both in Portugal and abroad, is represented by Edivisa, a leading company in this sector.

D DAY AFTER an old brand which remains in the public's memory with a very diversified offer of entertainment, which in the meantime has grown with a large complex of congresses and events: the *Expocenter / Forno da Mimi*.

E ELECTRICITY sector - an important area that also dates back to the beginning of the activity - is led by companies such as Visabeira, and the Grupo operates within this sector in many countries.

F GOLFE MONTEBELO in Farminhão, Viseu, shows the variety of tourism offerings that the Grupo has been adding since the 1990s. This is still today the only 27-hole golf course in the north/centre of the country, in a dreamlike landscape between the Estrela and Caramulo mountains.

G MONTEBELO GIRASSOL
MAPUTO represents the internationalization of the Grupo's hotel chain, with hotels in Mozambique, which also include the Montebelo Indy Congress Hotel, as well as hotels in Nampula, Lichinga, Songo/Cahora Bassa, Gorongosa and Milibangalala.

H HOTEL MONTEBELO in Viseu was the first hotel, which created diversified tourist offers and destinations that have conquered a place on the market and represent a leading hotel chain.

I CASA DA ÍNSUA, a historic hotel, in an 18th century manor house, full of history, which highlights the richness of the hotel offering and which also includes Gardens, Estate and Museum.

J GARDENS, GREEN SPACES AND LANDSCAPE, a speciality that harmoniously combines design, construction and maintenance of green spaces and landscape architecture,

which is as well part of the Grupo's skills within the construction area.

L LISBOA, ZAMBEZE
RESTAURANTE, the Lisbon restaurant in the São Jorge castle area, with a terrace and a privileged panoramic view over Down town and the Tagus river, represents the Grupo's diversified offer in the art of gastronomy. Varied choices in different environments: Troppo Squisito, at Terreiro do Paço and at Palácio do Gelo or Cervejaria Antártida, Rodízio no Gelo, Rodízio Real and Forno da Mimi, are other references in the art of excellent cuisine.

M MUSEUMS, Bordallo Pinheiro's swallows represent the will and ability to preserve a unique historic legacy, through museums with a strategic vision associated with the areas which incorporate them, examples of which are: the Vista Alegre Museum, the Bordallo Pinheiro Museum and the Casa da Ínsua Museum.

N Nossa Senhora da Penha de França or **VISTA ALEGRE CHAPEL** is a national monument, and is part of the Vista Alegre complex which includes: Museum, Theatre, Bairro Operário [Old employee's

housing facilities], Factory, Stores and Montebelo Vista Alegre Ilhavo Hotel (the only hotel in the world associated with the theme of porcelain and art).

O CABLE TV OPERATOR - a brand that highlights the Grupo's leading role in this activity, with special emphasis on successful projects, pioneering in southern Africa, where TV CABO is an excellent operator. (Angola and Mozambique).

P PALÁCIO DO GELO represents by itself the innovative boldness of the Grupo's projects and its real estate area comprises its head offices and a unique commercial offer as well, including an ice rink and an ice bar, unique in the country.

Q QUINTA DA ÍNSUA, associated with hotel offerings, also produces Dão Casa da Ínsua wine, Serra da Estrela cheese and Bravo de Esmolfe apple, coinciding with the three demarcated regions associated with these products of excellence.

R RENEWABLES - Renewable energies are a sector that the Grupo pays special attention to, operating both in terms of offering construction and maintenance solutions, and in terms of cogeneration production.

S Sítio da VISTA ALEGRE, cradle of the century-old brand, is a complex from which the Grupo was able to leverage the brand to a leading position among the main world players as far as ceramics and crystal are concerned.

T TELECOMMUNICATIONS - these sector's activities started in 1980 and during that decade it started operating abroad, becoming the leader in fixed and mobile networks in many countries. It operates throughout Europe with Constructel, in Africa and America.

U UNIVERSE OF COMPANIES based on **INTERNATIONALIZATION**. It represents the Grupo's capacity for globalization, which has gained a multinational renowned presence all across the world, with companies in sixteen countries and products and services in more than one hundred and twenty countries.

V VISABEIRA is a brand that combines all these activities and represents the Grupo's ability and dynamics to integrate competences and capacities to create innovative solutions, whose aim is to exceed the expectations of its customers.

1824




VISTA ALEGRE
1824

1884



1980



 **VISABEIRA**

1988




MONTEBELO
HOTELS & RESORTS



mob
cozinhas

1996



tvcabo




PALÁCIO DO GELO
SHOPPING

2002




CONSTRUCTEL

2009




Pinewells

2020




CONSTRUCTEL
VISABEIRA

Our brands

Many of Grupo Visabeira's brands have acquired national and international recognition whether associated with or independent from its reputation, but all of them benefit from the efficiency in communication that the Grupo has maintained over the years. This is the case of the insignia dating back to the nineteenth century, which gained new brilliance after bringing together its portfolio of companies, growing exponentially through global exposure.

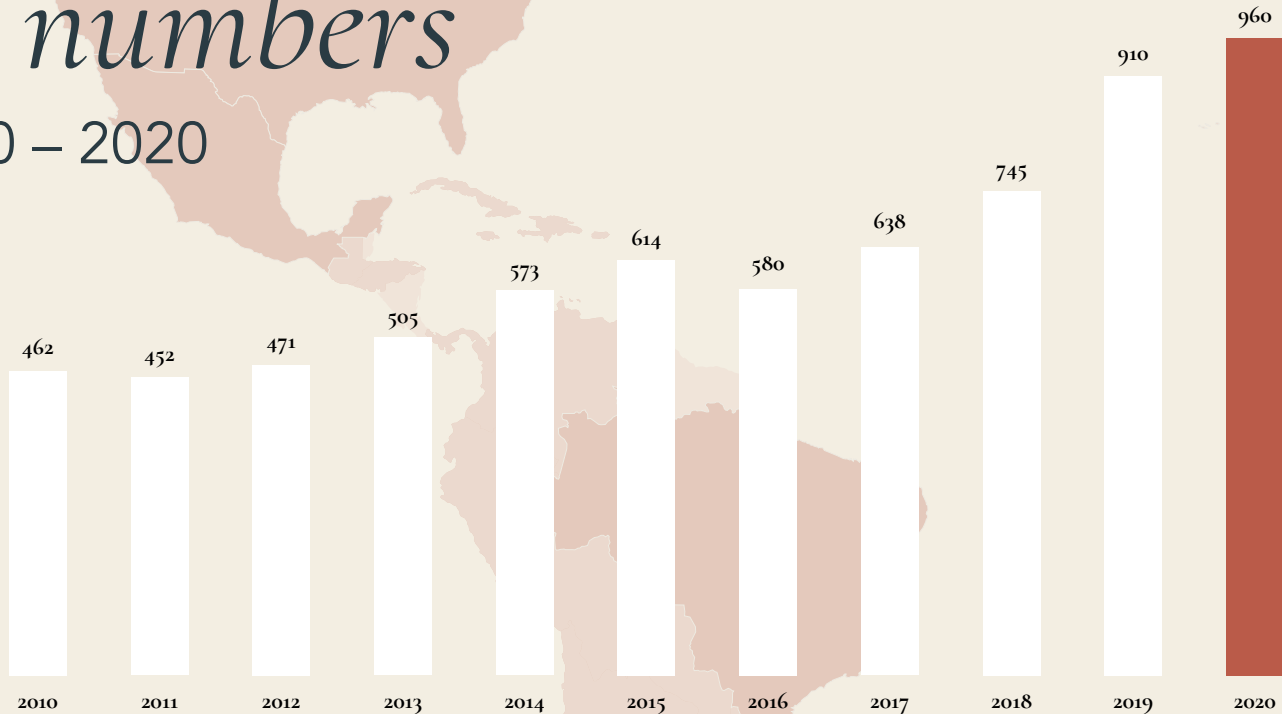
A decade in numbers

2010 – 2020

TURNOVER

960 M€

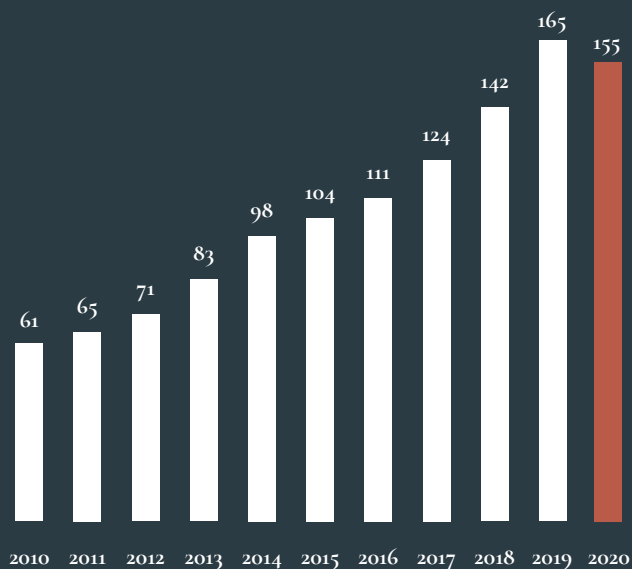
2010 - 2020 +108%



EBITDA

155 M€

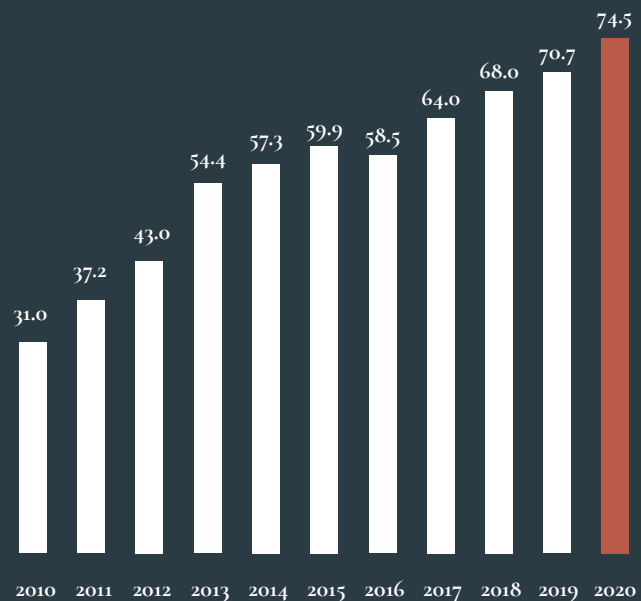
2010 - 2020 +154%



FOREIGN MARKETS

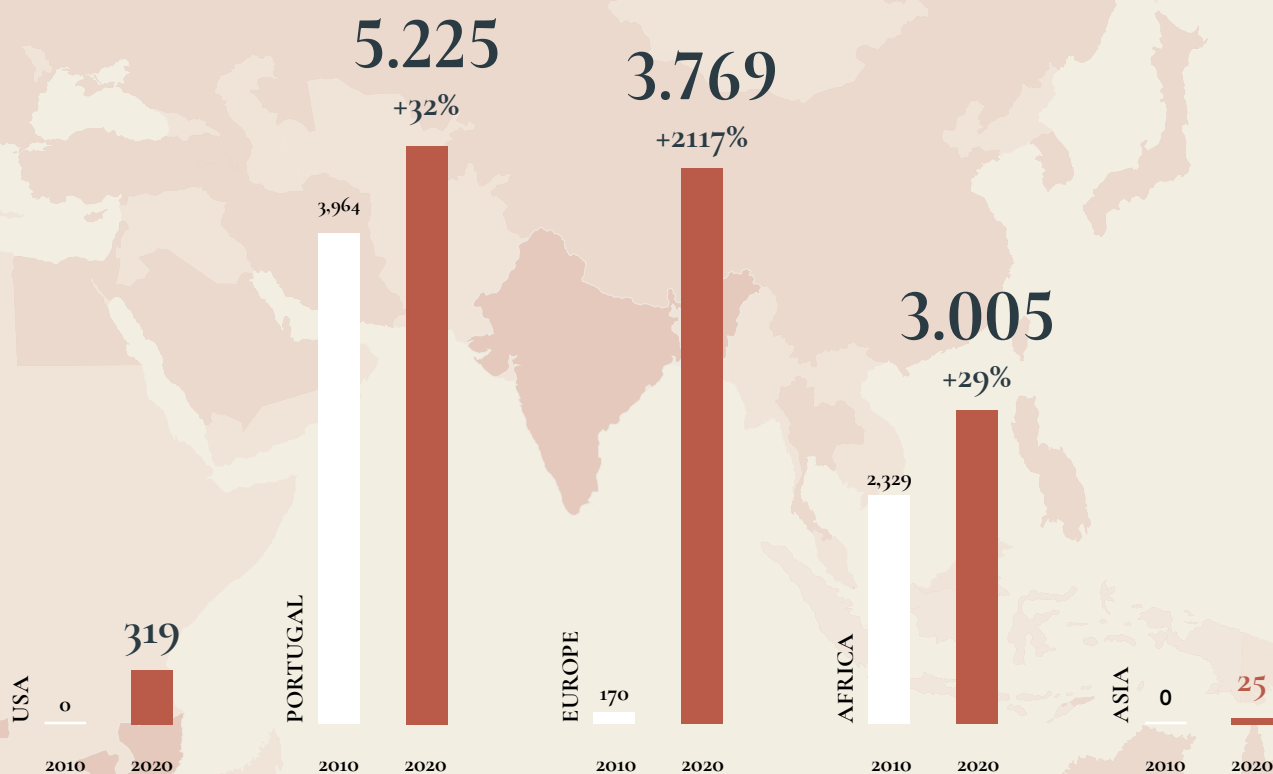
74,5%

2010 - 2020 +140%



EMPLOYEES

GEOGRAPHICAL DISTRIBUTION

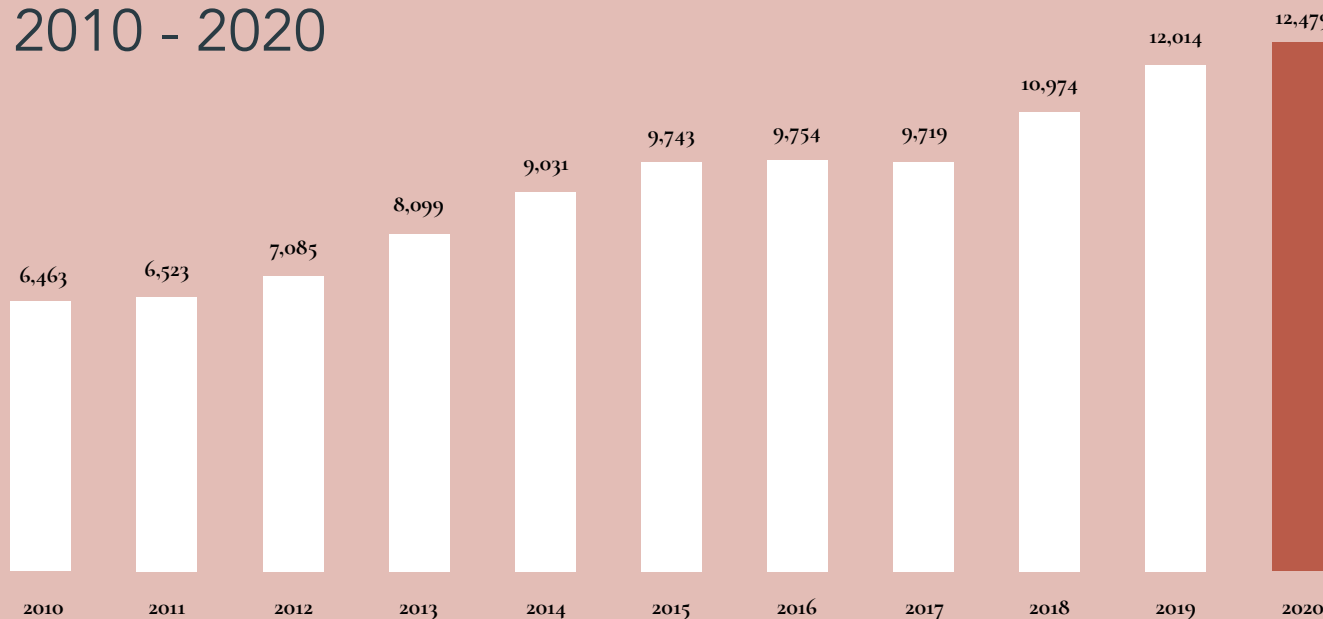
AVERAGE NUMBER
OF EMPLOYEES

2010 - 2020

TOTAL WORLDWIDE

12.479

2010 - 2020 +93%



Where *we are*

16

International
operations with
companies

120

Countries
with products
and services
and services

Grupo Visabeira is present in 16 countries, including France, Germany, Belgium, Spain, Denmark, Italy, the United Kingdom, the United States of America, Angola and Mozambique, marketing services and products for 120 nations.

Companies

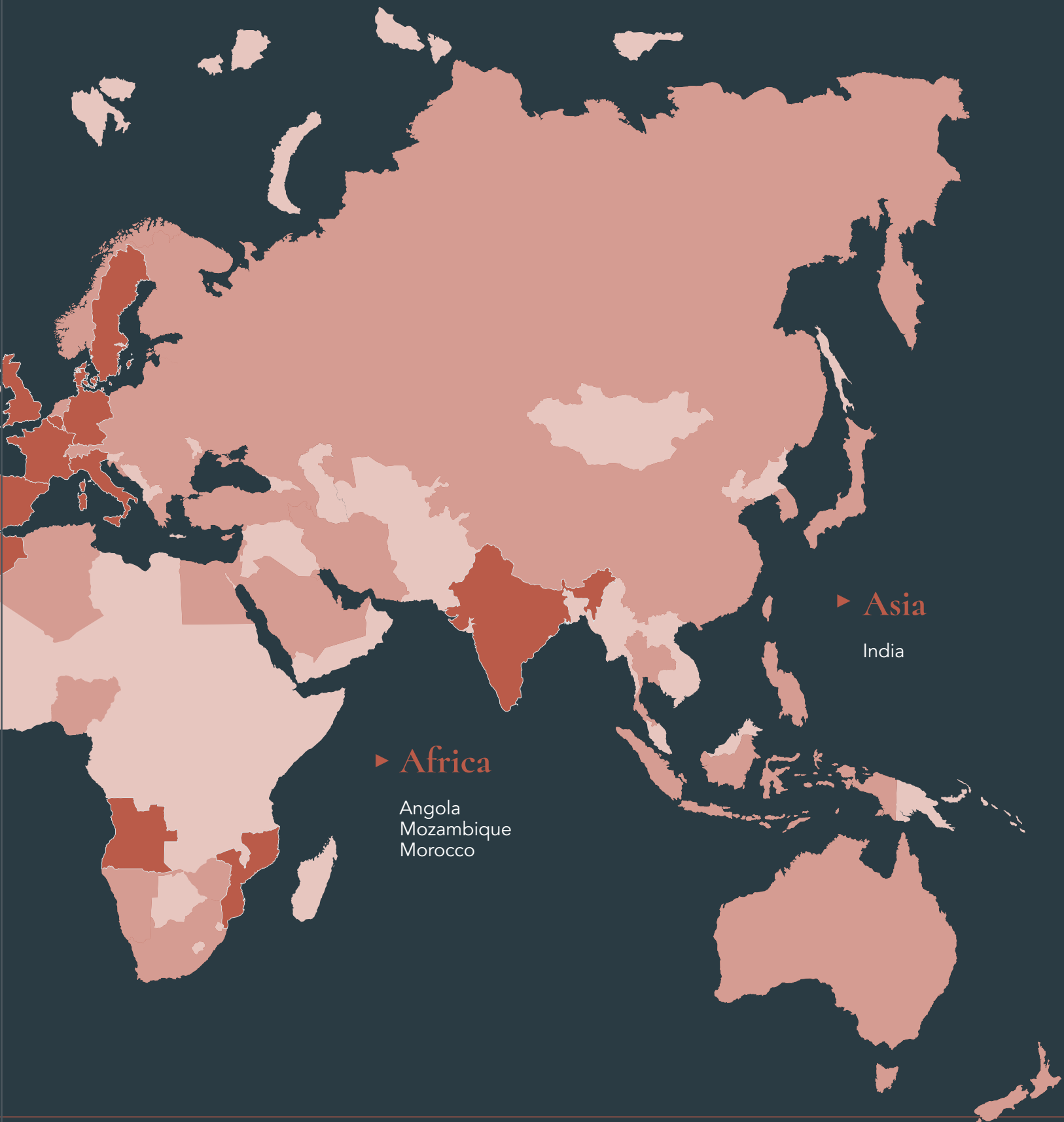


► Europe

Portugal
Spain
France

Germany
Belgium
Denmark

United Kingdom
Sweden
Italy



► Asia

India

► Africa

Angola
Mozambique
Morocco

Products Services

► Europe

Andorra
Armenia
Austria
Azerbaijan
Belarus
Bulgaria
Cyprus
Croatia
Czech Republic
Estonia
Finland
Georgia
Greece
Hungary
Iceland
Latvia
Lithuania
Luxembourg
Malta
Monaco
Netherlands
Northern Ireland
Norway
Poland
Romania
Russia
Serbia
Slovenia
Slovakia
Switzerland
Turkey
Ukraine

► America

Argentina
Aruba
Bolivia
Canada
Caribbean
Chile
Colombia
Costa Rica
Cuba
Dominican Republic
Ecuador
El Salvador
French Guiana
Guadalupe
Guatemala
Haiti
Honduras
Martinique
Panama
Paraguay
Peru
Surinam
Trinidad and Tobago
Uruguay
Venezuela

► Africa

Cape Verde
Congo
Egypt
Equatorial Guinea
Guinea-Bissau
Kenya
Libya
Malawi
Mali
Mauritius
Namibia
Nigeria
São Tomé e Príncipe
Seychelles
Senegal
Sierra Leone
South Africa
Sudan
Togo
Tunisia

► Asia

Bahrain
China
East Timor
United Arab Emirates
Philippines
Hong Kong
Indonesia
Iran
Iraq
Israel
Japan
Kazakhstan
Kuwait
Lebanon
Macao
Malaysia
Oman
Qatar
Singapore
South Korea
Sri Lanka
Taiwan
Saudi Arabia
Thailand
Vietnam

► Oceania

Australia
New Zealand

Main businesses

► Global

TELECOMMUNICATIONS
ENERGY
TECHNOLOGY
CONSTRUCTION

Grupo Visabeira has its main activities organised in three holdings, segmented by business areas and fully focused and specialized by business: Visabeira Global, Visabeira Indústria and Visabeira Turismo Imobiliária e Serviços. This organisational model adds to it multi-sector experience and leverages specific skills in the various domains so as to create synergies that create value for their customers. This is the structure that strengthened the growth and continuous improvement that is recognized both by the market and by the main *players* in multiple activities.

► Tourism, Real Estate and Services

HOTELS
RESTAURANTS
REAL ESTATE
SERVICES

The year 2020 was strongly marked by the Covid-19 pandemic whose impacts were felt worldwide and which affected the various fronts where Grupo Visabeira's subsidiaries operate, limiting some of their activities.

The performance of its telecommunications and energy operations was able to adapt quickly to new market demands, guaranteeing the functionality and development of structures essential to people's lives. Despite this, under this difficult context, the Grupo reached a new historical high in turnover and maintained the path outlined reaching new markets and countries.

This is the DNA of the Grupo ensuring continuous optimization of available resources and the maximization of the competences and capacities of the entire team, permanently oriented towards results.

► Industry

PORCELAIN
CRYSTAL AND GLASS
KITCHEN FURNITURE
BIOFUELS
AND THERMAL ENERGY



Global

- ▶ TELECOMMUNICATIONS
- ▶ ENERGY
- ▶ TECHNOLOGY
- ▶ CONSTRUCTION

Performing *Telecommunications*

- Mobile and wireless telecommunications engineering;
- Technological infrastructures;
- Specialised technical solutions for telecommunications networks, transport, defence and security;
- Television, internet and voice operations using cable and optical fibre.

Performing *Energy*

- Construction, installation and maintenance of infrastructures and equipment related to electricity, gas and renewable energy sources, including solar, wind, cogeneration and biofuels;
- Project and technical assistance.

Performing *Technology*

- Solutions and services related to engineering, information and communication systems, mobility, innovation and georeferencing;
- Integration of solutions;
- Maintenance and technical service.

Performing *Construction*

- Construction and civil engineering;
- Design, construction, refurbishment and maintenance of buildings and infrastructures.





Telecommunications

CONSTRUCTEL

Portugal
France
Belgium
Germany

Denmark
England
Italy
United Kingdom



MJ QUINN (UK)

IEME (IT)

TOFT HANSEN (DK)

FRANZ JOSEF BRAUN (DE)

OMV NATIE (BE)

VIATEL (PT)

PDT (PT)



Telecommunications

- MODAL (BE)

GATEL (FR)

ESCOTEL (FR)
- TELEVISA (MZ)

COMATEL (AO)



TVCABO ANGOLA

TVCABO MOÇAMBIQUE



Energy

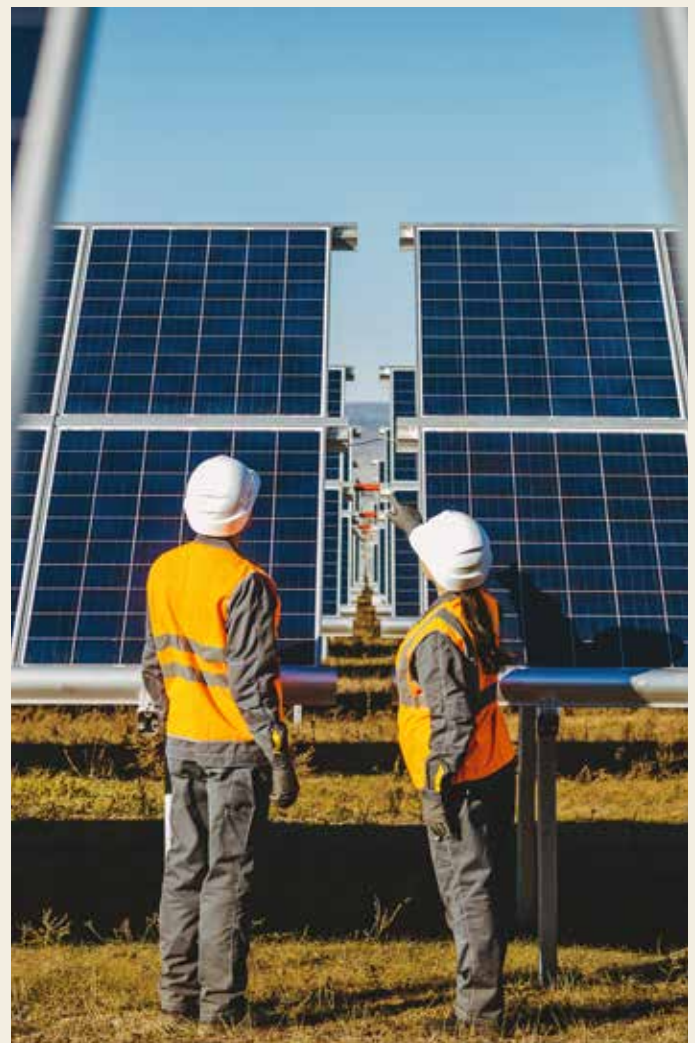
VISABEIRA INFRAESTRUTURAS (PT)
CONSTRUCTEL ENERGIE (FR)



IEME (IT)
MJ QUEEN (UK)
TOFT HANSEN (DE)

TENSA (ES)
JF EDWARDS (USA)

ELECTROTEC (MZ)
SELFENERGY (MZ)



Technology

AEROPROTECHNICK
REAL LIFE TECHNOLOGIES



Construction

EDIVISA
VISACASA
SOGITEL



Industry

- ▶ CERAMICS
- ▶ CRISTAL AND GLASSWARE
- ▶ KITCHEN FURNITURE
- ▶ BIOFUELS
AND THERMAL ENERGY

Performing *Industry*

- Manufacture and marketing of porcelain (porcelain, earthenware, stoneware), crystal and glass, for the segments of tableware, giftware, decorative and hotelware;
- Manufacture and marketing of multifunctional and custom kitchen furniture; design and development of heating boilers and energy recovery systems and associated services;
- Production of organic pellets / biomass; natural resources.





Ceramics

VISTA ALEGRE
BORDALLO PINHEIRO
RIA STONE
CERUTIL



Crystal and Glass

VISTA ALEGRE



Kitchen furniture

MOB
ÁLAMO



Biofuels and thermal energy

PINEWELLS
AMBITERMO



Tourism Real Estate Services

- ▶ HOTELS
- ▶ RESTAURANTS
- ▶ LEISURE
- ▶ REAL ESTATE
- ▶ SERVICES

Performing *Tourism*

- Operation of hotels (hotels, resorts and lodges);
- Restaurants;
- Entertainment areas, leisure, wellness and sports complexes;
- Hotel chain in Portugal and Mozambique, for leisure and business, including hotels in the congresses, meetings and tourism segments;
- Charm, nature, sport, culture and history segments.

Performing *Real Estate*

- Design, construction, commercialisation, mediation, maintenance and management of real estate projects;
- Diversified portfolio of superior quality for the upper and middle-upper segments;
- Residential, offices, commercial and tourist areas, parks and other complementing areas;
- Management and Services.

Performing *Services*

- Multiple offer of products and services or turnkey solutions;
- Study, development and projects;
- Specialised services in multi-sectors;
- Consultancy services.





Hotels

Portugal

MONTEBELO AGUIEIRA LAKE RESORT & SPA
MONTEBELO VISEU CONGRESS HOTEL
MONTEBELO VISTA ALEGRE ÍLHAVO HOTEL
MONTEBELO LISBON DOWNTOWN APARTMENTS



PARADOR CASA DA ÍNSUA

MONTEBELO PALÁCIO DOS MELOS VISEU HISTORIC HOTEL

MONTEBELO PRÍNCIPE PERFEITO VISEU GARDEN HOTEL



Hotels

Mozambique

MONTEBELO GIRASSOL MAPUTO HOTEL
MONTEBELO INDY MAPUTO CONGRESS HOTEL
MONTEBELO GORONGOSA LODGE & SAFARI
MONTEBELO MILIBANGALALA BAY RESORT



NAMPULA HOTEL BY MONTEBELO
LICHINGA HOTEL BY MONTEBELO
SONGO HOTEL BY MONTEBELO



Restaurants

RODÍZIO DO GELO
FORNO DA MIMI & RODÍZIO REAL
CERVEJARIA ANTÁRTIDA



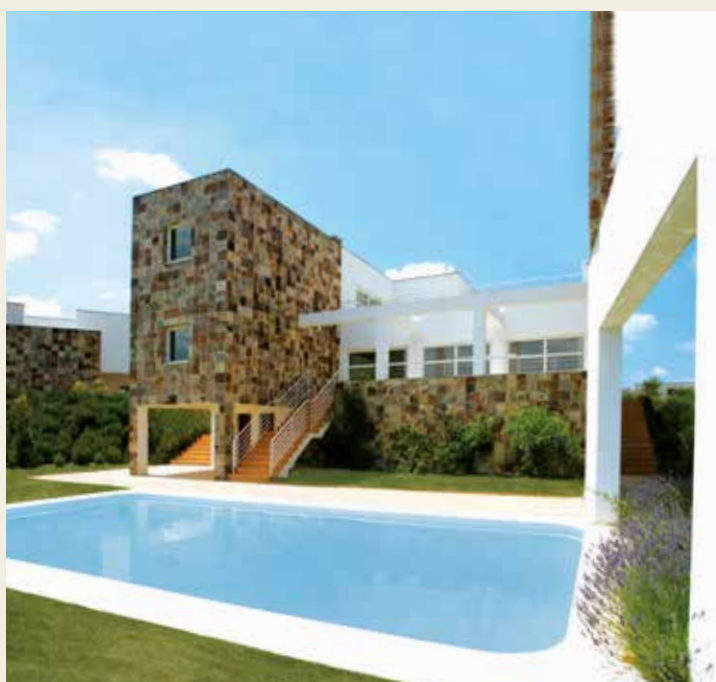
ZAMBEZE RESTAURANTE
SQUISITO RISTORANTE ITALIANO



Real Estate

MORADIAS AGUIEIRA
QUINTA DO BOSQUE
QUINTA DA ALAGOA
FORUM RESIDENCE
VILLATRIUM
MORADIAS VILABEIRA

PATEO VERA CRUZ
PARQUE DESPORTIVO DE AVEIRO
VISABEIRAHOUSE
IMOVISA
EDIFÍCIO NAMPULA



Services

FUNDAÇÃO VISABEIRA
BENETRÓNICA
VISAUTO
MERCURY
AUTOVISA



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2020 in retrospective





Paris

Chairman of the Executive Board of Directors

— Nuno Miguel Rodrigues Terras Marques

THE YEAR 2020 was when we celebrated the 40th anniversary of our activities, but we were not able to give it the attention it deserved, as it became the most difficult year in our lives and will be mainly remembered for the devastating effects of the Covid-19 pandemic and the disastrous impacts on people, society and economy.

This unexpected and uncertain context limited business, requiring a huge focus on short-term management in order to ensure the operation of our businesses and the necessary sanitary conditions, seeking to maintain the economic balance of activity. It was by taking on this new and demanding challenge in full, despite the extremely adverse scenario, that the resilience of our businesses, companies and activities was once again demonstrated. We proved that our balanced strategy of diversifying our businesses and geographic areas is the right one, and this allows us to foresee the future we aim at. I am pleased to note that even under this extremely difficult but also challenging context, the Grupo maintained its sustainable growth, 5.5% growth in turnover, reaching 960 million euros. This growth is due to the exceptional performance of Visabeira Global, with an increase of 114 million euros in its turnover, compared to 2019, which compensated for the reduction in activity felt in the area of Visabeira Indústria and

...the evolution of the consolidated net debt, which recorded a reduction of 77 million euros...

Visabeira Turismo, Imobiliária e Serviços due to the greater impact of Covid-19 in these activity sectors.

In 2020, we strengthened our position as one of the largest providers of engineering services for telecommunications and energy networks in Europe, strengthening our presence in the old continent, not only through organic growth of our operations, but also through the strategic purchase of Franz Joseph Braun in Germany, OMT Natie in Belgium and Tensa in Spain, which complement our activity in geographic terms, increasing our responsiveness in these countries.

Noteworthy is also our entry into the United States of America market, in the engineering services of energy networks sector, by purchasing the company JF Edwards, founded 74 years ago in the state of Illinois. The company specializes in construction and maintenance of electricity supply networks, substations and renewable energies, namely in wind and photovoltaic farms.

Therefore, we maintained our focus on investment and growth, under severe conditions and constraints. We were capable of maintaining vital services and systems, with particular emphasis on the telecommunications and energy sectors, which were essential to ensure companies and people's life.

Also noteworthy for this year is the evolution of the consolidated net debt, which decreased by 77 million euros - from 744 million euros in 2019 to 667 million euros in 2020 - strongly driven by the 85 million euros growth in cash, reaching 155 million euros in 2020 as a result of the cash generation from operations and the policy of setting up liquidity reserves.

We know we continue to live in times of uncertainty, but we are aware that as we knew in the past how to create a brand which has become global, and as we have always been able to overcome the unpredictable difficulties of this year, I am sure we will know how to fully respond to the challenges the next decade has in store for us.

An important asset that supports our confidence in maintaining a solid and sustainable path of growth are the contracts we currently have in our portfolio, guaranteed for the coming years in various business

...the contracts we currently have in our portfolio, guaranteed for the next few years, amount to more than 2.5 billion euros...

sectors, which amount to more than 2.5 billion euros. Within the sector of engineering of telecommunications and energy networks infrastructures services, our business portfolio amounts to 2 billion euros, engaged with the main world telecommunications, electricity and gas operators, and the remaining 500 million euros corresponding to other business activities of the Grupo.

A final note to people, the reason why we exist. We continue to reaffirm that Grupo Visabeira is made by people and for people. 2020 was a year in which this motto proved to be undeniable and it was what drove our success. The capacity for sacrifice and



*...exceptional performance
of Visabeira Global, with
an increase of 114 million
euros in its turnover
compared to 2019...*

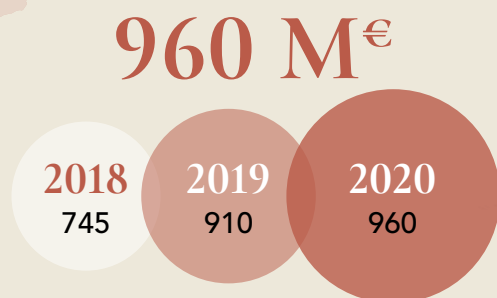
dedication, always associated with ongoing motivation to overcome all challenges and difficulties, were especially decisive during this difficult and complex year, for us to end the year with the feeling of mission accomplished.

We would like to thank each of our employees, customers, suppliers, financial partners, other entities and shareholders who, working as one, have contributed to overcoming another obstacle in our long path.

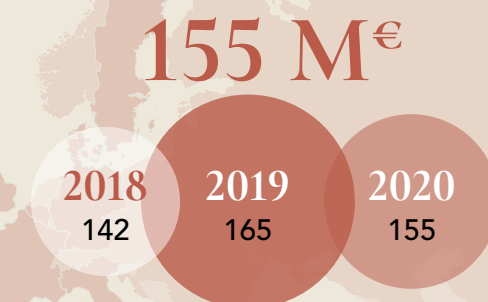
Nuno Miguel Rodrigues Terras Marques
Chairman of the Executive
Board of Directors

GRUPO VISABEIRA

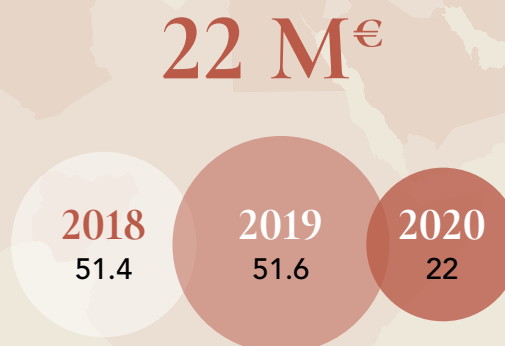
TURNOVER



EBITDA



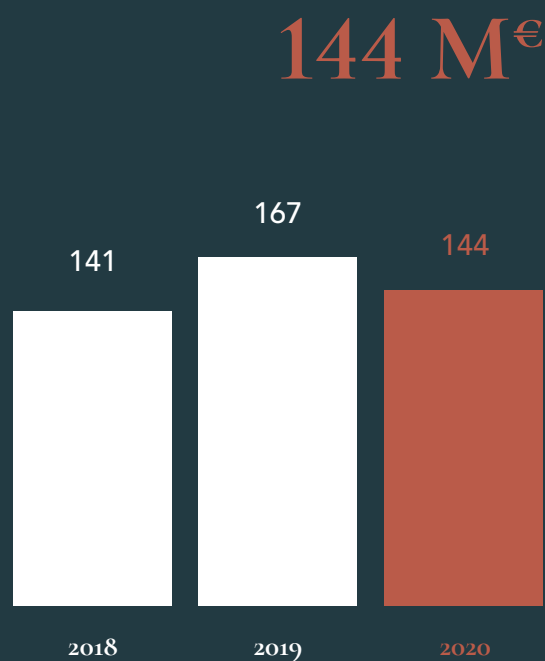
NET INCOME



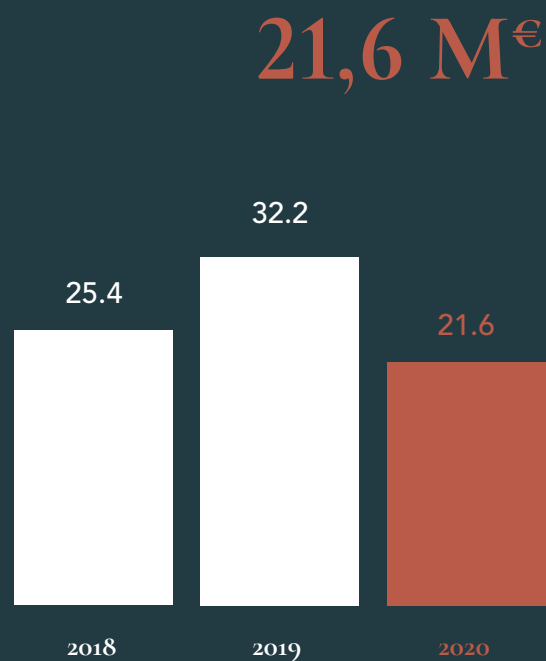
2020
in numbers

VISABEIRA INDÚSTRIA

TURNOVER



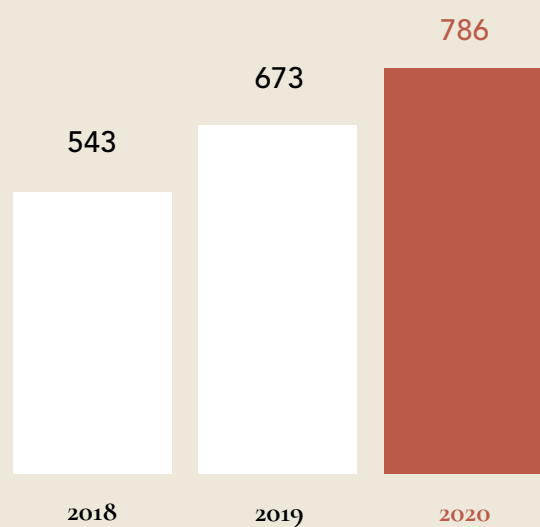
EBITDA



VISABEIRA GLOBAL

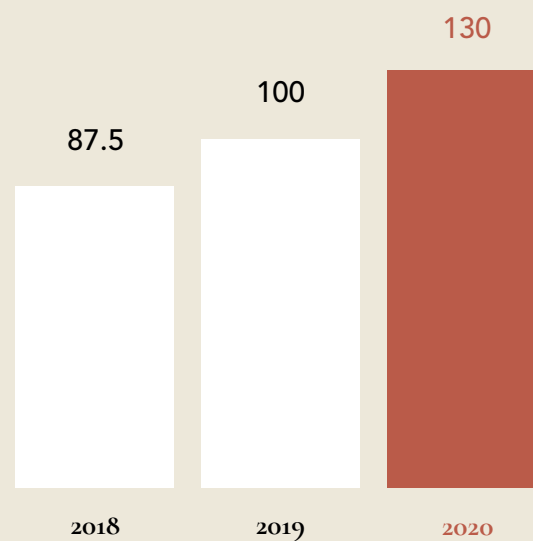
TURNOVER

786 M€



EBITDA

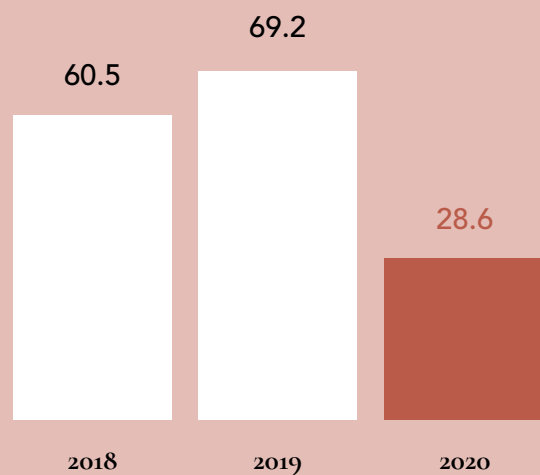
130 M€



VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS*

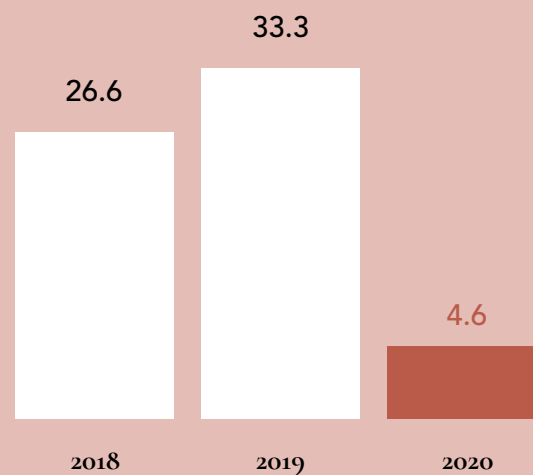
TURNOVER

28,6 M€



EBITDA

4,6 M€



* Does not include the company Grupo Visabeira SA

Grupo Visabeira

98.57%

NCFGEST, SA*

1.43%

Other shareholders

VISABEIRA GLOBAL

100%

EUROPE

Portugal

Constructel Visabeira	100.00% b)
Viatel	100.00%
PDT	100.00%
Visabeira	100.00%
Edivisa	100.00%
Real Life Technologies	65.00%
Naturenergia	100.00%
Visacasa	100.00%
Iutel	99.95%
Field Force Atlântico	100.00%
Aeroprotechnik	51.00%
VisaPower	100.00%
Beiragás	23.55% a)
Jayme da Costa	15.00% a)

France

Constructel	100.00%
Constructel Energie	99.07%
Escotel	100.00%
Gatel	100.00%
SCI Constructel	100.00%

UK

MJ Quinn	100.00%
Quinn Constructel	100.00%

Belgium

Constructel Modal	100.00%
Constructel Bélgica	100.00%
OMV Natie	70.00% d)
Modal Installation	100.00%
Cabling Station	100.00%
Infrasign	100.00%

Italy

Ieme	100.00%
Constructel Itália	100.00%

Germany

Constructel GmbH	100.00%
Franz Josef Braun	100.00%
Constructel Bau	100.00%

Denmark

Constructel Dinamarca	100.00%
Toft Hansen	100.00%

Sweden

Constructel Sweden	100.00%
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Spain

Tensa	90.00% d)
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AFRICA

Angola

TV Cabo Angola	50.00%
Comatel	100.00%
Edivisa	100.00%
Vista Power	50.00% a)

Mozambique

TV Cabo Moçambique	50.00%
Televisa	50.00%
Sogitel	90.00%
Hidroáfrica	96.79%
Selfenergy	79.60%
Real Life Academy	65.70%
Real Life Moçambique	65.70%
Electrotec	49.00% a)

AMERICA

United States of America

JF Edwards	90.00% d)
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ASIA

India

Birla Visabeira	49.00% a)
-----------------	-----------

* included 0.32% directly owned by Fernando Campos Nunes.

VISABEIRA
INDÚSTRIA

100%

EUROPE

Portugal

Vista Alegre Atlantis SA	85.60%
Ria Stone	85.60%
Ria Stone II	85.60%
Pinewells	100.00%
Ambitermo	51.00%
Cerutil	85.60%
Mob	97.78%
Bordallo Pinheiro	73.74%
Bordalgest	85.60%
Vista Alegre I.L.	85.60%
Vista Alegre Atlantis SGPS	85.60%
Faianças da Capôa	85.60%
Cerexport	85.60%
Granbeira II	100.00%
Rodinerte	50.00%
Besconsigo	50.00%
Armisepi	60.00%

France

Vista Alegre France	85.60%
Mob Cuisines	97.78%

Spain

Vista Alegre Atlantis Spain	85.60%
-----------------------------	--------

UK

Vista Alegre UK	85.60%
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AFRICA

Angola

Alamo	99.96%
Visaconstroi	99.96%

Mozambique

Celmoque	91.23%
Vista Alegre Atlantis Mozambique	85.75%
Agrovisa	100.00%
Marmonte	80.00%

Morocco

Ambitermo Morocco	51.00%
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AMERICA

Brazil

Vista Alegre Atlantis Brazil	76.97%
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United States of America

Vista Alegre Atlantis USA	85.60%
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Mexico

México VA	85.60%
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ASIA

India

Shree Sharda Vista Alegre	42.80%
---------------------------	--------

VISABEIRA TURISMO,
IMOBILIÁRIA E SERVIÇOS

100%

EUROPE

Portugal

Empreendimentos Turísticos Montebelo	99.83%
Visabeira Imobiliária, SA	100.00%
Ifervisa	100.00%
VAA - Empreendimentos Turísticos	99.55%
Zambeze	50.00%
Tropo Squisito	84.85%
Mundicor	100.00%
Visabeira House	100.00%
Visabeira Saúde	100.00%
Visabeira Imobiliária, SGPS	100.00%
Visabeira Serviços SGPS	100.00%
Creative Shots	100.00%
Gesvisa	99.85%
Parque Desportivo de Aveiro	54.57%
Doutibelo	20.00% a) c)
Sem Amarras	20.00% a)

Spain

Visabeira Espanha	61.00%
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AFRICA

Angola

Visauto	99.96%
Angovisa	70.00%
Mercury	100.00%
Catari Angola	50.00%
Visabeira Angola	99.24%
Ambitermo Angola	99.14%

Mozambique

Turvisa	100.00%
Martifer Visabeira	50.00%
Mercury	100.00%
Imovisa	49.00%
Combustíveis do Songo	100.00%
Vibeiras Moçambique	64.43%
Visaqua	51.00%
Autovisa	100.00%
Visabeira Moçambique	100.00%
Inhambane	80.00%
Real Estate Panorama	70.00%
Milibangalala	70.00%
Soginveste	70.00%
Zambeze Village	63.00%
Visa House	100.00%
Cepheus	100.00%
Constellation	57.14%

a) Consolidation through the Equity Method

b) 40% directly owned by Grupo Visabeira.

c) Participation held directly by Grupo Visabeira.

d) Control percentage for consolidation of 100%.

Grupo *Visabeira*

GENERAL AND SUPERVISORY BOARD

Chairman **Fernando Campos Nunes**

Members
Jorge Paulo Sacadura Almeida Coelho
Alberto Henrique de Figueiredo Lopes
João Carlos Monteiro de Macedo
José Manuel Carreiras Carrilho
António Jorge Xavier da Costa

CORPORATE BODIES

**Fernando
Campos Nunes**

Chairman of the General
and Supervisory Board



**Jorge Paulo Sacadura
Almeida Coelho**

Member of the General
Supervisory Board



**Alberto Henrique
de Figueiredo Lopes**

Member of the General
Supervisory Board



**João Carlos Monteiro
de Macedo**

Member of the General
Supervisory Board



**José Manuel
Carreiras Carrilho**

Member of the General
Supervisory Board



**António Jorge
Xavier da Costa**

Member of the General
Supervisory Board



Grupo *Visabeira*

EXECUTIVE BOARD OF DIRECTORS

Chairman	Nuno Miguel Rodrigues Terras Marques
Members	António José Monteiro Borges
	Alexandra da Conceição Lopes
	João Manuel Pisco de Castro
	Fernando Daniel Leocádio Campos Nunes

ROC Ernst & Young, Audit & Associados – SROC, SA,
represented by Rui Manuel da Cunha Vieira

GENERAL MEETING

Chairman	Leopoldo de Sousa Camarinha
Secretary	Marta Albuquerque Santos

CORPORATE BODIES

**Nuno Miguel Rodrigues
Terras Marques**

Chairman of the Executive
Board of Directors



**António José
Monteiro Borges**

Member of the Executive
Board of Directors



**Alexandra da
Conceição Lopes**

Member of the Executive
Board of Directors



**João Manuel
Pisco de Castro**

Member of the Executive
Board of Directors



**Fernando Daniel
Leocádio Campos Nunes**

Member of the Executive
Board of Directors



Visabeira Global SGPS. SA

BOARD OF DIRECTORS

Chairman	Nuno Miguel Rodrigues Terras Marques
Vice-Chairman	António José Monteiro Borges
Members	Luís Filipe Monteiro Marques
	José Paulo Gomes Tomás da Costa
	Fernando Tenreiro Marques
	Alexandra da Conceição Lopes
	António Carlos Ferreira Rocha Perpétua
	Jorge Manuel Ferreira Guimarães Sousa
	Luís Miguel Ferreira de Figueiredo

ROC	Ernst & Young, Audit & Associados – SROC, SA, represented by Rui Manuel da Cunha Vieira or Sandra Sousa Amorim Pedro Jorge Monteiro da Silva e Paiva (Substitute)
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GENERAL MEETING

Chairman	Leopoldo de Sousa Camarinha
Secretary	Marta Albuquerque Santos

CORPORATE BODIES

**Nuno Miguel Rodrigues
Terras Marques**

Chairman of the
Board of Directors



**António José
Monteiro Borges**

Vice-Chairman of Board
of Directors



**Luís Filipe
Monteiro Marques**

Member of the
Board of Directors



**José Paulo Gomes
Tomás da Costa**

Member of the
Board of Directors



**Fernando Tenreiro
Marques**

Member of the
Board of Directors



**Alexandra da Con-
ceição Lopes**

Member of the
Board of Directors



**António Carlos Ferreira
Rocha Perpétua**

Member of the
Board of Directors



**Jorge Manuel Ferreira
Guimarães Sousa**

Member of the
Board of Directors



**Luís Miguel Ferreira
de Figueiredo**

Member of the
Board of Directors



Visabeira Indústria SGPS, SA

BOARD OF DIRECTORS

Chairman	Nuno Miguel Rodrigues Terras Marques
Members	Alexandra da Conceição Lopes
	Fernando Daniel Leocádio Campos Nunes
	Lázaro Ferreira de Sousa
	Cristina Isabel Sousa Lopes
	Paulo Alexandre Rodrigues Ferraz

ROC	Ernst & Young, Audit & Associados – SROC, SA, represented by Rui Manuel da Cunha Vieira or Sandra Sousa Amorim Pedro Jorge Monteiro da Silva e Paiva (Substitute)
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GENERAL MEETING

Chairman	Leopoldo de Sousa Camarinha
Secretary	Marta Albuquerque Santos

CORPORATE BODIES

**Nuno Miguel Rodrigues
Terras Marques**

Chairman of the
Board of Directors



**Alexandra da
Conceição Lopes**

Member of the
Board of Directors



**Fernando Daniel
Leocádio Campos Nunes**

Member of the
Board of Directors



**Lázaro Ferreira
de Sousa**

Member of the
Board of Directors



**Cristina Isabel
Sousa Lopes**

Member of the
Board of Directors



**Paulo Alexandre
Rodrigues Ferraz**

Member of the
Board of Directors



Visabeira Turismo, Imobiliária

BOARD OF DIRECTORS

Chairman	Nuno Miguel Rodrigues Terras Marques
Vice-Chairman	Jorge Manuel Esteves Costa
Members	Alexandra da Conceição Lopes Cristina Isabel Sousa Lopes José Eduardo Arimateia Antunes Paulo Alexandre Rodrigues Ferraz

STATUTORY

AUDITOR

Ernst & Young, Audit & Associados – SROC, SA,
represented by Rui Manuel da Cunha Vieira or Sandra Sousa Amorim
Pedro Jorge Monteiro da Silva e Paiva
(Substitute)

GENERAL MEETING

Chairman	Leopoldo de Sousa Camarinha
Secretary	Marta Albuquerque Santos

e Serviços SGPS, SA

CORPORATE BODIES

**Nuno Miguel Rodrigues
Terras Marques**

Chairman of the
Board of Directors



**Jorge Manuel
Esteves Costa**

Vice-Chairman of Board
of Directors



**Alexandra da
Conceição Lopes**

Member of the
Board of Directors



**Cristina Isabel
Sousa Lopes**

Member of the
Board of Directors



**José Eduardo
Arimateia Antunes**

Member of the Board
of Directors



**Paulo Alexandre
Rodrigues Ferraz**

Member of the
Board of Directors



London



Analysis of consolidated results

Macroeconomic background

The OECD believes that the world economy, after a 4.2% decrease during 2020, will grow by 4.2% in 2021 and 3.7% in 2022. From the OECD perspective, economic recovery will demonstrate uneven behaviour among different countries, which can impact lasting changes in the world economy. The economic impact of the pandemic and its consequences have been relatively well contained in many Asia-Pacific and northern European economies, reflecting effective protection measures. On the other hand, the measures needed to control the virus outbreaks in other parts of Europe and other emerging market economies have been prolonged and have involved other decreases in production. Thus, recovery will be stronger in those Asian countries that managed to better control the virus, but even so, many economies are still expected to drop to lower levels by the end of 2021 than they were in 2019, before the pandemic. The panorama in the key countries in the international context has very different features.

China, which started to recover earlier, is expected to grow strongly, accounting for more than a third of world economic growth in 2021. A solid recovery is expected, with a growth in GDP forecasted at around 8% in 2021 and 5% in 2022 (OECD data). Strong investments in real estate and infrastructure, driven by policy stimuli and higher credit growth, and better export performance are boosting recovery and helping to leverage external demand in many commodity-producing economies and key Asia supply partners.

In Japan, the economy is gradually strengthening, although growth remains slow. Growth in GDP is projected to be around 2.3 percent for 2021 and 1.5 percent for 2022, following a reduction in output of 5.3 percent in 2020 (OECD data). Improving external demand will support exports, but the weak growth in income should restrain private consumption. Strong fiscal measures helped to reduce activity in 2020, but a predictable tighter fiscal stance for 2021 will slow the pace of recovery.

In the United States, GDP growth is expected to be 3.2 and 3.5 per cent over the next two years, after a 3.7 per cent reduction in production in 2020 (OECD data). High uncertainty, high unemployment and new virus outbreaks will restrict the pace of recovery, particularly in the short term, but an additional fiscal package, established in the beginning of 2021, will help manage household income and expenses and the accommodative monetary policy adopted will continue to boost activity.

In India, growth in GDP, with invigorating trust, should go from a decrease of 9.9% in 2020 to a growth of 7.9% in 2021 and 4.8% in 2022 (OECD data). Further cuts in interest rate policy should help support demand, however limited scope for additional fiscal measures, pressures on corporate balance sheets and troubled banking sector borrowing should work to curb the pace of recovery.

In Brazil, a gradual recovery is projected, with the GDP growing by 2.6 percent in 2021 and 2.2 percent in 2022, after contracting by 6% in 2020 (OECD data). In 2020, strong tax and monetary support helped to protect revenues and prevent a further decline in GDP. In this context, high unemployment and the planned withdrawal of some crisis-related tax measures will reduce household spending in 2021, but historically low real interest rates and favourable credit conditions should help to strengthen investment.

In the European context, after a projected GDP decrease of 7.5% in 2020, a growth dynamic of 3.6% in 2021 and 3.3% in 2022 (OECD data) will reposition the GDP back to its level pre-pandemic in late 2022. Persistent virus outbreaks and containment measures will continue to hamper activity until the vaccine is widely implemented and can sustain impacts on economies. Private consumption and investment will be most affected by widespread uncertainty and low confidence.

Unemployment is expected to increase by mid-2021, approaching double-digit rates, and to begin to decline gradually thereafter. Fiscal support and moderate activity will keep Maastricht's public debt above 100% of GDP. The expected pace of economic recovery is different among countries, reflecting, among other factors, the weight in the production structure of the sectors most affected by social distance and the scope and duration of the economic policy response. Global financial conditions, particularly in the Eurozone, will remain favourable, within a framework of a convenient monetary policy and liquidity support measures. The scenario in the key European countries shows nuances of distinctive make-ups.

Spain, after the sharp GDP decrease during 2020, is expected to have one of the largest growth rates in the Eurozone in 2021, with the economy increasing by 5% in 2021 and 4% in 2022. High uncertainty and adverse labour market conditions will affect private consumption and the unemployment rate should remain high, but as growth in external demand gradually recovers, exports will make a decisive contribution to growth in the two-year period 2021-2022.

In France, following a 9.1% GDP decrease in 2020, a 6% increase during 2021 and 3.3% in 2022 is expected. As export markets recover, external demand and investment increase. The unemployment rate will reach its peak around the end of 2021 and will remain above the pre-crisis level during 2022. By the end of 2022 the public debt is expected to increase to 120% of the GDP.

In Germany business activity will record a 5.5 percent contraction during 2020, greatly influenced by the fall in private consumption, business investment and exports. Within the current context, growth should recover slowly to 2.8% in 2021 and 3.3% in 2022.

The United Kingdom will show a 11.2% reduction in the GDP for 2020. A recovery is foreseen with a growth of 4.2% in 2021 and 4.1% in

2022, largely driven by the resumption of consumption, while business investment will remain weak due to the continued uncertainty resulting from developments in the pandemic. It is foreseen that, from 2021 on, trade between the EU and the United Kingdom will be governed by conditions of the Most-Favoured-Nation Clause established in the framework of the World Trade Organisation, which represents more barriers to trade between the two regions and will contribute to the downward trend of external demand for Portugal.

In Portugal, the GDP is projected to decline by 8.1% in 2020, followed by growth of 3.9% in 2021, 4.5% in 2022 and 2.4% in 2023. The decrease in activity during 2020 reflect the reduction of domestic demand and exports, with a particularly negative contribution from exports of services (-4.8 pp), in particular services related to tourism. The activity is expected to return to the pre-pandemic level by the end of 2022.

Employment rates should have decreased by 2.3% during 2020, which contributes to a reduction lower than expected given the relation between job and activity during previous recession periods. This attenuated reaction reflects the impact of corporate support measures, in particular, the simplified lay off regime and the support to independent workers. The recovery of activity expected during the three-year period 2021-2023 is expected to improve the labour market, with a view to a trend of improvement in the unemployment rate from 2022 (7.2% - 2020, 8.8% - 2021, 8.1% - 2022, 7.4% - 2023).

During 2020 inflation has recorded a negative value, -0.2%, and a gradual and contained increase over the three-year period 2021-2023 is predicted, with 0.3% in 2021, 0.9% in 2022 and 1.1% in 2023. Compared with projections for the Eurozone, price developments are more moderate in Portugal.

During 2020, the Portuguese economy showed net needs for financing vis-à-vis the situation abroad. The decline in the current and capital account balance is the result of the development of the balance of goods and services and, in particular, of the reduction in surplus from services related to the tourism sector. From 2021 to 2023, the current and capital account balance will once again show a positive balance, reflecting the improvement in the balance of goods and services and the increase in the inflow of European funds.

Public consumption is expected to have increased by 0.4% in real terms during 2020, reflecting the growth of expenditure in the health area and the increase in public employment. For 2021 a 4.9% real growth in public consumption is expected.

Private consumption, the main demand component, is to have decreased by 6.8% during 2020 with growth prospects of 3.9%, 3.3% and 1.9% during the 2021-23 period. By the end of 2022, private consumption should reach the level observed prior to the pandemic crisis.

During 2020 a GFCF reduction of 2.8% is expected. For the 2021-2023 period an average 3.9% growth is expected, implying that this aggregate is situated at the end of the projection above what was recorded during 2019. The investment reduction during 2020 was smaller than the one observed during previous recession periods. Compared to most European countries, the GFCF decreased less in Portugal, reflecting growth in the construction sector.

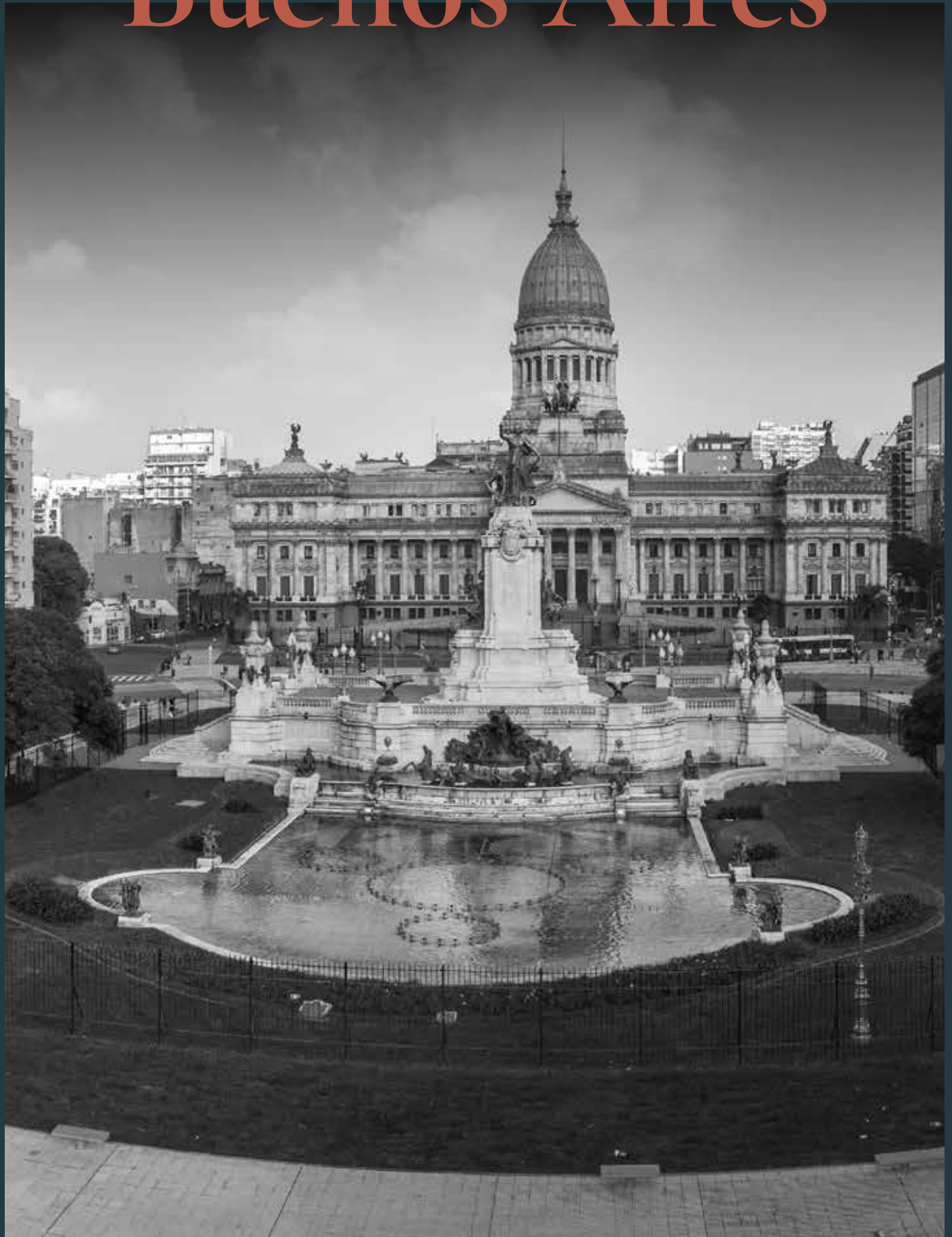
Goods and services exports may have decreased 20.1% during 2020 and should recover during the next three-year period, with a 9.2% increase during 2021, 12.9% during 2022 and 6.7% during 2023. The pre-crisis level should be reached during 2023, reflecting the more gradual recovery of the tourism sector and related services.

Imports of goods and services are projected to decrease by 14.4% during 2020 and to increase by 8.8% during 2021, 9.1% during 2022 and 5.1% during 2023. As with exports, imports of goods will recover faster than those of services, which remain highly limited to the development of tourism.

The current and capital account balance became negative during 2020, registering -0.6% of GDP, interrupting a cycle of external surpluses recorded since the previous crisis.

Within this context, economic prospects remain surrounded by high uncertainty, highly dependent on the evolution of the pandemic and on the speed and effectiveness of large-scale vaccination, conditioning the recovery of the economy. However, taking the most recent Eurosystem projections as a reference, the Portuguese economy is expected to grow above the euro area during the period 2022-23, which reflects a resumption of the gradual process of real convergence.

Buenos Aires



Grupo Visabeira

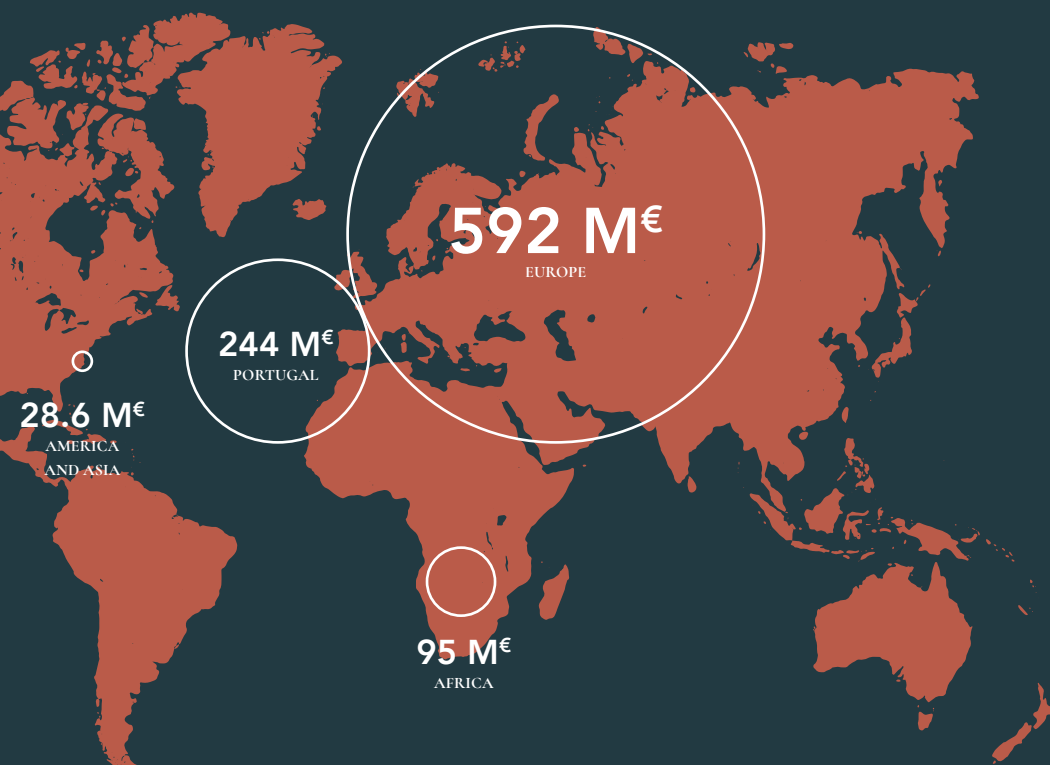
CONSOLIDATED INDICATORS

	2020	2019	Var YoY
Turnover	960	910	5%
EBITDA	155	165	-6%
EBITDA Margin	16.2%	18.1%	-1,9 pp
Recurring operating income *	84.4	102.0	-17%
Operating margin	8.8%	11.2%	-2,4 pp
Net income	22.0	51.6	-57%
Net investment	109	75.5	44%
Debt	762	775	-2%
Inventories	114	111	3%
Fixed assets (including investment property and goodwill)	1,186	1,371	-14%

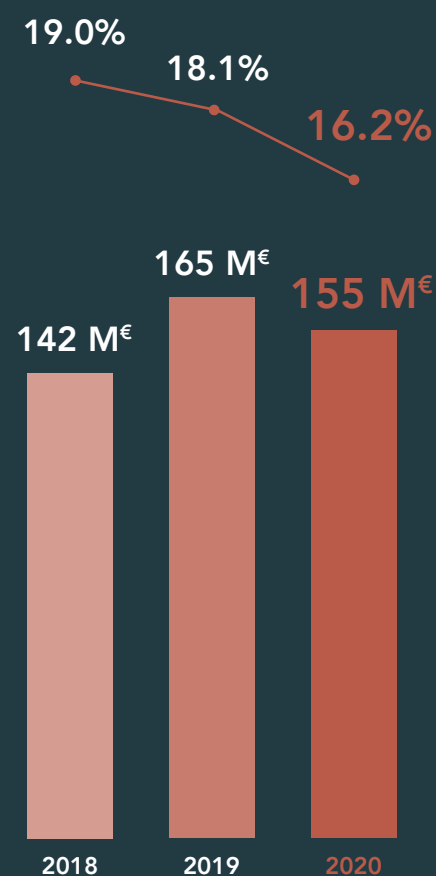
* Operating result excluding the effect of changes in fair value of investment properties and provisions.

TURNOVER

2020 · 960 M€



EBITDA AND MARGIN



Viseu



Results

Grupo Visabeira reached a consolidated turnover of 960 million euros during 2020, which represents a growth of 5.5% compared to the previous year. Grupo Visabeira reached historic values, despite all the difficulties and restrictions imposed during this year due to the COVID-19 pandemic. With regard to EBITDA, Grupo reached 155 million euros, which results in a decrease of 5.9% compared to the same period during the previous year, largely caused by the reduction in activity due to the restrictions that were in force for the Tourism area. The operating result reached 97 million euros, a figure also lower than what was reached in 2019, when it stood at 114 million euros. Net income stood at 22 million euros.

Grupo Visabeira, as has been seen historically, continued to grow in foreign markets during 2020, reaching 75% of its turnover in international markets, which resulted in a growth of 4 p.p. as compared with the same period of the previous year. This activity increase in foreign markets is the result of the Grupo's growing investment in the various international markets, namely in Europe, where there was a continued focus on its core activities - provision of telecommunications, electricity and gas services - for the main operators and the strengthening of its position in these markets. The business strategy carried out by the Grupo in recent years has also contributed to this increase, by purchasing companies operating in the telecommunications, electricity and gas areas in the different strategic markets it does business in and also in new markets in order to expand increasingly its area of coverage.

As a result, the European market remains as the most important. The volume of non-domestic business in Europe increased by 14%, reaching 593 million euros in 2020. The European market countries with the greatest significance in the consolidated turnover of the Grupo Visabeira are France (30.2%), the United Kingdom (14.5%), Belgium (4.7%) and Germany (3.2%).

Constructel, in order to continue strengthening its presence in new countries in the European market, in early 2020 purchased several companies. In Germany, the company Franz Josef Braun was purchased. This is a company that has been operating in the telecommunications sector in Germany for more than 30 years, combining technical and human skills, tradition and detailed knowledge of the *modus operandi* in Germany, which allows Constructel to give one more strategic step in this market towards strengthening its position as one of the most important players in the German market and a leading partner with Deutsche

Telekom. In Belgium, the company OMV Natie was purchased. This is a company that has been operating in the telecommunications sector in Belgium for over 50 years, a highly qualified company and also a leading partner among the main telecommunications operators in the country.


In Spain and in the United States of America, the EIP Group's businesses in these markets were purchased under the Pedido Especial de Revitalização (Special Request for Revitalization). In Spain, Tensa was purchased, a company operating in this country within the energy sector for over 40 years. In the United States of America, JF Edwards CC was purchased, a company operating in this country within the energy sector for over 70 years.

Visabeira Global recorded a turnover of 786 million euros and an EBITDA of 130 million euros. Thus, as it has been verified in recent years, it remains as the most important business area of the Grupo Visabeira, representing 81.9% of the turnover, and 83.5% of the EBITDA. Regarding the same period last year, the 16.9% growth in turnover and 29.2% in EBITDA stands out in this area, indicating a good operational performance in the activities of Visabeira Global, namely the engineering services activities of telecommunications, electricity and gas networks both nationally and internationally, as well as in its own cable television operations, in Angola and Mozambique.

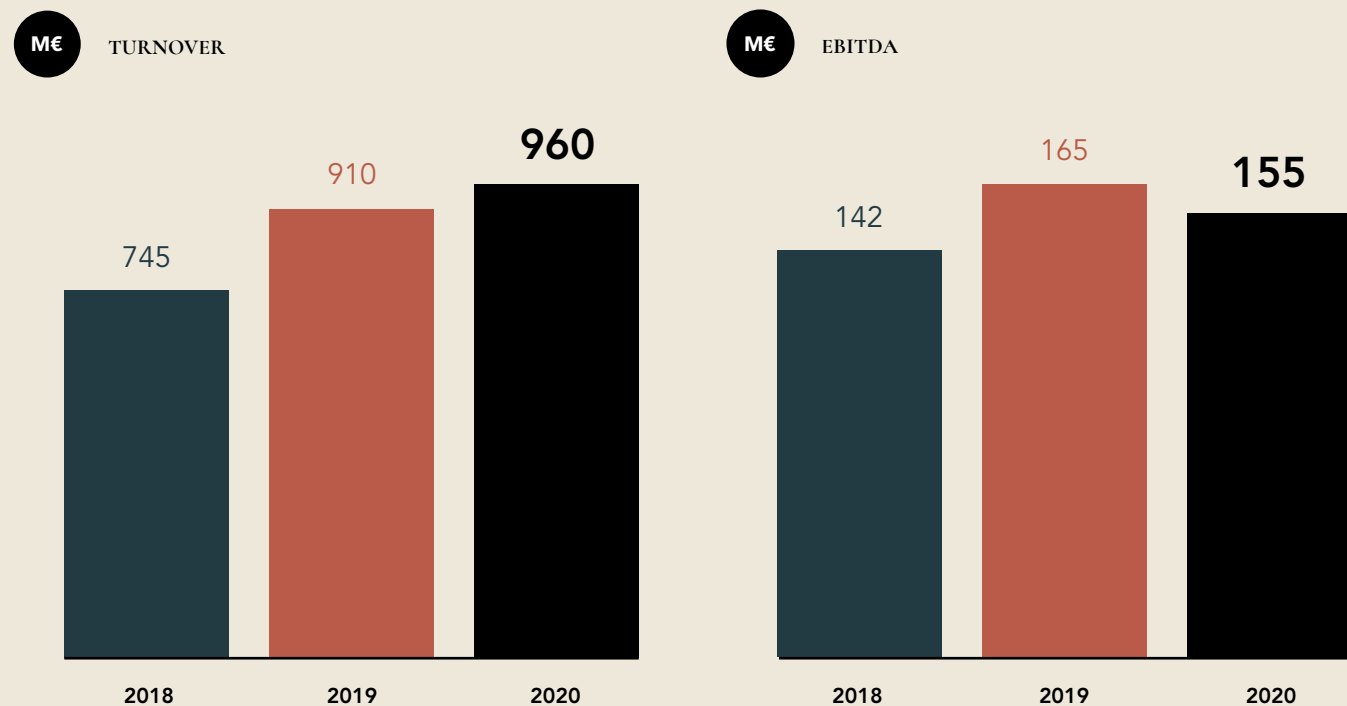
Visabeira Indústria reached 144 million euros, representing a decrease of 13.8% compared to 2019, contributing with 15.0% to the consolidated turnover of the Grupo Visabeira. EBITDA reached 21.6 million euros, resulting in a decrease of 32.9% compared to 2019. Within the industrial area, there was a decrease in all indicators, which were explained by the closures of some of the Grupo's factories due to the reduction in activity as a result of restrictions and limitations imposed by the health authorities.

Visabeira Turismo, Imobiliária e Serviços recorded a turnover of 29 million euros (including Grupo Visabeira SA), which represents approximately 3.0% of the Grupo's total turnover. EBITDA in this area stood at 4.6 million euros in 2020 against 33.3 million euros in 2019, which represents a decrease of 86.2%. Due to restrictions imposed by the health authorities, several hotels and restaurants had their activity suspended during part of the year, and during the remaining time they operated with severe restrictions, which justifies the decrease in terms of the main indicators in this area.

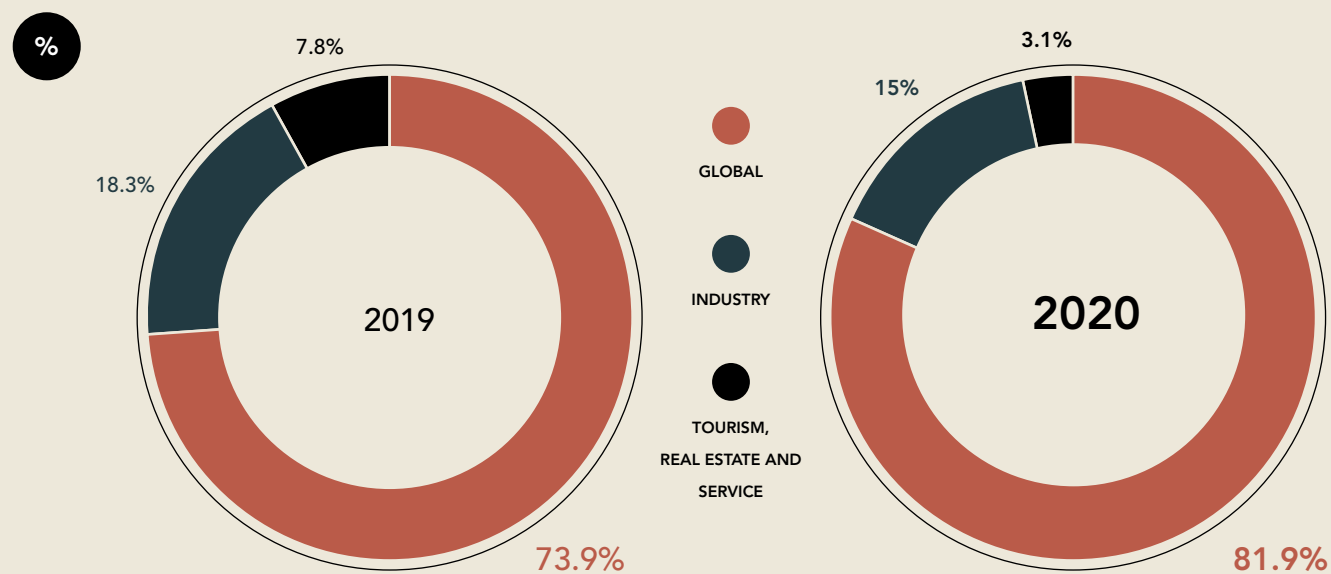
Average annual growth

	2010 / 2020	2019 / 2020
 Aggregate turnover – 1,074 million euros	7%	4%
Consolidated turnover of 960 million euros	8%	5%
Foreign markets 75%	3.9 pp	0.7 pp
EBITDA 155 million euros	10%	-6%
EBITDA Margin 16.2%	0.3 pp	-2.8 pp
Productivity – 32 million euros	5%	-3%
Employees 12,479	7%	4%

Grupo Visabeira



Turnover by business area



Balance

On the 31st of December 2020, the Grupo's assets reached 1.848 million euros, compared to 1.938 million euros in 2019.

The ongoing strategic investment in the Visabeira Global area is worthy of note, for the expansion of the international activity, namely by purchasing the companies OMV Natie, Franz Josef Baun, operating in the telecommunications area in Belgium and Germany, respectively; as well as Tensa and JF Edwards, companies operating in the energy sector in Spain and the United States of America, respectively. It is important to also highlight the purchase of 100% of FIMMO - Fundo Especial de Investimento Imobiliário Fechado's shareholding.

During 2020, the non current assets represented more than 69% of the total assets.

During the year, investment in tangible fixed assets amounted to 67 million euros: this included investments made in England (around 8.2 million euros) by purchasing three buildings (the head office, the training centre and the logistics centre) in Liverpool, which were previously on a lease basis, and in reinforcing the fleet of vehicles and equipment necessary for the development of the company's activity. In the tourism sector, with around 9.5 million euros, the investment in the expansion of the tourist complex of the Vista Alegre hotel stands out, by upgrading of the Bairro Operário [old employees' housing facilities], and investing in upgrades to the Alcobaça hotel. Also noteworthy are the investments in Angola and Mozambique, by TVCabo Angola and TVCabo Moçambique, with 6.9 million euros and 2.1 million euros, respectively. These investments aimed at the expansion of the network coverage of those operators.

Investment properties stood at 311 million euros, which represents a decrease of 125 million euros as a result of the company Movida, owner of the Palácio do Gelo Shopping, having left the consolidation of the

group of companies. During the financial year 2020, Grupo Visabeira also sold 2.4 million shares held by Pharol. Despite the sale of these shares, appreciation during the year 2020 explains an increase of around 12 thousand euros in financial assets recorded at fair value by comprehensive income.

The Grupo's equity, including minority interests, decreased by 24.5% in 2020, penalized by the distribution of dividends and currency conversion reserves, which had a negative impact of around 61.7 million euros, largely explained by the devaluation of the kwanza and the metical. Thus, the financial autonomy ratio stood at 20.0%.

The consolidated net debt was 667 million euros on the 31st of December 2020, compared to the 744 million euros on the 31st of December 2019. The net decrease of 77 million euros is explained by different effects, with the deconsolidation of Movida (Palácio do Gelo Shopping) standing out, showing a nominal reduction of around 105 million euros, with EBITDA having also been influenced by a reduction of 7 million euros. The growth in the value of operating leases was noteworthy, which grew by approximately 17 million euros as a result of the application of IFRS 16 to eligible contracts, with 5 million euros relating to the use of space at the head office and central offices. In 2020, cash and cash equivalents grew by 85 million euros as a result of cash generation from operations, as well as the policy of setting up liquidity reserves in a year marked by the uncertainty generated by Covid19, namely through contracting Support Lines to the Economy (made available by the governments of some countries where we operate). Despite the adverse effects of the pandemic, the indebtedness ratio registered a reduction to 4.3x, thus continuing the Grupo's progressive deleveraging policy

Copenhagen



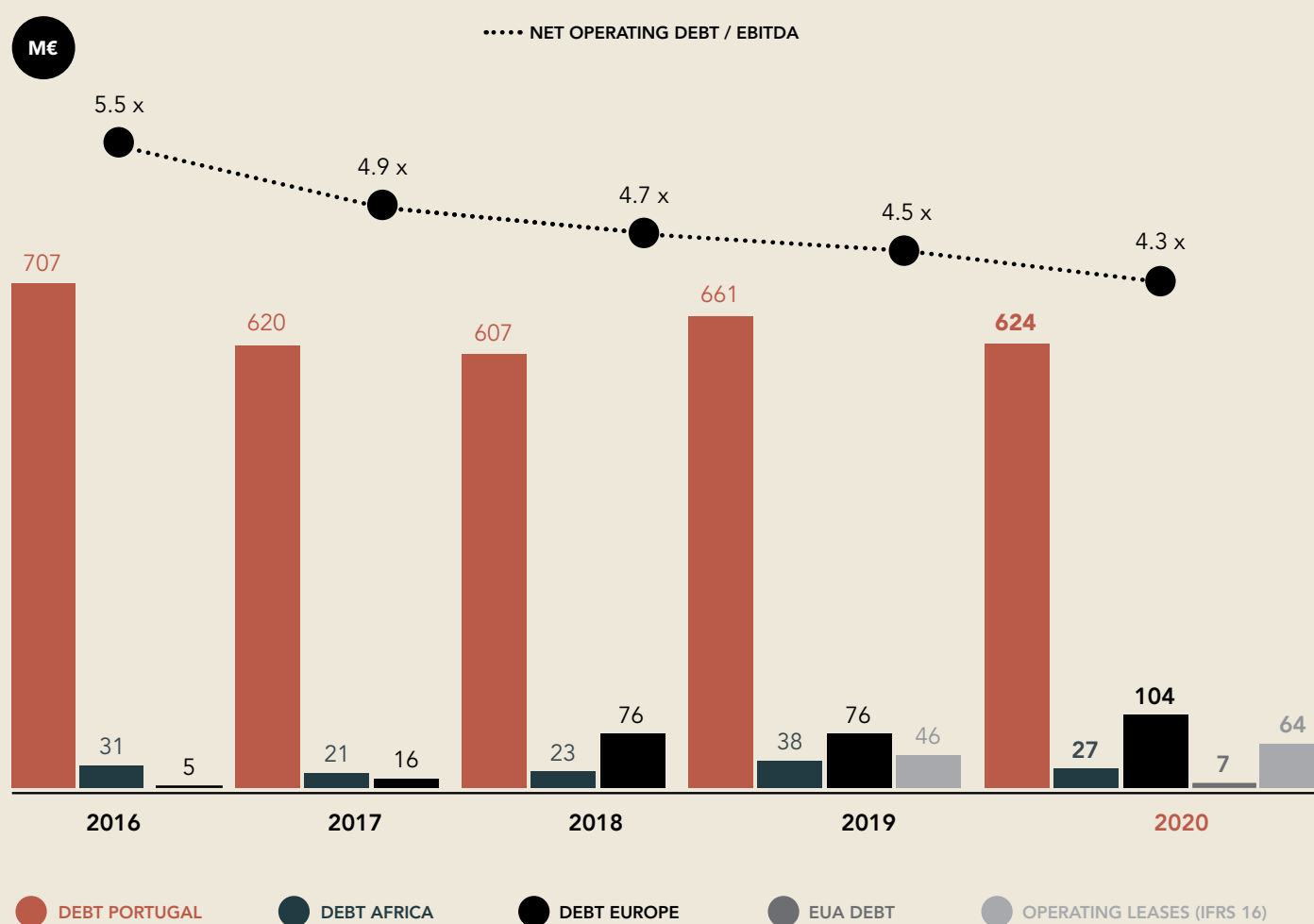
Fort de France



Consolidated amounts

	2020	2019
M€		
Total Debt (Leasing + Financing)	762	775
Operating leases	64	46
Cash and cash equivalents	-155	-69.8
Available-for-sale financial assets	-3.7	-7.3
Total net operating debt	667	744
EBITDA	155	165
Net operating debt / EBITDA	4,3 x	4,5 x

Net operating debt / EBITDA



Investments¹

	Amount
Portugal	36,107,067
France	9,690,316
England	8,209,203
Angola	7,008,026
Mozambique	4,483,101
Belgium	177,115
Germany	155,748
Denmark	116,813
Italy	106,683
Total	66,054,071

In 2020, investments in Portugal amounted to 36 million euros, 17% of which in the Visabeira Global sub-holding, 29% in the Visabeira Indústria sub-holding and 54% in the Visabeira Turismo, Imobiliária e Serviços sub-holding.

At Visabeira Global, investments mainly concern investments in information systems and renewal of the vehicle fleets of the different companies.

At Visabeira Indústria, investments in Portugal were channelled towards purchasing equipment in the porcelain, crystal, glass and oven segment, in order to enhance operational efficiency and reduce costs.

With regard to Visabeira Turismo, Imobiliária e Serviços, investments in Portugal focused on the requalification and improvement of spaces as well as on new hotels and restaurants.

Investments made in foreign markets were mostly in the main countries where the Grupo Visabeira does business, namely in France,

representing 32% (9.7 million euros; in England, representing 27.4% (8.2 million euros); in Angola, representing 23% (7.0 million euros) and in Mozambique, representing 15% (4.5 million euros).

In Europe, namely, in France, Belgium and Germany, investment was essentially for purchasing vehicles and equipment necessary for the performance of the companies' activity. In England, in addition to investing in vehicles and equipment necessary for activity, the purchase of a site warehouse, essential for the future growth of the company in the country, and the MJQuinn head office building, should be highlighted.

In the Angolan market, investments in network construction and equipment stand out. Following the strategy foreseen, Grupo invested in expanding its geographical area of intervention, investing in building a network in areas with the greatest urban growth, namely in the city of Luanda, the main growth area, but also in other locations such as Lubango, Benguela, Zango, Soyo, Huila, Cabinda, Huambo and Zaire.

In the Mozambican market, the investment on the construction/reconstruction of the network in the areas of Maputo, Beira, Nampula, Tete and Pemba stands out.

Financial investments

During 2020, reinforcing the growth in its strategic markets and the geographic expansion of its activity to new markets, through its various subsidiaries, Grupo Visabeira purchased: in Belgium, 70% of the share capital - with 30% with option to sale - of the companies OMV Natie and Infrasign, companies which operate in the telecommunications area; in Germany, 100% of the shareholding of Franz Josef Braun, a company that also operates in the telecommunications area; in Spain, 90% of the share capital - and 10% with the option to sell - of Tensa, a company that operates in the Energy area; as well as in the United States of America, 90% of the share capital - and 10% with the option to sell - of JF Edwards, a company that also operates in the energy area.

¹ Investment during the year includes the increase in the items fixed tangible assets and assets under direct use associated with leaseings

Moscow



Risk factors

Grupo Visabeira's control matrix always prioritises its exposure to a diverse set of risks arising from its different business areas and, therefore, undertakes the management of credit risk and the protection of its treasury as a priority, recognizing, within this context, the importance of credit insurance as an essential instrument, both in the domestic and foreign market.

In this context, the importance of adopting an active management of the different financial risks has always been assumed, in order to minimize its potential negative impacts on the company's cash flow, profit and value. For this reason, always aware of the paramount importance of this issue, Grupo Visabeira promotes an accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation.

Within this context, the Grupo is fully aware that the success of its operations critically depends on the mitigation and control of any risks that can significantly affect all of its assets (equipment, service quality, information, facilities) and seeks to avoid, thereby jeopardizing its strategic objectives.

Interest rate risk

Grupo Visabeira's exposure to interest rate risk arises mainly from loans obtained, since financial investments are usually short-term investments and loans granted to its subsidiaries are mostly remunerated at a fixed rate. Consequently, impacts arising from changes in interest rates do not materially affect the accounts.

The balance of the consolidated financial debt of the Grupo Visabeira by the end of December 2020 was contracted, for the most part, at the indexed interest rate, and the main indexing factor was the

Euribor rate at the different maturities for domestic financing, and the Libor rate for loans in dollars, mostly granted to foreign companies. Aiming at reducing the risk of interest rate fluctuation, in 2018, the Grupo issued a fixed rate bond loan to the amount of 55 million euros.

On the date of the statements of financial position, Grupo Visabeira has open positions classified as hedging instruments associated with this index for 1.6 million euros, contracted in 2015 with a mark-to-market value of -31.5 thousand euros, as follows:

Company	Description	Amount covered	Operation type	Average maturity	Economic target
Naturenergia, SA	Swap Euribor 3M	1,624,221	Interest Rate Swap	8 years	Eliminate the risk of variation of the interest rate on financing

The fair value of all these derivative financial instruments is reflected in the statement of financial position, as follows:

Company		Book value 2020	Book value 2019
Naturenergia, SA	Swap Euribor (3M€)	-31,448	-24,776
TOTAL		-31,448	-24,776

In this context, and having started the year with a value of -0.379%, the 2-month Euribor by the end of the year settled at -0.545%. With this Euribor standing at very low levels and with a stable

short-term trend, Grupo Visabeira estimates that the results coming from changes in this index will not have a significant impact on its short-term accounts.

Exchange rate risks

Grupo Visabeira, within its various areas of activity, is exposed to exchange rate and transaction risks. Exposure to transaction risk refers to potential changes in the value of outstanding obligations due to changes in exchange rates between the start date and settlement date and are reflected in profit-and-loss for the period. Exposure to foreign exchange risk results from the translation into national currency of the financial statements of its subsidiaries, whose assets and liabilities are denominated in currencies other than the reporting currency of the consolidated accounts - Euro - and are reflected in equity, under exchange conversion reserves.

The Grupo holds assets and liabilities denominated in US dollars in different geographies and subsidiaries, which allows partially hedging exchange rate risk vis-à-vis that currency. In foreign markets, particularly Angola and Mozambique, local companies import goods and services from the European market in euros, billing customers in kwanzas and meticals, respectively. These markets usually present a devaluation trend against the “strong” currencies, the Euro and the US Dollar. In Mozambique, during the previous year, there was a devaluation of 21.84% of the metical against the US dollar and 33.56% of the metical against the euro. The European currency has become the benchmark for the Angolan market since the beginning of 2017 due to restrictions that affected the corresponding banks. The Angolan government initiated in 2018 a process leading to a devaluation of the currency, eliminating the peg against the dollar, through auctions limited in volume and exchange rate, controlled by the BNA, under the Macroeconomic Stabilization Program. In 2019, an Extraordinary Session of the Monetary Policy Committee of the BNA took place, which introduced new objectives in the context of the reform that had been carried out. The National Bank of Angola decided, at the end of that year, for the implementation of a floating exchange rate regime in which the exchange rate is freely defined by the market, i.e., according to the demand and supply of foreign currency. Throughout 2020, the BNA continued the process of liberalizing the foreign exchange market, having updated and clarified the rules and procedures for making payments on the foreign exchange transactions of invisible currents, goods and capital and continued to witness a depreciation in the currency that registered a devaluation of around 47.63% against the EUR at the end of the year and around 34.71% against the US dollar, when compared to the same period of the previous year. Consolidated financial results include a currency impact from Angola of 5.1 million euros. The expression of the adjustment to the exchange rate level, especially in the last three years already reflects, to a large extent, the corrections that were imposed, which, although there is still a difference of around 25% compared to the level that is practised in the informal market. Thus, a further devaluation of the currency may still be recorded in 2021, but it should not have the same expression as that already occurred.

MJ QUINN, a company purchased in 2018 and operating in the United Kingdom within the telecommunications infrastructures sector for British Telecom. The company trades in British Pounds, so it is not exposed to relevant transaction risks. Integrating the company in the consolidated accounts is subject to the exchange rate fluctuation of the British Pound against the Euro - transpose risk. Future dividends will also be exposed to said exchange rate fluctuation. The British Pound started the year at 1.17547 Euros and ended the year at 1.10531 Euros.

Credit risks

Credit risk is an important and complex activity that is present in the everyday life of most companies of Grupo Visabeira, whatever the nature of their business. Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change. Considering the business itself, the business areas in which it operates, or the risk of the region and country, the classification and assessment of the credit risk of a given customer is usually summarised in a credit record, which includes available and relevant information such as the customer's nature, management capacity, assets, history, financial information, credit guarantees and payment terms and others that will inform an opinion on a given credit transaction. The assessment of credit risk reflects the multiplicity, quality and origin of the information available to the credit analyst.

Grupo Visabeira maintains the policy underwriting in Portugal, Germany, Spain, the United States of America, Brazil and France, empowering the analysis of credit granting in professionals specialised in the collection and recovery of debts, receiving from the credit insurer an assessment of the exposure - credit limit - adjusted to the credit worthiness of each customer. Thus, management can be primarily focused on operational issues. Covering this risk allows for compensation of 90% of unpaid customer credits. The last few years have been marked by an increase in restrictions on granting credit in general, with credit limits having been subject to significant unfavourable reviews. In view of this scenario, and in order to respond to credit risk coverage needs - for which the limits granted under the base policies are insufficient - Grupo Visabeira contracted additional coverage to support exports, allowing for an increase in the partial coverage of its risks, complementing, up to double, the amount granted in the base policy in the OECD markets. At the same time, it is the organization's purpose to obtain coverage for risks that have no value attributed in the aforementioned base policy, through non-recourse factoring. The added constraints in the external hedging of loans entail a greater precision and stricter requirements in assessing applications for internal credit.

Also relevant is the amount received as advance payment or payments in cash, which, in the year under review, represented a volume of about 7% of turnover, with a special contribution from the cable TV and Internet distribution, tourism, restaurants and leisure businesses. Loans granted to external entities, which also act as suppliers of the Grupo, had, in 2020, a weight of 0.6%.

Companies in the Grupo Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, which accounted for about 52% of consolidated turnover in 2020.

This group includes entities such as telecommunications operators, usually directly held by the Government of each country, replacing credit risk with political risk. Examples of prestigious operators in the Grupo's portfolio: Orange (France Telecom); British Telecom; Próximis (Belgacom); Deutsche Telekom; MEO – Serviços de Comunicações e Multimédia; NOS Comunicações; EDP Distribuição; GRDF – Distribution de Gaz Naturel en France; ERDF – Électricité Réseau Distribution France; EDM – Eletricidade de Moçambique; TDC A/S; Huawei Technologies Denmark Aps; Hidroeléctrica de Cahora Bassa; Vodacom Moçambique; and natural gas concessionaires, among others.

Liquidity risk

Grupo Visabeira manages liquidity risk in such a way as to ensure the financing of assets by maturity date and at appropriate rates and the timely settlement of its financial commitments, while maintaining appropriate cash balances and short-term credit lines, which allow for the proper management of cash to meet short-term financial commitments.

In order to minimize the impacts caused by the Covid-19 pandemic, several countries throughout the year launched some measures aiming at supporting and reducing the direct impacts that this outbreak could cause on companies and their employees. Measures such as simplified layoff, capital and/or interest moratorium on current loans, as well as new lines of support for the economy with more accessible financial conditions were some of the actions carried out and which companies could access. As a result of adherence to the legal moratorium, which allowed for introducing a grace period for capital and interest to service the debt of some operations in progress, liabilities were deferred in the amount of 15 million euros, in loans obtained and 9.3 million euros in treasury support lines such as confirming. In 2020, support lines to the economy launched by different governments were contracted, in the amount of 37 million euros. Agreements were also made for the rescheduling of 14 million euros in bilateral operations and several new lines to increase liquidity were contracted, which reached around 32 million euros.

In this financial year, Grupo reinforced its strategy of diversifying funding sources. In December 2020, the registration of the €50 million commercial paper program in the Mercado Alternativo de Renta Fija (MARF) in Spain was renewed, with active issues growing from €15 million in 2019 to €41.8 million in 2020, reinforcing the strategy of progressively reducing dependence on national banks. Grupo also contracted syndicated bond issues with the national banks, in the amount of 28.9 million euros maturing in 2025, in addition to several other refinancing operations.

The new investments made in industrial companies were financed with maturities between six and seven years.

During 2021, taking into account that the amount of the debt, presented in the statement of financial position on the 31st of December 2020 as payable in the short term, incorporates 23.5 million euros in terms of secured current accounts and authorized overdrafts, as well as 49.3 million euros of revolving debt with corporate investors, we believe that the short term debt that may be subject to refinancing will amount to 107 million euros, representing about 13% of the consolidated debt. Under the same assumption, if cash and cash equivalents are taken into account (although around 11.5 million euros

may be subject to the restrictions currently maintained in transferring foreign currency from Angola and Mozambique), the residual short-term net debt that may be subject to refinancing will be fully covered by the value of the cash and cash equivalents, which can also be addressed with the operational flows released during the year.

Grupo Visabeira, through its policy of concentrated management, ensures that the cash holdings as well as the investments of all the Grupo's companies are managed by a global and centralized organization, especially working for this purpose. Thus, allowing to reduce liquidity risks, as well as avoiding exposure to variations that may affect the companies' profit.

Grupo has financing lines approved under the Portugal 2020 program and with financial institutions amounting to 18 million euros. The Grupo will seek to obtain specific funding for the remaining investments planned for 2021. Moreover, the purpose is to negotiate as well the partial revolving of some short term commitments, whose renewal we consider to be a strong favourable forecast, as it focuses on partner entities with whom there are long relationships. Grupo also has lines of support to the current cash in the form of factoring, payment to suppliers and discount of documentary collection to the amount of 50 million euros, available at the end of 2020. The use of factoring, on the other hand, allows for a reduction in the average receivable terms with the inherent anticipation of receipts and, at the same time, facilitates better cash management. This policy ensures as well that the working capital necessary to finance the operating cycle, which is fundamental to a sustained economic and financial growth. On 31st December 2020, amounts paid in advance by customers in this format stood at 13.4 million euros. The Grupo has additionally contracted short-term current accounts to meet occasional cash needs.

It should also be noted that the Grupo's cash and cash equivalents amounted to 154.9 million euros, mostly concentrated in European countries, which in itself represents an important source of liquidity.

The short-term debt of Grupo Visabeira is rated "B" by ARC Ratings, which means that the Grupo currently has a strong capacity to meet its financial commitments. ARC Rating also assigned a rating for the medium and long term, classifying the capacity to fulfil short-, medium- and long-term financial commitments with BB+, having changed the Outlook from negative to stable.

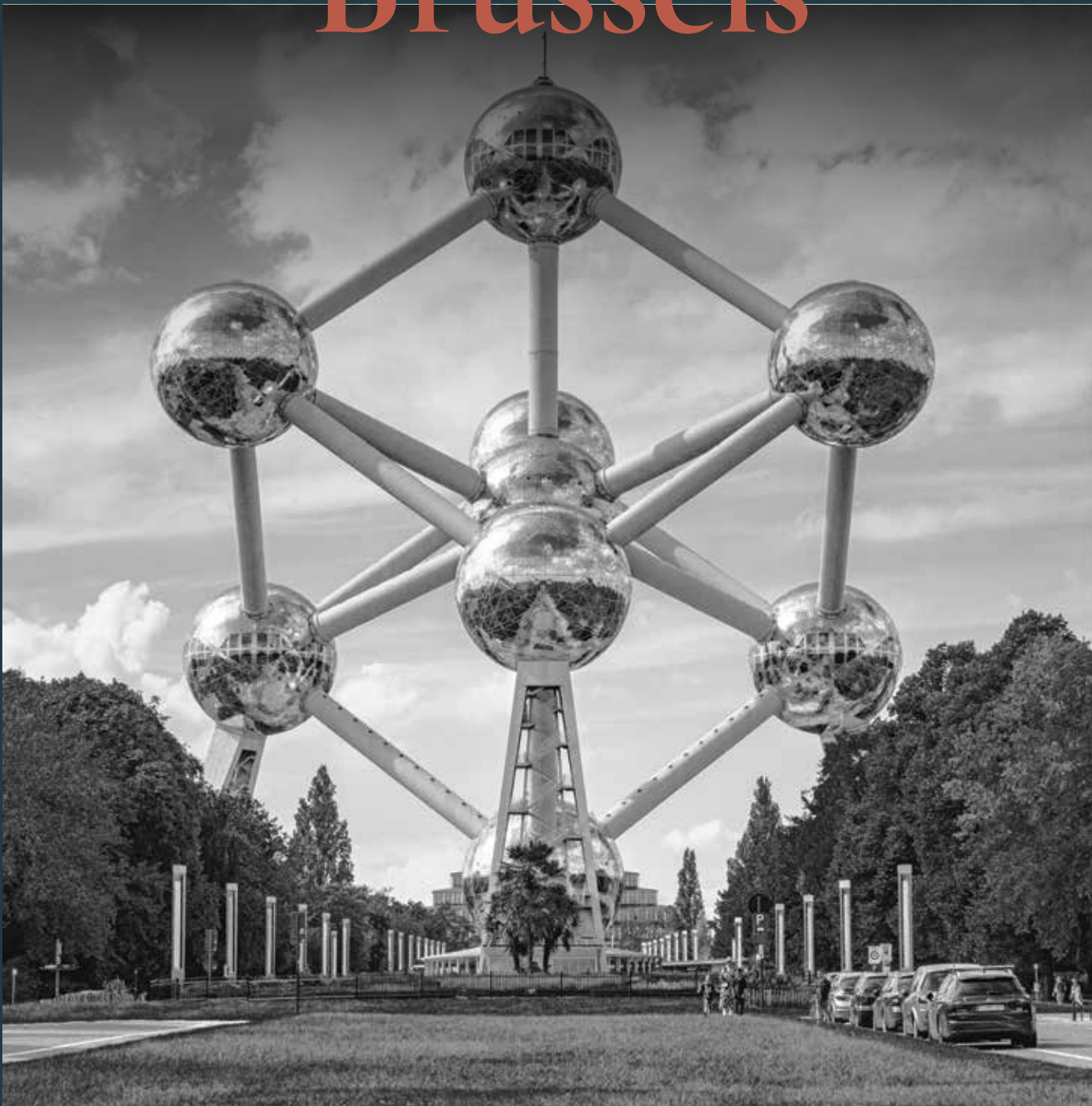
The overall liquidity ratio in the consolidated accounts was 0.9 in 2020, showing an improvement in the adequacy of financing of current assets by current liabilities. Taking into account that current liabilities include support lines for commercial activity amounting to 78 million euros and which are of a revolving nature, the liquidity ratio is at 1.0.

Tokyo



Business evolution *by area*

Brussels





Turnover by company

BUSINESS AREAS		TOTAL		GRUPO		CONSOLIDATED 2020		CONSOLIDATED 2019	
GLOBAL									
Europe	738,302,410	87.1%	47,912,086	78.1%	690,390,324	87.8%	591,400,930	87.9%	
Portugal	216,874,904	25.6%	28,480,736	46.4%	188,394,167	24.0%	158,701,685	23.6%	
Visabeira Global, SGPS	2,135,180	0.3%	2,013,492	3.3%	121,688	0.0%	119,937	0.0%	
Viatel	85,315,892	10.1%	11,404,946	18.6%	73,910,946	9.4%	57,678,341	8.6%	
PDT	33,250,827	3.9%	1,066,545	1.7%	32,184,282	4.1%	32,006,215	4.8%	
Edivisa	36,508,476	4.3%	7,198,841	11.7%	29,309,635	3.7%	22,723,987	3.4%	
Visabeira	33,283,015	3.9%	4,292,215	7.0%	28,990,800	3.7%	24,013,870	3.6%	
Real Life Technologies	17,801,780	2.1%	1,251,723	2.0%	16,550,058	2.1%	16,422,351	2.4%	
Naturenergia	2,975,279	0.4%	0	0.0%	2,975,279	0.4%	2,494,019	0.4%	
Aeroprotechnik	1,962,876	0.2%	0	0.0%	1,962,876	0.2%	332,892	0.0%	
Visacasa	2,807,831	0.3%	1,252,949	2.0%	1,554,881	0.2%	2,085,676	0.3%	
Iutel	655,804	0.1%	26	0.0%	655,779	0.1%	550,498	0.1%	
Field Force Atlantic	177,944	0.0%	0	0.0%	177,944	0.0%	273,900	0.0%	
France	276,327,784	32.6%	8,394,710	13.7%	267,933,074	34.1%	235,951,924	35.1%	
Constructel	235,492,893	27.8%	1,294,838	2.1%	234,198,055	29.8%	200,954,896	29.9%	
Constructel Energie	17,020,482	2.0%	416,639	0.7%	16,603,843	2.1%	19,540,300	2.9%	
Escotel	17,413,831	2.1%	1,941,226	3.2%	15,472,604	2.0%	13,420,054	2.0%	
Gatel	6,010,461	0.7%	4,450,282	7.3%	1,560,179	0.2%	1,894,819	0.3%	
SCI Constructel	390,118	0.0%	291,725	0.5%	98,392	0.0%	141,856	0.0%	
England	134,861,634	15.9%	160,112	0.3%	134,701,521	17.1%	123,281,941	18.3%	
MJ Quinn	134,701,521	15.9%	0	0.0%	134,701,521	17.1%	123,281,941	18.3%	
Constructel UK	160,112	0.0%	160,112	0.3%	0	0.0%	0	0.0%	
Belgium	45,662,705	5.4%	4,225,758	6.9%	41,436,947	5.3%	31,129,615	4.6%	
Constructel Modal *	30,652,500	3.6%	1,898,030	3.1%	28,754,471	3.7%	28,065,065	3.0%	
OMV Natie	8,044,837	0.9%	0	0.0%	8,044,837	1.0%	0	0.5%	
Constructel Belgium	6,691,055	0.8%	2,327,729	3.8%	4,363,326	0.6%	3,064,550	0.5%	
Infrasign	274,313	0.0%	0	0.0%	274,313	0.0%	0	0.0%	
Germany	24,843,739	2.9%	810,052	1.3%	24,033,687	3.1%	11,708,885	1.7%	
Constructel GmbH	17,273,321	2.0%	0	0.0%	17,273,321	2.2%	11,708,885	1.7%	
Franz Josef Braun	6,760,366	0.8%	0	0.0%	6,760,366	0.9%	0	0.0%	
Constructel Bau	810,052	0.1%	810,052	1.3%	0	0.0%	0	0.0%	
Denmark	22,792,328	2.7%	5,822,317	9.5%	16,970,011	2.2%	15,579,129	2.3%	
Constructel Denmark	14,230,151	1.7%	0	0.0%	14,230,151	1.8%	12,955,642	1.9%	
Toft Hansen	8,562,178	1.0%	5,822,317	9.5%	2,739,861	0.3%	2,623,488	0.4%	
Italy	13,961,652	1.6%	18,400	0.0%	13,943,252	1.8%	15,041,661	2.2%	
Ieme	13,943,252	1.6%	0	0.0%	13,943,252	1.8%	15,041,661	2.2%	
Constructel Itália	18,400	0.0%	18,400	0.0%	0	0.0%	0	0.0%	
Spain	2,977,663	0.4%	0	0.0%	2,977,663	0.4%	6,089	0.0%	
Tensa	2,977,663	0.4%	0	0.0%	2,977,663	0.4%	6,089	0.0%	
Sweden	0	0.0%	0	0.0%	0	0.0%	6,089	0.0%	
Constructel Sweden	0	0.0%	0	0.0%	0	0.0%	6,089	0.0%	
Africa	90,223,060	10.6%	13,468,065	21.9%	76,754,995	9.8%	81,139,130	12.1%	
Angola	45,156,655	5.3%	10,411,844	17.0%	34,744,811	4.4%	42,186,242	6.3%	
TVCabo Angola	32,025,313	3.8%	520,070	0.8%	31,505,243	4.0%	40,351,765	6.0%	
Comatel	12,335,272	1.5%	9,183,697	15.0%	3,151,575	0.4%	1,820,973	0.3%	
Edivisa Angola	796,070	0.1%	708,076	1.2%	87,994	0.0%	13,504	0.0%	
Mozambique	45,066,405	5.3%	3,056,222	5.0%	42,010,183	5.3%	38,952,888	5.8%	
TvCabo Moçambique	18,378,199	2.2%	124,703	0.2%	18,253,496	2.3%	19,364,247	2.9%	
Televisa	10,491,114	1.2%	917,429	1.5%	9,573,685	1.2%	7,688,920	1.1%	
Martifer Visabeira	6,895,040	0.8%	0	0.0%	6,895,040	0.9%	6,594,539	1.0%	
Real Life Moçambique	4,528,029	0.5%	0	0.0%	4,528,029	0.6%	2,416,536	0.4%	
Sogitel	3,802,229	0.4%	1,429,424	2.3%	2,372,805	0.3%	1,920,608	0.3%	
Hidroafrica	951,150	0.1%	580,677	0.9%	370,472	0.0%	992,359	0.1%	
Selfenergy	20,463	0.0%	3,988	0.0%	16,475	0.0%	-24,478	0.0%	
Real Life Academy	181	0.0%	0	0.0%	181	0.0%	157	0.0%	
America	19,266,745	2.3%	0	0.0%	19,266,745	2.4%	0	0.0%	
United States of America	19,266,745	2.3%	0	0.0%	19,266,745	2.4%	0	0.0%	
JF Edwards CC	19,266,745	2.3%	0	0.0%	19,266,745	2.4%	0	0.0%	
TOTAL	847,792,215	100.0%	61,380,152	100.0%	786,412,063	100.0%	672,540,059	100.0%	

*Turnover includes Constructel Modal, Modal and Cabling.

BUSINESS AREAS		TOTAL		GRUPO	CONSOLIDATED 2020		CONSOLIDATED 2019	
INDUSTRY								
Europe	153,481,007	95.4%	16,076,496	94.0%	137,404,511	95.6%	158,536,233	95.1%
Portugal	148,722,997	92.5%	15,596,496	91.2%	133,126,501	92.6%	152,017,807	91.2%
Visabeira Indústria, SGPS	244,484	0.2%	233,974	1.4%	10,511	0.0%	0	0.0%
Vista Alegre Atlantis	73,332,904	45.6%	4,360,214	25.5%	68,972,690	48.0%	71,127,861	42.7%
Ria Stone	25,403,724	15.8%	117,711	0.7%	25,286,013	17.6%	26,222,551	15.7%
Pinewells	18,529,032	11.5%	3,945	0.0%	18,525,088	12.9%	19,366,188	11.6%
Ambitermo	6,500,377	4.0%	11,505	0.1%	6,488,872	4.5%	15,643,577	9.4%
Mob	6,454,926	4.0%	1,657,926	9.7%	4,797,000	3.3%	5,042,488	3.0%
Cerutil	9,879,393	6.1%	5,644,145	33.0%	4,235,247	2.9%	7,510,448	4.5%
Bordallo Pinheiro	7,341,417	4.6%	3,149,527	18.4%	4,191,890	2.9%	3,817,257	2.3%
Besconsigo	855,252	0.5%	340,277	2.0%	514,975	0.4%	863,062	0.5%
Rodinerte	138,722	0.1%	77,272	0.5%	61,450	0.0%	137,869	0.1%
Armisepi	42,764	0.0%	0	0.0%	42,764	0.0%	0	0.0%
Granbeira	0	0.0%	0	0.0%	0	0.0%	2,286,506	1.4%
France	646,832	0.4%	0	0.0%	646,832	0.5%	949,823	0.6%
Vista Alegre France	646,832	0.4%	0	0.0%	646,832	0.5%	931,119	0.6%
Mob Cuisines	0	0.0%	0	0.0%	0	0.0%	18,704	0.0%
Spain	4,111,178	2.6%	480,000	2.8%	3,631,178	2.5%	5,568,604	3.3%
Vista Alegre Atlantis Espanha	4,111,178	2.6%	480,000	2.8%	3,631,178	2.5%	5,568,604	3.3%
Africa	3,969,017	2.5%	1,032,805	6.0%	2,936,212	2.0%	3,698,436	2.2%
Mozambique	2,539,369	1.6%	75,352	0.4%	2,464,016	1.7%	2,948,539	1.8%
Celmoque	2,322,197	1.4%	62	0.0%	2,322,134	1.6%	2,753,469	1.7%
Vista Alegre Atlantis Mozambique	130,031	0.1%	0	0.0%	130,031	0.1%	193,340	0.1%
Agrovisa	87,141	0.1%	75,290	0.4%	11,851	0.0%	1,729	0.0%
Angola	1,429,648	0.9%	957,452	5.6%	472,196	0.3%	749,897	0.4%
Alamo Angola	1,429,648	0.9%	957,452	5.6%	472,196	0.3%	749,897	0.4%
America	3,369,529	2.1%	0	0.0%	3,369,529	2.3%	4,489,289	2.7%
Brazil	1,458,766	0.9%	0	0.0%	1,458,766	1.0%	2,674,225	1.6%
Vista Alegre Atlantis Brazil	1,458,766	0.9%	0	0.0%	1,458,766	1.0%	2,674,225	1.6%
United States of America	1,849,079	1.1%	0	0.0%	1,849,079	1.3%	1,704,878	1.0%
Vista Alegre Atlantis USA	1,849,079	1.1%	0	0.0%	1,849,079	1.3%	1,704,878	1.0%
Mexico	61,684	0.0%	0	0.0%	61,684	0.0%	110,186	0.1%
Mexicova	61,684	0.0%	0	0.0%	61,684	0.0%	110,186	0.1%
TOTAL	160,819,553	100.0%	17,109,301	100.0%	143,710,252	100.0%	166,723,958	100.0%



BUSINESS AREAS	TOTAL		GRUPO		CONSOLIDATED 2020		CONSOLIDATED 2019	
TOURISM, REAL ESTATE AND SERVICES								
Europe	18,185,330	49.9%	2,532,852	32.2%	15,652,478	54.8%	50,310,151	72.7%
Portugal	18,185,330	49.9%	2,532,852	32.2%	15,652,478	54.8%	50,310,151	72.7%
Visabeira Turismo, Imobiliária e Serviços, SGPS	267,379	0.7%	153,459	1.9%	113,920	0.4%	0	0.0%
Visabeira Imobiliária, SGPS	346,044	0.9%	346,044	4.4%	0	0.0%	0	0.0%
Visabeira Participações, SGPS	146,886	0.4%	146,886	1.9%	0	0.0%	0	0.0%
Empreendimentos T. Montebelo	8,136,847	22.3%	1,305,046	16.6%	6,831,801	23.9%	17,238,300	24.9%
Visabeira Imobiliária, SA	3,159,619	8.7%	188,932	2.4%	2,970,687	10.4%	7,111,971	10.3%
Ifervisa	2,458,165	6.7%	9,411	0.1%	2,448,754	8.6%	3,586,424	5.2%
VAA - Empreendimentos Turísticos	1,831,503	5.0%	48,854	0.6%	1,782,649	6.2%	3,401,025	4.9%
Creative Shots	900,341	2.5%	134,898	1.7%	765,443	2.7%	1,228,218	1.8%
Tropo Squisito	361,484	1.0%	482	0.0%	361,002	1.3%	1,105,530	1.6%
Zambeze	329,184	0.9%	21,698	0.3%	307,486	1.1%	1,227,544	1.8%
VisabeiraHouse	118,659	0.3%	83,016	1.1%	35,643	0.1%	54,953	0.1%
Parque Desportivo de Aveiro	94,128	0.3%	94,128	1.2%	0	0.0%	0	0.0%
Benetrónica	0	0.0%	0	0.0%	0	0.0%	934,444	1.4%
Visabeira Saúde	0	0.0%	0	0.0%	0	0.0%	9,900	0.0%
Movida	0	0.0%	0	0.0%	0	0.0%	13,734,701	19.8%
Mundicor	35,094	0.1%	0	0.0%	35,094	0.1%	677,140	1.0%
Africa	18,276,421	50.1%	5,341,976	67.8%	12,934,445	45.2%	18,883,386	27.3%
Angola	4,561,801	12.5%	2,255,686	28.6%	2,306,115	8.1%	3,717,632	5.4%
Visauto	2,201,875	6.0%	584,663	7.4%	1,617,212	5.7%	3,074,402	4.4%
Angovisa	722,288	2.0%	0	0.0%	722,288	2.5%	606,477	0.9%
Mercury Angola	367,783	1.0%	351,798	4.5%	15,985	0.1%	0	0.0%
Visabeira Angola	1,269,855	3.5%	1,319,224	16.8%	-49,370	-0.2%	36,753	0.1%
Mozambique	13,714,620	37.6%	3,086,290	39.2%	10,628,330	37.2%	15,165,754	21.9%
Imovisa	3,369,347	9.2%	283,417	3.6%	3,085,930	10.8%	1,758,224	2.5%
Turvisa	3,151,603	8.6%	216,452	2.7%	2,935,151	10.3%	7,317,620	10.6%
Mercury	2,868,773	7.9%	280,034	3.6%	2,588,739	9.1%	3,547,190	5.1%
Combustíveis do Songo	1,166,201	3.2%	0	0.0%	1,166,201	4.1%	1,906,745	2.8%
Visabeira Moçambique	2,133,531	5.9%	1,845,270	23.4%	288,261	1.0%	34,178	0.0%
Visaqua	246,751	0.7%	31,270	0.4%	215,482	0.8%	219,257	0.3%
Vibeiras Moçambique	233,359	0.6%	46,240	0.6%	187,119	0.7%	285,647	0.4%
Visa House	90,988	0.2%	0	0.0%	90,988	0.3%	0	0.0%
Autovisa	454,065	1.2%	383,607	4.9%	70,458	0.2%	96,893	0.1%
TOTAL	36,461,751	100.0%	7,874,828	100.0%	28,586,923	100.0%	69,193,537	100.0%
HOLDING								
Europe	20,184,842	100.0%	18,837,231	100.0%	1,347,611	100.0%	1,764,947	100.0%
Portugal	20,184,842	100.0%	18,837,231	100.0%	1,347,611	100.0%	1,764,947	100.0%
Grupo Visabeira	20,184,842	100.0%	18,837,231	100.0%	1,347,611	100.0%	1,764,947	100.0%
TOTAL	20,184,842	100.0%	18,837,231	100.0%	1,347,611	100.0%	1,764,947	100.0%
TOTAL GLOBAL	1,065,258,361	100.0%	105,201,511	100.0%	960,056,849	100.0%	910,222,502	100.0%

Visabeira Global

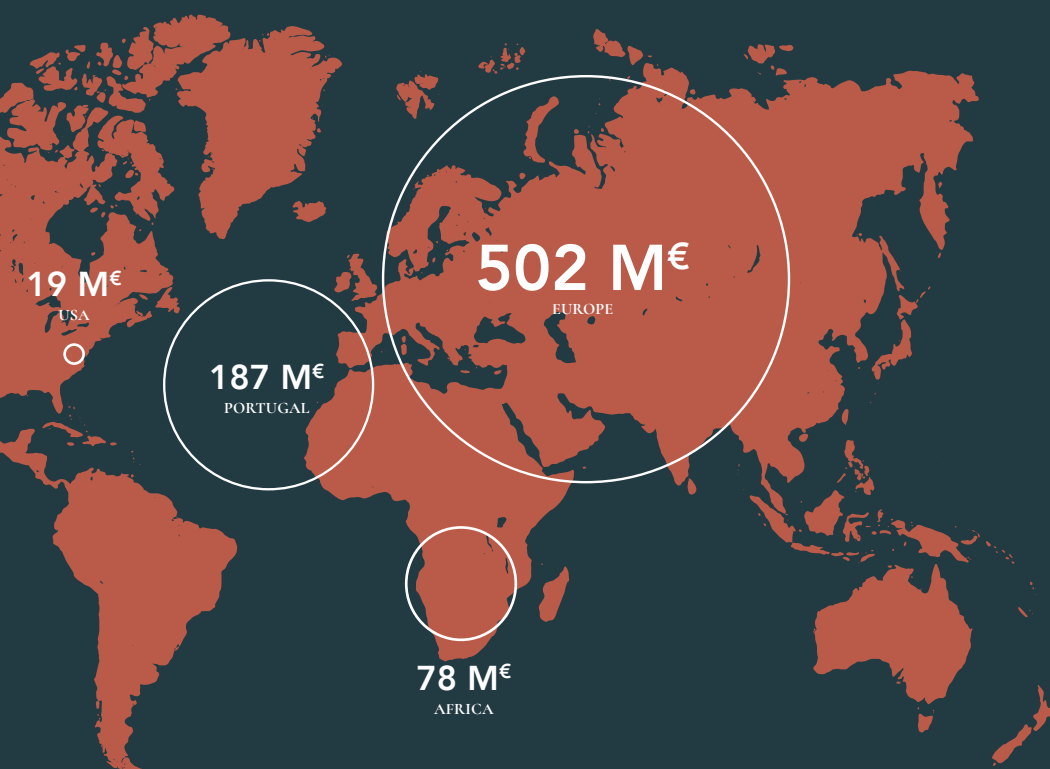
CONSOLIDATED INDICATORS

	2020	2019	Var YoY
Turnover	786	673	17%
EBITDA	130	100	29%
EBITDA Margin	16.5%	14.9%	1,6 pp
Recurring operating income *	82.2	60.1	37%
Operating margin	10.4%	8.9%	1,5 pp
Net income	42.0	26.9	56%
Net investment	76.8	36.0	113%
Debt	345	249	39%
Inventories	40.0	38.0	5%
Fixed assets (including goodwill)	465	492	-6%

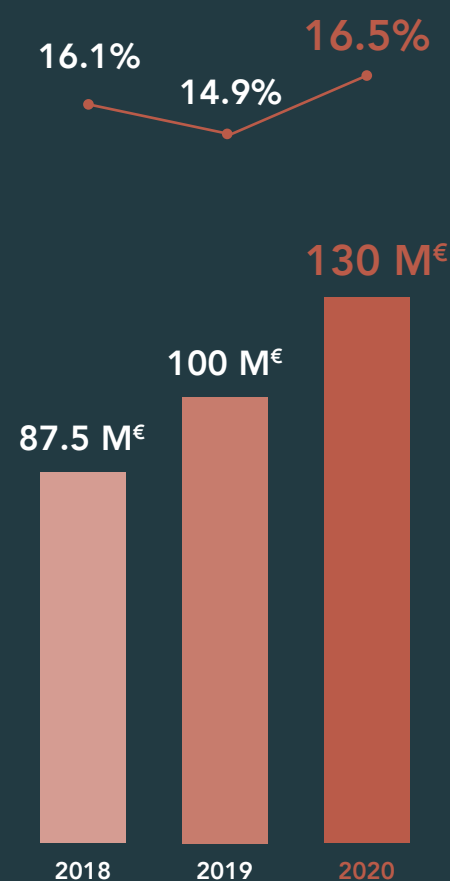
* Operating result excluding the effect of changes in fair value of investment properties and provisions.

TURNOVER

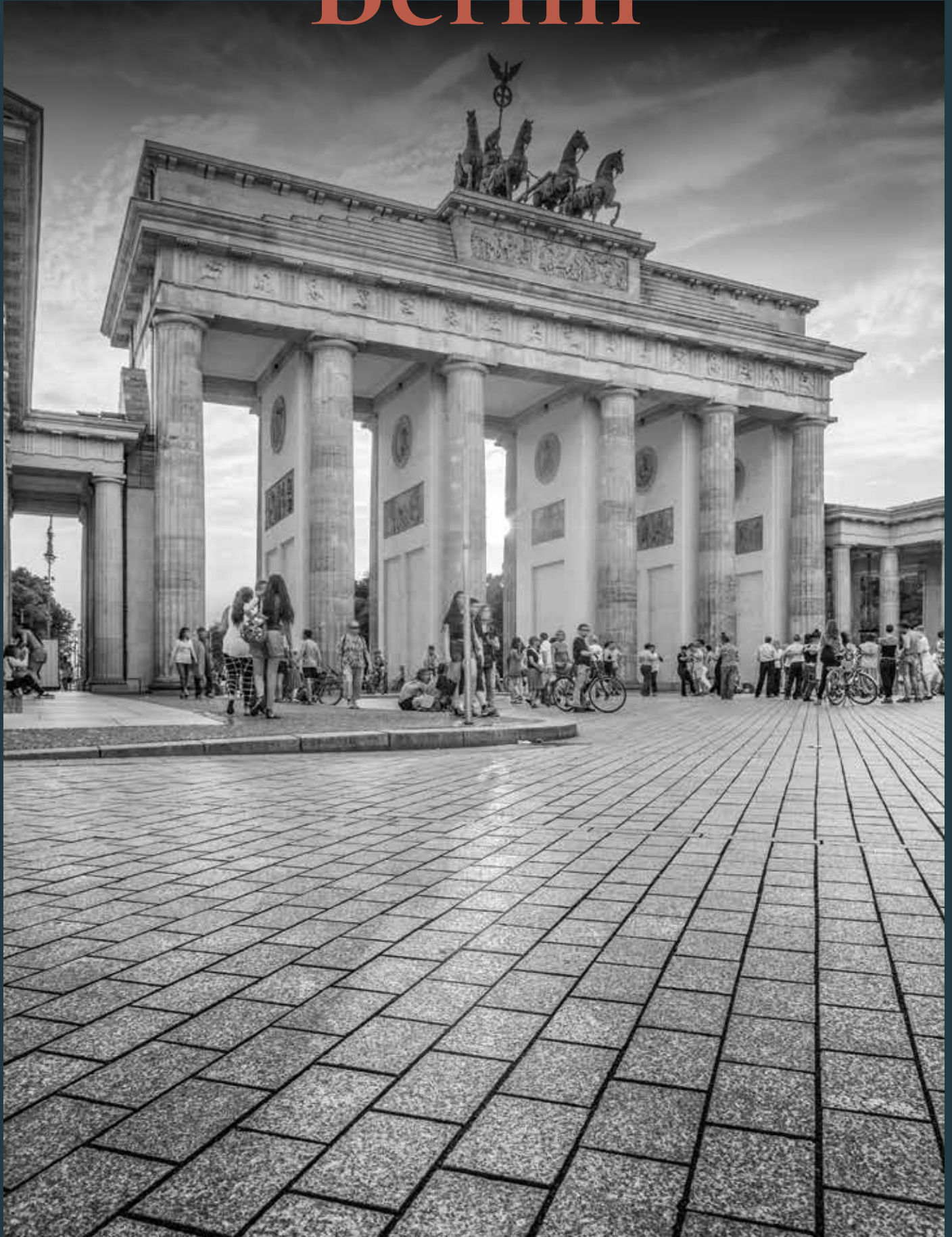
2020 • 786 M€



EBITDA AND MARGIN



Berlin



New Delhi



For Visabeira Global, the year 2020 will be mainly remembered for the covid-19 pandemic, which created an exceptional situation giving rise to a dramatic period with catastrophic impacts that, at a global level, limiting and still continuing to limit the company's activity, with the telecommunications sector playing a relevant role in the context of public service, given the needs of social distancing. All company structures have demonstrated its capacity and managed to adapt to new circumstances and effectively respond to new needs which society has sought to fill in such vital sectors such as telecommunications, electricity, technologies and construction. In this difficult and challenging context, Visabeira Global has strengthened its position as the Grupo's holding company with the largest dimension and broader scope of activity in areas such as telecommunications, energy, technologies and construction. The company maintains a strong focus on optimizing its business activities and drawing on expertise within the different sectors it operates in, aiming at maximising synergies and creating a comprehensive offering. Visabeira Global is the holding company with the largest share of international presence, as a result of its activities abroad. Moreover, it is the company which has had the largest geographic expansion, always aiming at a multinational path it has undertaken as its main characteristic.

Visabeira Global, within this adverse scenario of unforeseeable difficulties and ongoing adaptations to respond to renewed challenges, has maintained and even reinforced its course of expansion, which is clear from the fact that, as a whole, Visabeira Global's subsidiaries reached an aggregate turnover in 2020 of around 786 million euros, corresponding to an impressive growth of more than 17%, compared to 2019. Within this context, Visabeira Global thus has strengthened its position as the largest sub-holding in size, corresponding to 82% of the Grupo's turnover.

Telecommunications

Visabeira Global reinforced the growth of its activity in Europe, continuing to take on a global service status and providing quality service as the main characteristics strengthening all its brands, through which it operates in different markets and geographies.

In Europe, the Constructel brand, assuming a role as a European reference company, continues to be the pillar of the continuous expansion of Visabeira Global, in the different countries where, in addition to Portugal, it has been establishing a prominent position, with special emphasis on France, Belgium, Italy, Germany, Sweden, Denmark and the United Kingdom.

In France, **Constructel France** has strengthened its position of reference with the main French operator Orange (France Telecom), being one of the main service providers of the French operator, operating throughout the country. The Covid-19 health crisis had a strong impact on the company's operations, particularly during the period after pandemic was declared, from the end of March to the beginning of May. The company knew how to react and maintain a strong level of activity within the different telecommunications markets in France, both in terms of optical fibre network construction and in terms of maintaining the existing copper networks. In 2020, the company managed to maintain strong growth in optical fibre network construction and consolidated multi-year contracts and partnerships with Orange and other operators, which allowed the company to surpass the threshold of 234 million euros in consolidated turnover, with an important growth of 17%, compared to the previous

year. Constructel France continues to operate in The Caribbean, where it maintains a long tradition and an unmistakable market acknowledgement. In 2020, the company continued to carry out the important 100 million euro contract, in a partnership with Orange, for the construction of FTTH network in Martinique.

Also in France, Gatel strengthened its market position and managed to maintain its level of activity, reinforcing its important contribution to the other operations of the Grupo, which allowed it to maintain its aggregate level of activity at the level of 6 million euros, despite the health crisis that had a strong impact on the company's operations, with a reduction in activity in both the telecommunications and electricity sectors, with particular focus on the period from March to June and with some difficulties in the supply of materials. It is important to highlight positively the beginning of a new civil engineering activity for Orange and GRDF.

In France as well, **Escotel** was also able to renew and reinforce its main telecommunications networks maintenance contracts, and despite the health crisis associated with Covid-19, which strongly impacted the company's operation, mainly during the period between the end of March and the beginning of May, as well as to ensure a remarkable growth which resulted in the most important turnover in its history, thus contributing with about 15.5 million euros to the Visabeira Global's indicators, and leading a significant growth of 15% compared to the previous year. Furthermore, new contracts signed with Orange demonstrate the confidence that the company has been gaining in the market.

In Belgium, **Constructel Belgium** managed to overcome the challenges that the Covid-19 health crisis brought to the market, mainly during the period between the end of March and the beginning of May. It strengthened its position as a strategic company with Proximus (Belgacom) and managed to progressively increase its implementation of activity at a national level within the "Panda Completed" contract (construction of optical fibre networks). Within this context, the company proved its ability to react to difficult challenges and during 2020 recorded a consolidated turnover of 4.4 million euros, achieving an impressive growth of 42%.

In Belgium, as well, **Constructel Modal** consolidated its presence in the Belgian telecommunications sector with Proximus (Belgacom), in the area of fixed networks. Constructel Modal and the group of companies associated with it, maintained their activities in 2020, managing to maintain their aggregate activity level above 30 million euros.

Visabeira Global increased its portfolio in Belgium purchasing the company Oude Markt Voerlieden Natie NV (**O.M.V. Natie**) which, in 2020, achieved a consolidated turnover exceeding 8 million euros.

In Italy, in 2020, **IEME** consolidated its position as an historic provider for ENEL, recording a 14 million euros turnover, 7% below the previous year's amount. The company directly suffered market contractions, but it was able to adapt to the restrictions which the pandemic period imposed on its business activity. It implemented and improved its procedures, overcoming challenges, optimizing its capabilities and skills, managing to maintain its activity within an extremely challenging context. The company remained focused on ensuring the quality and availability of the services provided, proving itself worthy and overcoming the challenges it had to face. Within this extremely difficult context, the company was able to adapt quickly to the new situation and continued to respond effectively to the market's needs and demands, which has guaranteed it a portfolio of projects and new work foreseeing a quick recovery of its activity level.

In Germany, **Constructel GmbH** reinforced another important pillar of Visabeira Global's presence in Europe, being already a reference brand in Germany. This was achieved by the multidisciplinary work it has carried out in fixed and mobile networks, becoming a reference partner of Deutsche Telekom. The company maintained its leading role in this sector, mainly due to the work carried out regarding the operations in the West (Cologne), South-east (Stuttgart) and South (Munich) regions of the country. The financial year 2020, marked by the Covid-19 health crisis, demonstrated the company's capacity to promptly respond to new challenges and to reinforce the trust gained in the German market. Within this difficult context, the company outdid itself and achieved a remarkable 48% growth in its consolidated turnover, reaching 17.3 million euros. To this situation the investment in new generation networks (FTTH) contributed largely which the largest customer, Deutsche Telekom, continues to carry out, as well as the company's ability to maintain normal operation levels. Such factors are relevant when it comes to the telecommunications networks sector, which is an essential activity during a pandemic and confinement situation.

Visabeira Global has also expanded its range of services in Germany with the acquisition of **Franz-Josef Braun**, a company that provides services related to building and expanding telecommunications networks for national operators, installing optical fibre networks for the domestic and business segment and building electricity networks. In this first incomplete financial year, in Global's portfolio, Franz-Josef Braun exceeded 6.7 million euros in consolidated turnover.

In Denmark, in 2020, **Constructel Aps** consolidated the development of its activity providing telecommunications services in the contract for the construction of FTTH networks for the operator TDC, the so-called Fiber Factory project. In this turnkey project, Constructel develops all phases of engineering, survey and technical design, ensuring as well all construction works, which includes civil works, installation of all network points and terminal equipment. During 2020 this activity had a very significant slowdown due to pandemic situation, which affected the whole world and Denmark was no exception. In addition to this important project, Constructel continued to focus on partnerships with other customers, such as Huawei, for which the transformation of Yousee's cable network (owned by TDC) was completed - a project which started during 2016. Another important project, in the area of the mobile network carried out during this financial year, was replacing equipment and preparing to install 5G in the TDC network for the client Ericsson. This good performance worked as leverage for extending contracts with TDC for the next four years, which began to be implemented in 2020, in the optical fibre sector. With this dynamic, Constructel Aps reached a new historical maximum in its turnover, surpassing 14.2 million euros, corresponding to a growth of 10%, compared to 2019.

Still in Denmark, **Toft Hansen** managed to maintain its growth path, in this case surpassing 2.7 million euros, corresponding to a growth of 4% compared to the previous year, remaining very focused on the sector of optical fibre networks construction and associated with the dynamic activity of Constructel. The significant break in work flow observed during the second half of 2020 will be reversed with signing of new contracts that point to a growth cycle in the coming years.

In the UK, **MJQuinn** maintained its position as one of British Telecom's most important service providers in 2020. MJQuinn, during this difficult and complex year marked by the health crisis, managed to overcome difficulties and to guarantee a provision that was essential for the support of telecommunications networks, essential in times of isolation and confinement. Within this very challenging context, the company was able to respond to market needs, allowing it to record a 9% growth and exceed 137.7 million euros in turnover.

In Spain, it is important to mention the activity of **Tensa**, the new front line of Visabeira Global in that country, reaching 3 million euros in consolidated turnover.

Furthermore, in the United States of America it is important to mention the presence of **JF Edwards CC** in this area of activity recording a consolidated turnover greater than 19.3 million euros.

In Portugal, **Viatel**, adapting to the restrictions that the pandemic period imposed on its activity, ensured the implementation of good practices, overcame challenges, optimized its capacities and competences, managing to maintain the same activity level within this extreme difficult context, even showing a slight increase. Within this uncertain and complex period resulting from developments related to Covid spreading, Viatel remained focused on ensuring the quality and availability of its services and on meeting society's challenges. Within this difficult context, the company managed to adapt quickly and continue to effectively respond to the market needs and to overcome new challenges, allowing it to increase its activity volume. In 2020, Viatel's performance allowed it to maintain its position of reference and the increase of share in the fixed network segment, having even registered a tendency to increase the level of activity during the last months of the year and, at the same time, the company even managed

Stockholm



to slightly increase its share in the commercial sector. Viatel, as a result of this performance and of the comprehensive solutions it offers, remains a reference company in its market in the different segments in which it operates. In the Fixed Network sector, performance was mainly leveraged by the migration of technology from copper to fibre and the dynamics in building new fibre networks. Also throughout 2020 and within the scope of the optical fibre sector, it is important to emphasise the work done for new customers, registering a significant expansion of the portfolio. The Mobile Network sector has been recording sustained growth since 2017, and in 2020 in spite of all the constraints, it increased its activity, compared to 2019, reaching a turnover greater than 8.5 million euros. This business unit is organized into 3 large activity areas, namely Infrastructures, Technology and Transportation, representing respectively 59%, 25% and 16% of turnover. Within the Other Networks area, there was a strengthening of the position, which resulted in increasing activity in this segment, which was associated with an expansion of the customer portfolio and a geographic expansion of its operations, significantly increasing the company's operational area. Within the Commercial area, and in spite of all the constraints during 2020 especially significant to this segment of the activity, the sales channel registered a slight growth of 2% and Viatel maintained its top position in the Commercial SP, resulting in a growth of 14% and a reinforcement of its share in the D2D Meo channel to 35% in 2020. In the Stores and Corporate Sales channel, it kept its performance throughout the year in the national TOP 10. It should also be noted that it maintains a level of excellence in terms of service quality (NPS), an essential indicator in measuring end-customer satisfaction and in the business unit's performance. Within this context and as the most important characteristics when it comes to its approach to the market, Viatel recorded a consolidated turnover of around 74 million euros in 2020, representing a 28% growth.

Still regarding Portugal, **PDT** consolidated its position, once again increasing its market share adapting to the restrictions that the pandemic period imposed on its activity, managing to maintain the same activity level within this extreme difficult context, even showing a slight increase. As far as the Technical Area is concerned, PDT strengthened its position as a reference SP for the NOS operator and the company's construction activity was particularly boosted by the award of new optical fibre projects, by HFC, FTTH and DTH technologies works in the customer network and by the works related to maintaining the secondary and tertiary network in HFC and FTTH technologies, in the external network. In the commercial area, PDT reinforced its position as one of the main players in the residential segment of the NOS operator. The company registered a growth in its activity of around 8% and reached a 19% share in that operator's direct sales channel. As a whole, the company ensured carrying on good practices in its activity even with the development of the Covid-19 spreading, and remained focused on ensuring the quality and availability of its services and on meeting society's challenges. As a result of this performance, PDT recorded a performance in line with the previous year, recording a consolidated turnover of 32.2 million euros.

In Mozambique, **Televisa**, adapted to the new pandemic context and focused on responding to the growing needs of the sector. As a result of the company's ability to surpass itself, it achieved a performance that placed it at the forefront of its sector, acting on different fronts, playing a leading role in offering solutions to the multiple problems and increased needs that society has raised in the face of the pandemic crisis. As a

result of this commitment, the company has managed to increase its consolidated turnover by 25%, making an important contribution for the technological sector to become a mainstay in the way of life that the health situation imposes. Televisa has strengthened the growth recorded during the previous year, partly due to the investment made by its customer Vodacom, which was oriented towards expanding the underground optical fibre network. This positive evolution is related to the need for strengthening infrastructures so that they are more resistant to the causes of fibre interruptions, such as bad weather and isolated cuts. In this field, building more than 100 stations from scratch and starting implementation of 646 km of underground optical fibre should also be highlighted. Televisa participated as well in many other important projects, such as network update work, mainly the 4G coverage project which continues to be implemented across Mozambique. Within this framework, Televisa exceeded 9.5 million euros, with an increase of 25%.

In Angola, **Comatel**, experienced a very difficult scenario for which no one was prepared, but the company showed complete resilience and full competence to respond to new challenges. In this context, Comatel has adapted to a new and unexpected reality and has kept its focus on responding to new needs and at the same time has continued the work it had been carrying out over the previous years, developing several works and services for Angola Telecom, consolidating its position as a leading service provider for this customer. Even in this adverse scenario, it was also a year of important work carried out for TVCabo Angola, such as construction work and maintenance service of its network in the cities of Luanda, Benguela, Lubango, Huambo and Soyo. Moreover, Comatel ensured maintenance work of around 6,000 km of the national optical fibre backbone network and the stabilization of more than 1,000 km of that track. On another front of activity, and under the maintenance contract signed with Unitel, it carried out a program of maintenance work on the optical fibre network for this operator in Luanda, which is contractually assigned to it. Also in this area of activity, but working for Movicel, Comatel carried out preventive and corrective maintenance services for the underground network and optical fibre accesses in the city of Luanda. The work was carried out under the contract signed with this operator, for this purpose. Comatel, for the ZAP Customer, operator in the area of cable TV / Internet distribution, remains responsible for the installation component of the Customer Network and maintenance services in the Maianga area. As a result, in 2020, even under this adverse scenario, the company ensured a significant 73% growth in consolidated turnover, amounting to 3.2 million euros.

CATV

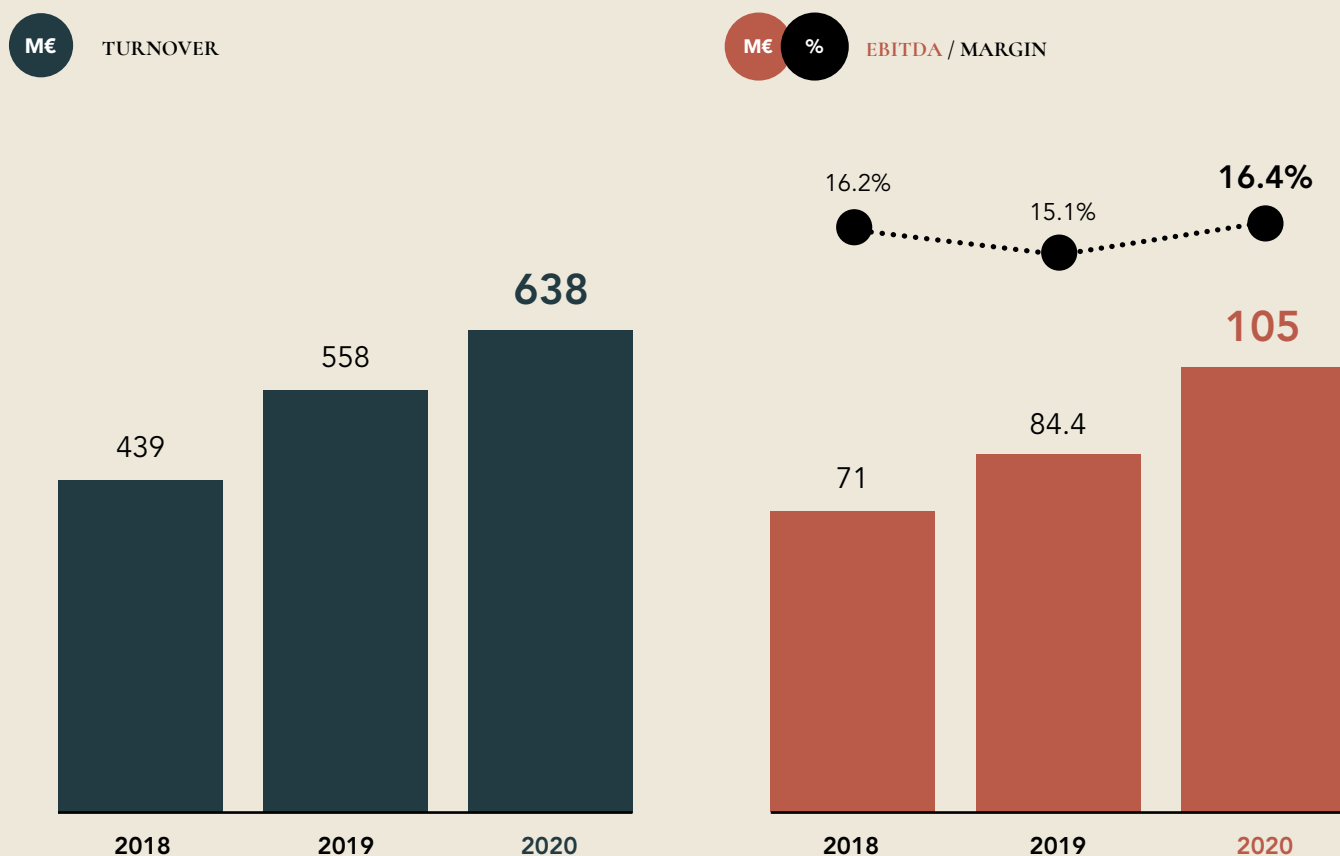
TVCABO Angola continues to be the only cable operator with the Triple Play service (TV+NET+fixed VOICE), in the Angolan market. With the granting of the Multiservice license by the Regulatory Agency in 2018, the offer indicated above was defined and the inclusion of mobile VOICE in the company's portfolio was also authorized. In view of the economic and social conditions that the country has been going through, it has been the Regulatory body that has defined price increases that operators can implement. In 2020, this authorization was given by Instruction No. 3/20 of the 27th of April, in which it was defined that this year the price update would be 26% to occur at 2 different times. In the provision of TVCABO's

Television service, the company continues to supply some of its own channels and channels from the two satellite television operators existing in Angola (ZAP and DSTV). This distinctive fact of TVCABO makes it possible to make more than 300 TV channels available on a single device. In the Internet service, TVCABO distinguishes itself from other competitors in that its offer is unlimited, reaching up to 500 Mb symmetrically. Regarding Voice services, the main feature continues to be the offer of free calls on the TVCABO and Angola Telecom networks. In the residential area, the Triple Play service continues to grow, allowing for a varied offer of combination of service packages, namely, different internet speeds, number of TV channels and, in terms of voice, different levels of needs. In the business segment, due to the effects of the pandemic which the country was not immune to, significantly changed the habits and needs of customers, and so TVCABO developed new symmetrical internet packages, more diversified and with greater bandwidth, giving an assertive response to market expectations. TVCABO, being an equal shareholder of Angola Telecom and Visabeira Global, companies with extensive experience and expertise in the area of telecommunications and information technologies in several countries in Africa and Europe, has added capacity to innovate and create new solutions in a timely manner, always seeking to offer its customers the possibility of having first-hand access to various technological innovations and new solutions. Within this context and right from the beginning of the pandemic, the Regulatory Agency gave guidance to the various operators to provide

free national channels and to double the bandwidth of the packages at no additional cost. The initiative aimed to minimize the lack of mobility on the part of people in general and, here too, TVCABO revised its packages in order to contribute to reducing the dramatic effects of this period which affected the whole world. With the spread of Covid-19, the Corporate segment benefited from an increase in Internet and bandwidth services in order to be able to sustain the teleworking model to which the majority of workers was subject to. During this year, the sale and installation of the Full IPTV service (centralization of all services in one piece of terminal equipment) to all of our optical fibre customers (FTTH) which leverage TVCABO's position as a cutting edge company, and simultaneously greater profitability of available resources. TVCABO Angola, in this difficult pandemic environment and new sectoral demands, ended 2020 with a decrease in turnover of 22% compared to the previous year, amounting to 31.5 million euros.

TVCABO Moçambique, since the declaration of the pandemic by the WHO-World Health Organization, has relied on its adaptability and on the strength of its structure and business to reaffirm its position in the market as a leading operator and respond to emerging new needs. 2020 was a year during which we had to show great resilience, but above all a time to act and innovate, as well as clearly confirming TVCabo's ability to adapt, which together with the need for a fierce response to adversities, managed to maintain continuous business growth. It should be noted that the Internet service, fundamental in this new era of greater physical distance in all people's day-to-day activities, has seen its

Telecommunications





São Paulo



use intensified due to the fact that face-to-face activities were replaced by online activities, resulting in a significant increase in consumed bandwidth that the network and the entire structure had to adapt. In this context, it was necessary to increase bandwidth costs and reassess its management. In commercial terms, the focus remained on the range of Internet and "Triple Play" packages, as well as on Corporate solutions, with higher profitability and loyalty levels. In this domain, it was relevant to focus on increasing convenience and speed of customer service, such that restructuring the BackOffice processes, incorporating them directly into the FrontOffice teams, increased the speed and assertiveness of the interaction with the customer. In 2020,

TVCABO was recognized with the ninth award from PMR Africa and distinguished for the sixth consecutive time with the "PMR DIAMOND AWARD", the most prestigious award in the category of "Internet Service Provider". 2020 was a period of demanding challenges and difficult goals for TVCABO, which the company responded to with the enduring resilience that characterizes it, consolidating its position as a quality brand and managing to overcome the extreme difficulties in this context and in an adverse situation so as to provide the answers that society required. The impacts of the pandemic and limitations on offer led to a 7% decrease in consolidated turnover, which stood at 18.3 million euros.

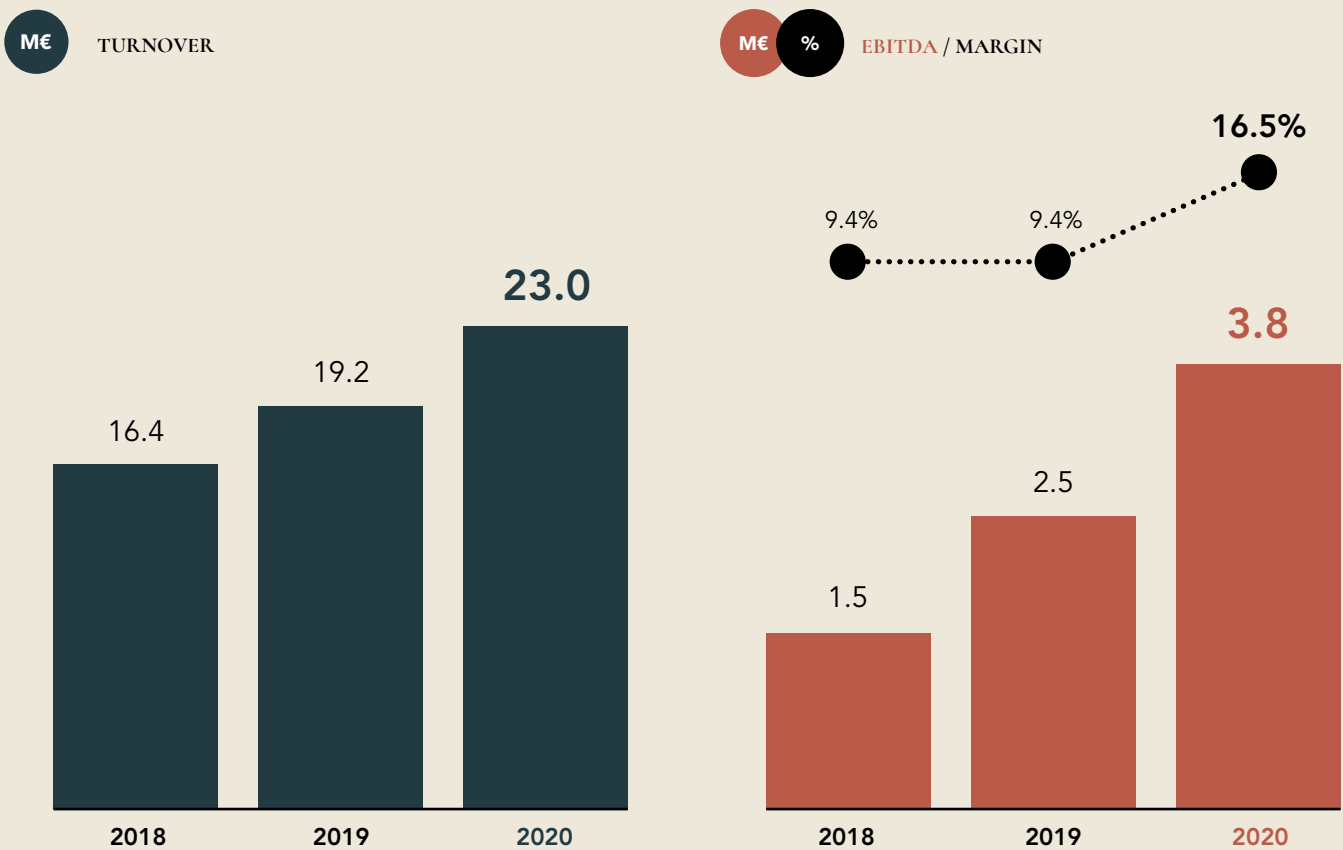
Information and Communication Technologies

In 2020, a **Viatel Tecnologias** consolidated its presence in this strategic segment for the company's business activities, which is important for the aggregation of the company's other offers. Viatel brings together in this activity area the focus on providing specialized services in the technological areas of data centre infrastructures, access network technologies (fixed and mobile) as well as new technologies and innovation in the areas of smart cities and internet of things (IoT). The company seeks to differentiate itself by presenting technological solutions which complement the projects and customers of Viatel's portfolio, in other business areas, optimizing solutions and maximizing advantages. In this area, the company maintained its policy aiming at optimizing and specializing

its organization and structure regarding the technological and telecommunications supply as well as focusing on new technologies in the areas of smart cities and internet of things (IoT) . In this context, Viatel maintains a strong position in the market for networks and technological infrastructures, as one of the main players in engineering services for building general infrastructures and installing radio solutions and other technologies.

Real Life, as a reputed company in this challenging segment, continues to invest in the information technologies sector, working with the main telecommunications operators in Portugal and as a partner of the main technology suppliers. The company's consolidated turnover amounted to 16.6 million euros, compared with the previous year.

Information and Communication Technologies



Santo Domingo

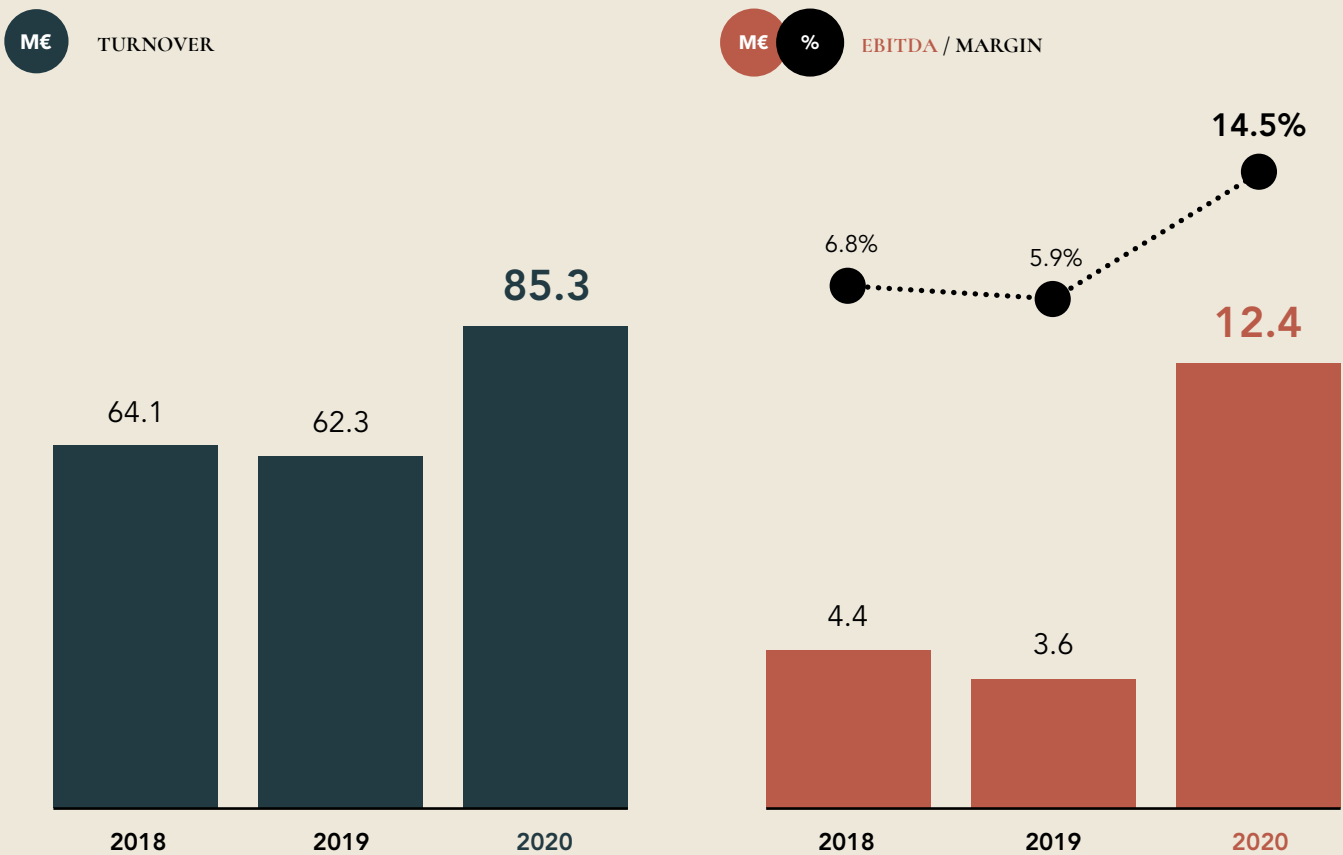


Energy

In Portugal, for **Visabeira Infraestruturas** 2020 was marked by an important readjustment and adjustment of the activity within the electricity and gas sectors resulting from the constraints of the Covid-19 virus pandemic. Setting up and implementing suitable practises and procedures for controlling and mitigating Covid-19 infection, within the different levels of the company, allowed for achieving the objectives established by Visabeira Infraestruturas as well as challenges posed by its customers, even with the inherent limitations. Within this adverse context, the company was able to respond favourably to the market's needs, which ensured very assertive performance, allowing it to exceed the previous year's activity level by more than 20%. In the Electricity sector, the company strengthened its status as a leader in the sector as the second largest contractor, in terms of turnover for EDP Distribuição. 2020 was the sixth year of the contract for the project "Empreitada Contínua EC2015 - Redes", which started on the 30th of March 2015 and will end on the 29th of March 2022, taking into account the extraordinary one-year extension agreed. In the Electricity sector, turnover associated with the contract with EDP Distribuição was around 18.7 million euros. Also noteworthy during 2020, and as happened in 2018 and 2019, the company managed to ensure a large flow carrying out aggregated work under the "InovGrid" Project, namely in the activity of replacing electromechanical and static meters,

by smart meters – Smart Meters - Energy Box (EB). In this domain, Visabeira together with its three organizational areas of operation, ensured the replacement/installation of more than 60,000 units, 10,000 more than during 2019 and it foresees installing 70,000 units during 2021. Over the course of 2020, Visabeira Infraestruturas maintained its strategy of strengthening its intervention with new customers, within its area of technical expertise. In this context, during 2020 the company strengthened its position with EDP Comercial with the construction of Medium and High Voltage Electric Lines, the amount of which doubled compared to 2019. In the Electric Power Transmission Lines market segment, 2020 underwent sustainable growth in activity, simultaneously carrying out contracts and focusing on ensuring a portfolio for work during 2021. During this financial year, the work carried out corresponded to approximately 3.9 million euros in turnover. During the financial year of 2020, Visabeira Infraestruturas invested in the market segment of general electrical installations in Substations, which reflects the implementation of the investment and activity diversification strategy with REN. This area is expected to be a key partner in the near future and to contribute to a significant increase in the company's work volume. In the Gas sector, 2020 was essentially marked by the continuity of the contracts in force with the two Natural Gas Suppliers, GalpEnergia / GGND - Galp Gás Natural Distribuição. The combination

Energy



of the two contracts, which in total represent around 17 million euros, allowed Visabeira to have geographic coverage of almost the entire central region, from the coast to the boarder with Spain. As one of the most important projects, Visabeira ended 2020 with a 21% growth in its consolidate turnover, reaching 29 million euros.

Also in Portugal, **Visacasa** has been stabilizing its scope of action, consistently focusing on the areas of air conditioning, electricity and electronic security. During this period, it also invested in increasing the efficiency of its operations. However, the pandemic, which marked 2020, had a direct and indirect impact on our customers, suppliers, employees, local communities as well as other parties involved. In general, Visacasa managed to maintain the main levels of activity, essentially due to the portfolio of work it already had and the adoption of measures to contain the infection. However, in this adverse context, the company's volume of activity suffered with the consolidated turnover decrease of around 25%, amounting to 1.6 million euros.

In France, **Constructel Energie**, in the activity of energy-related services, consolidated its presence within the energy-related services' sector, with the incumbent operators ErdF (Électricité de France SA) (Enedis) and GrdF (Gaz Réseau Distribution France), reinforcing its position as one of its main partners, and maintaining its position as leading player in this sector. However, 2020 was unavoidably marked by the Covid-19 virus pandemic, which had a direct impact on the company's market and, in particular, on its main customers Enedis and GRDF, forcing a standstill in work foreseen in the contracts awarded between March and May, ensuring emergency interventions in each region only for GrdF. As a result, the company's turnover decreased by 15%, reaching 16.6 million euros.



Porto



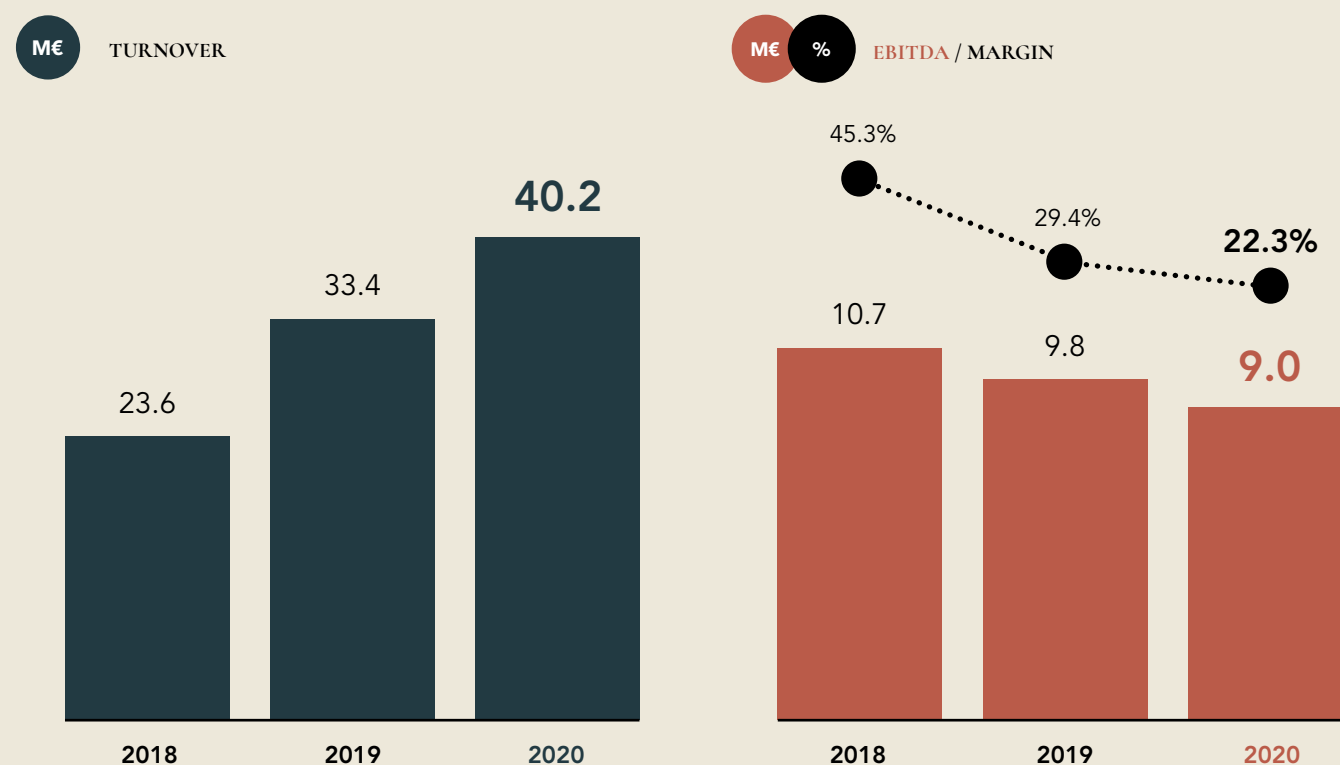
Construction

In Portugal, during a particularly unusual year, **Edivisa** took advantage of its experience in the Buildings and Infrastructures Construction and Maintenance sector, and remained a company reputed at a national level as a leading player in the construction market as well as at an international level where the company's activity focuses with greater relevance in Mozambique, ensuring a diversified portfolio of work in different sectors. Edivisa integrates several teams of versatile and specialized technicians, framed by an organization optimising the available resources so that the company's results reflect the perfect harmony of the different areas, which include architecture, engineering and civil construction. The company develops its activity towards two sectors - i) public works and ii) real estate market - in which it operates within the scope of the design, construction, renovation, rehabilitation and maintenance of buildings and infrastructures. In this context, during 2020, which was marked by a positive performance, the company revealed its capacity to adapt and endure the impacts of the Covid-19 pandemic, with its volume of activity increasing by 29%. In the Construction segment, Edivisa continued its trajectory of growth which has been recording during the past three years. The awards earned during 2019 and 2020 and the prospects of awards in the first quarter of 2021 have driven the company to be able to reach, in 2021, a volume of activity that have reached a new historic high. The company, in pursuit of this larger goal, has been investing in increasing its technical and human resources, enabling not only the growth in business volume, but also in the optimization of its operational profitability. The public works sector continues to represent the most important sector for company growth. This sector's weight

benefits from an important order portfolio, already under contract, and is the result of the company's continuous strategy to invest in the construction sector. In this context, the partnership policy initiated is also important, under which the company has been establishing strategic partnerships for relevant works. Keeping its focus on the future, in 2020 Edivisa competed in the national market for works amounting to more than 83 million euros, resulting in a volume of awarded works that amounted to around 13 million euros. In the Real Estate sector, the company continues to carry out excellent work, with particular emphasis, among others, on the construction works: renovation works at the Hotel Mosteiro de Alcobaça, comprising the entire Rachadouro Cloister of the Real Abadia de Santa Maria de Alcobaça, which is part of that world heritage monument, as well as works for constructing the building in Chiado (Hotel). It's important to also mention the on-going work to expand tourist offerings at the Sítio da Vista Alegre. As a result of this positive performance, Edivisa recorded a 29% growth in its consolidate turnover during 2020, reaching 29.3 million euros.

In Mozambique, **Sogitel** continued to operate its activity in civil construction sector where it does business: real estate as well as civil construction and infrastructure projects. The company has a relevant portfolio of external customers, where Fundinvest and FNDS stand out as the main customers. Moreover, it has customers on the private segment and, at the same time, undertakes important works within the scope of the group it belongs to. In this context, Sogitel overcame the challenges caused by the pandemic, achieving a performance that provided it with a significant turnover growth of 24%, reaching 2.4 million euros.

Construction



Visabeira Indústria

CONSOLIDATED INDICATORS

	2020	2019	Var YoY
Turnover	144	167	-14%
EBITDA	21.6	32.2	-33%
EBITDA Margin	15.0%	19.3%	-4,3 pp
Recurring operating income *	7.1	19.2	-63%
Operating margin	5.0%	11.5%	-6,5 pp
Net income	-8.5	3.2	-364%
Net investment	10.6	26.8	-61%
Debt	103.3	87.6	18%
Inventories	47.1	46.5	1%
Fixed assets (including goodwill)	249	255	-2%

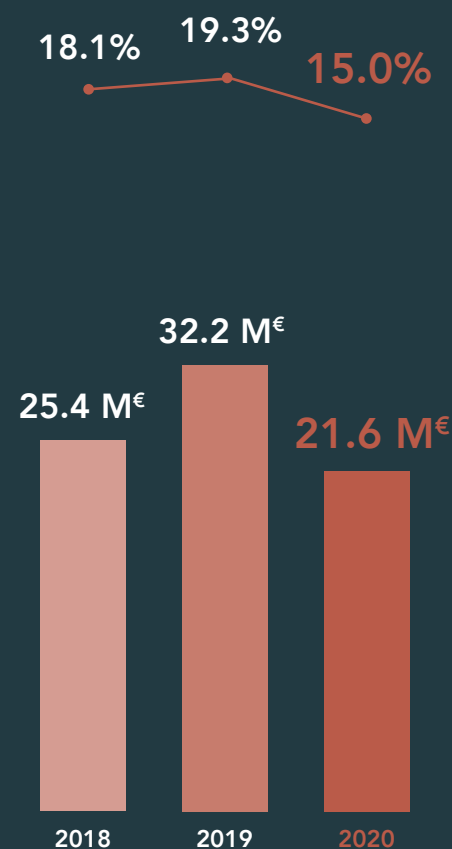
* Operating result excluding the effect of changes in fair value of investment properties and provisions.

TURNOVER

2020 • 144 M€



EBITDA AND MARGIN



Ílhavo



Madrid



Visabeira Indústria is the holding company structured to bring together Grupo Visabeira competences in the industrial sector, including the areas of ceramics and crystal, kitchen furniture, biofuels, energy recovery systems and natural resources, among others; as well as to optimize resources between the different plants and maximize synergies between the different segments.

In 2020, the health crisis experienced after March strongly influenced production on the production plants and the different markets in which they operate. In this very adverse context, the volume of activity in Visabeira Indústria business recorded a consolidated turnover of 144 million euros, corresponding to a decrease of 13.8% in the group of its subsidiaries. Visabeira Indústria is the second sub-holding company in size, corresponding to 15% of Grupo Visabeira turnover.

Ceramics and Glassware

During 2020, Vista Alegre, as a group recorded a turnover of 110 million euros and an EBITDA of 16 million euros. The foreign market currently represents 78.7% of Vista Alegre's turnover, with 86.9 million euros in sales, which represents an increase of 6.2 p.p. over the same period during last year. This increase is explained by the growth in the European markets, namely in France, the Netherlands and Italy, the fastest growing countries. The worldwide spread of the Covid-19 pandemic had an impact on the year 2020 and it affected the population negatively in economic and financial terms. From March onwards, with the total closure of commerce and restaurants, nationally and internationally, along with a strong slowdown in the hotel sector, there was a reduction in Vista Alegre sales in the retail and HoReCa channel. Vista Alegre maintains partnerships with major global brands, as can be seen by its operations throughout the year. One of the agreements is with a large French retailer, and is the result of a long-standing partnership with the Zwilling brand, known for its high quality knives and kitchenware accessories.

Vista Alegre, which has been repeatedly awarded in major events and worldwide design contests, is increasingly recognized as an engine of new market trends and an international *player* in terms of major projects in the areas of product design and *lifestyle*. The year 2020 was no exception and Vista Alegre received 17 international awards, attributed by the most respected international entities, in different categories: tableware, decorative, lighting and furniture. The "Cocar" (Vista Alegre) collection stands out in the Architecture Master Prize; the "Vortex by Ross Lovegrove" collection (Vista Alegre) at the German Innovation Awards; the "Duality" collection (Vista Alegre) which was awarded twice (in the German Design Award 2021 and in the Good Design Awards); and the "E2H - Lighting Collection by Ross Lovegrove" collection was also awarded at the IF Design Awards. Another important fact is the celebration of the 181st anniversary of the Vista Alegre Museum, one of the first Portuguese museums and in the world. For almost two centuries we have been preserving the history and memory of the brand as well as of the national industry. Moreover we have been promoting the Vista Alegre brand, not only in the renovated and highly praised museum but also, over time, in the most diversified national and international fairs.

The company is proud of its history over the 196 years of Vista Alegre - celebrated in 2020 - , in which the Company's strategic vision remains focused on the global recognition of its brand as one

of the world's leading brands of prestige, quality and design. In this case it has strengthened its commitment towards internationalization and relevant strategic partnerships to create added value for customers and shareholders, always maintaining a strong connection to design and culture. As a mission, VAA seeks to provide a comprehensive response to satisfy the needs of its different markets (tableware, decoration, giftware, hotelware) with an offer that complies with the highest quality standards, based on a close and permanent relationship with its customers. In Portugal the brand has an index of spontaneous notoriety superior to 95%, being identified by specialists as porcelain of high quality and recurrently chosen to serve celebrities of several countries. In a more comprehensive way, the main mission is to know, produce and market tableware, giftware, collecting and corporate pieces, dominating whenever possible the manufacturing process and its value chain.

2020 was a challenging year for Vista Alegre, marked by the global Covid-19 pandemic, yet maintaining the notoriety of the "Vista Alegre" brand in the world. The second semester of resuming activity shows monthly sales higher than the same periods in previous years, the development of continuous improvement processes and improvements implemented in operational efficiency, as well as the focus on innovation, marking the year of 2020 in a positive way. VAA, SA in December 2020, obtained the AEO – *Authorised Economic Operator – Customs simplifications / security and safety* status, certified by the Tax and Customs Authority. Certified company with ISO 9001 by SGS ICS, and on July 2018 there was a transition to the current standard review (ISO 9001:2015); The brand undertakes a DNA of constant innovation contributed to the investment in expansion, modernization and automation of the porcelain, the crystal and the glass sectors, as well as the creation of a new laboratory unique in the sector, which contributed to the technological evolution and significant impacts on product quality and control of the production process based on industries 4.0. The adoption of new technologies and the development of new materials also enhance the increase in production capacity, and in the operational efficiency, reducing the costs and reinforcing Vista Alegre's position as the owner of the most technologically advanced factories worldwide in the ceramic, crystal and glass market segments.

Thus, as a result of the strong impacts that the pandemic crisis had on production plants and on the markets, Vista Alegre's turnover in 2020 reached 69 million euros, with a decrease of only 3%. This must be considered as a positive outcome and is the result of the effort and

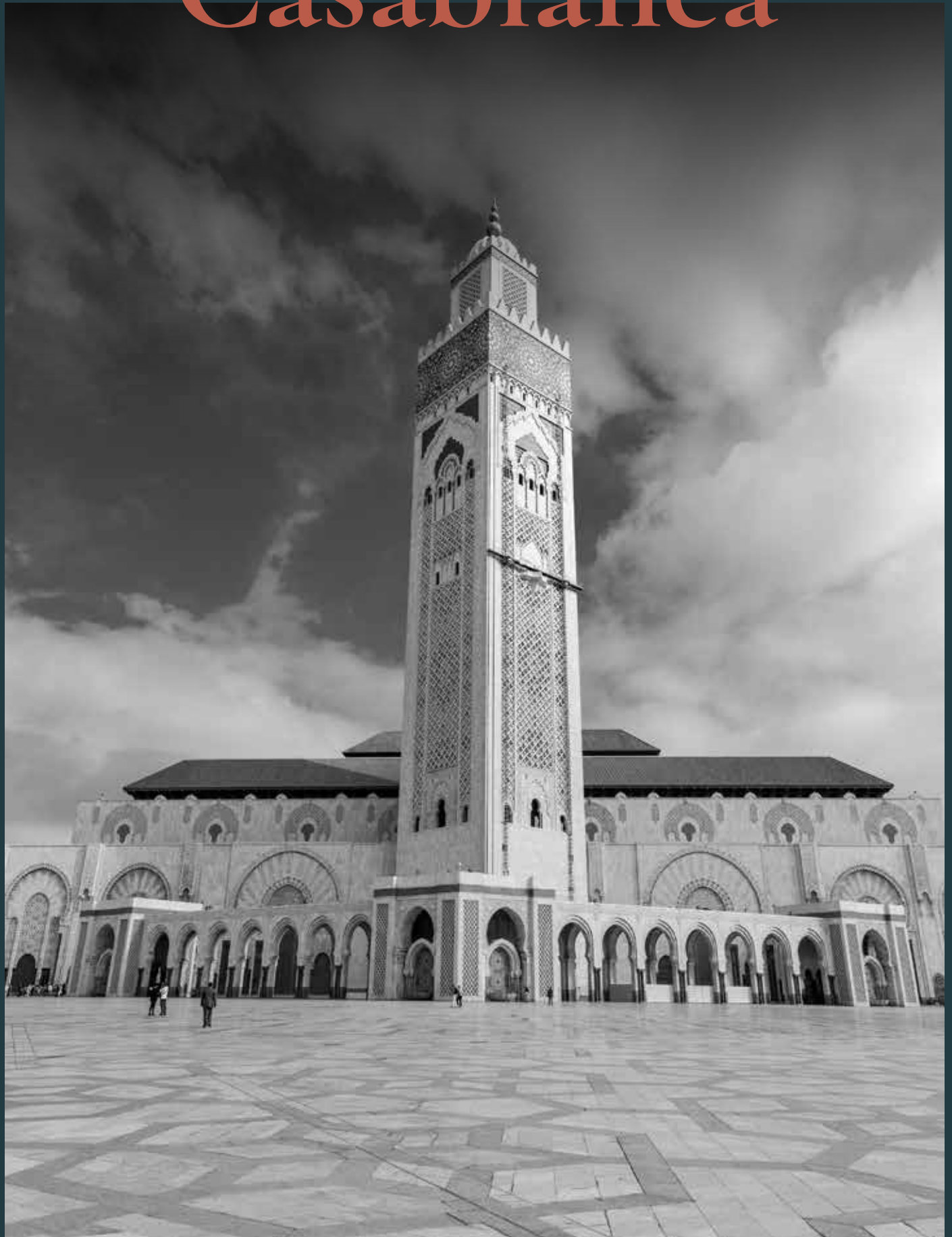
adaptability which the company demonstrated in adapting quickly to the uncertainties and in the assertive response to the revitalization of its activity, which it managed to achieve during the second half of the year.

In 2020, **Bordallo Pinheiro**, felt the very adverse context in its operation and in its business activity, which began with the declaration of a pandemic in March. However, the company had the ability to resist and adapt quickly and, despite taking advantage of recent investments in the modernization and expansion of the plant, managed to end the year with a consolidated turnover higher than the previous year. On the other hand, fulfilling a strategic purpose of the company, the foreign market continued to be a strategic goal, with direct sales reaching a share of 43%. The relevance of foreign markets for the company is decisive and it should also be noted that a good part of sales in the domestic market also have other countries as their final destination, so the presence of the brand abroad is increasingly significant. Bordallo Pinheiro thus fulfils one of its main goals of internationalization of the brand, never neglecting the important domestic market. In both markets, the primacy of existing synergies between the Grupo's companies is reinforced, as well as their commercial policies that have been implemented and that greatly enhance the results achieved. This increased commercial policy, which maximizes the proximity of current and potential customers, has been having a significant impact at the national and international level, thus providing an increase in turnover, even in this very adverse scenario. In 2020, Bordallo Pinheiro maintained its commitment towards being present at the most important Fairs, including its participation in the Maison & Object Fair in Paris and the Ambiente Fair in Frankfurt, where the visibility and notoriety of the brand in this market was reinforced, strengthening contact with current customers and optimizing the approach to potential customers. The brand has participated in other international fairs, fulfilling its internationalization path. The balance was positive, not only because of the results already achieved this year, but mainly because of the growth potential that was created. In 2020, the brand presented a set of new sardines to continue the iconic collection launched in 2014 "Sardinha by Bordallo" and which included a piece in a special edition and numbered signed by the artist Bela Silva. There are already around two hundred pieces created by several national and foreign celebrities, who contributed to a collection which already plays an important role in the world of decorative ceramics. Also noteworthy is the partnership with Claudia Schiffer, a former German model and fashion icon. The partnership was launched by developing a collection of exclusive pieces. In the manufacturing domain, Bordallo Pinheiro maintains its strategic focus on production optimization and continuous improvement of all its processes, with the ongoing goal of increasing productivity and quality and, consequently, reducing its manufacturing costs. In 2020, the company consolidated its most recent investment in factory modernization, optimizing production capacity with a deep requalification of the entire factory, along with the expansion of the production area and expansion of facilities, which is now beginning to show results. The new equipment installed is aligned with the strategic option aimed at optimizing its products. Also highlighting the commitment to the Portuguese economy with most equipment options being developed in partnership with national companies. The basis of these options is the careful choice and adjustment of new equipment, whose main purpose is to maintaining the DNA of the Bordallo Pinheiro product and, at the same time, increasing flexibility for the production of small

series and aiming to reduce the production cycle. These options allowed the plant to be equipped with the latest technology and positioned it as one of the most modern in its sector. The new plant, with more than 12 thousand square meters, has unique conditions that combine technological improvements, with greater energy efficiency, contributing to an increase in production capacity. The renewed conditions strengthen the best characteristics of the brand, the art and talent of its craftsmen honour the legacy of Rafael Bordallo Pinheiro and his son Manuel Gustavo - artistic and original ceramics. In 2020, Bordallo Pinheiro maintained the Certificate of Conformity under the NP EN ISO 9001:2015 Standard and the SMETA 4 Pilaes Certification. The company has an Integrated Management System that meets these requirements, allowing for greater fluidity of information throughout the organization, improving the recognition and understanding of organizational responsibilities and interrelationship. In addition to this demanding attitude, which is the company's requirement, absolute accuracy in management is added as a crucial factor for performance. As a major characteristic of this attitude, the company reinforces its primary goal of maintaining a permanent, attentive and sagacious reading of demand trends, in order to realistically and effectively adapt the offer of products available to meet consumer expectations. In summary, during 2020, a year of enormous difficulties and colossal challenges due to the direct and indirect impacts of the pandemic - including a lay-off period of 4 months -, the company strengthened production processes, improved productivity, quality, as well as customer service. Overcoming this adverse context, the company reinforced its commitment to the online channel, which grew significantly by 288% and managed to fortify its course of internationalization. In such an adverse context, the company recorded a remarkable growth in turnover, which amounted to 4.2 million euros, corresponding to a 10% growth compared to the previous year.

In 2020, **Ria Stone** had a completely unusual year, reflecting the pandemic situation that the world has gone through and is still enduring. During the first confinement in March 2020, with the restrictive measures associated with it and with the volume of orders falling, Ria Stone suspended its activity during part of the months of March and April. In May, the activity was resumed at 70%, but soon faced the rapid increase in orders resulting from the reopening of IKEA physical stores, reaching their maximum capacity in June. Until the end of the year, Ria Stone was always producing at full capacity, and in October it achieved the highest sales volume since it was established in 2014. Ria Stone, despite the recovery efforts it carried out during the second half, ended up producing less than the previous year – approximately 44.5 million pieces in 2020 versus 45.9 million in 2019 – due to the shut-down period in 2020, resulting in a decrease in their activity volume of about 1%. Despite this adverse context, the company managed to improve its processes and be more efficient, having even improved EBITDA by 2% compared to the previous year. Regarding investment in research, development and industry 4.0, Ria Stone ensured participation in another H2020 (I4Q) project (quality control systems) that will allow it to improve the control of the reception of raw materials and, consequently, improve the yield of the company. This project joins the Qu4lity (zero defect manufacturing systems) that are ongoing and that will improve reaction to defects generated by the various processes through artificial vision and will allow for creating predictive decision aid systems that will also help improve the company's yield. The H2020 Boost (big data) project ended in 2020, providing the company with infrastructures and an analysis system that will allow for bring together the two projects mentioned above in a way suitable for the application of I4.0 tools. A path that proves the DNA of innovation and cutting-edge

Casablanca





Aveiro

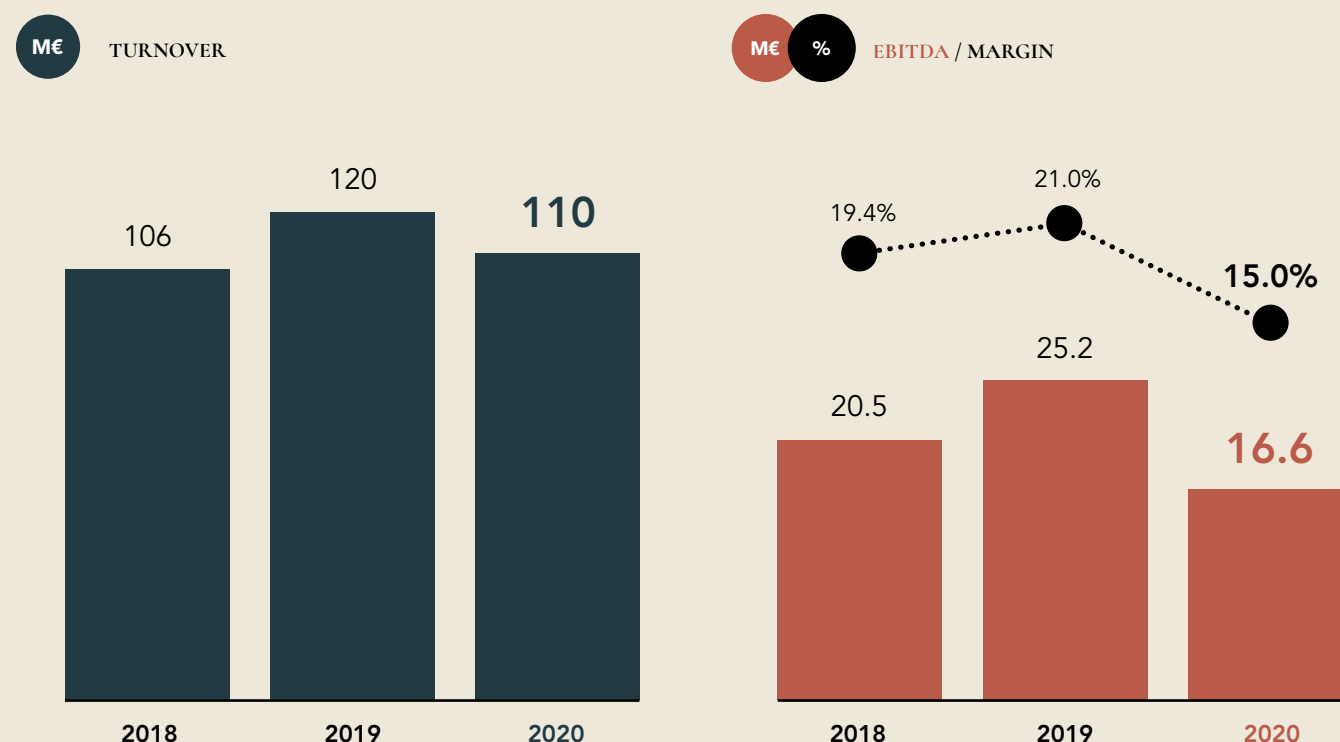


technology that Ria Stone has assumed since the beginning and that places it at the forefront of its segment. In this context, Ria Stone, despite the highly adverse environment it struggled with, achieved a consolidated turnover of 25.3 million euros, in line with the previous year, recording a decrease of only 3.6%.

In 2020, **Cerutil** went through an extremely adverse context that the company had to continually adapt to and find solutions to overcome the difficulties and uncertainties that the Covid-19 pandemic created, with serious impacts on the operation of its plant. In this context, Cerutil was able to invest in a commercial effort aimed at searching for and securing new customers and markets, while at the same time managing to keep the manufacturing plant producing, taking advantage of available capacity. During periods when it was possible to work in conditions close to "normal", the increase in production growth rates was noticeable, taking advantage of the investments made in 2019, and the leverage in improvement achieved in productivity was also remarkable, as a result of a more effective management of resources: human, equipment and raw materials. In 2020 and in line with the same orientation adopted since the beginning, Cerutil maintained a strong commitment towards continuous improvement, explaining the main driving force behind the dynamics to be implemented in the company for all sectors and all its employees. In March 2020, during the first state of emergency due to Covid-19, Cerutil needed successive adaptations and adjustments to adapt its operation

to new hygiene requirements. The company managed to keep its activity at full capacity during a good part of the year, adjusting production capacity to customer needs. It should be noted that the growth in the Portuguese market was due to its integration into Grupo Vista Alegre, which effectively has the French market as its final target customer, and is therefore, in the end, an export. In this context, it can be extrapolated that the main effective markets in which Cerutil operates are: Italy, France, the USA, the Netherlands and Belgium. In commercial terms, Cerutil, during 2020 and in accordance with Grupo Vista Alegre's centralized strategy, reinforced and developed promotional actions through contacts and product presentations aimed at new customers, which allowed it to significantly increase the identification and development of new commercial opportunities, as well as the acquisition of new customers. Particularly noteworthy is the already traditional participation in the main international fair of products in the sector: "Casa – Feira Ambiente 2020". Cerutil took advantage of all commercial initiatives to promote the unveiling of new products, new models and new decoration, in order to stimulate the interest of its customers and open new perspectives of relationship, objectively meeting the needs of reinforcing or complementing each other's collections. In this very difficult context, the company added all its skills and, strengthening its technical and human capacities, managed to achieve a performance capable of responding to its market, but which was far below expectations, with a significant decrease, compared to the previous year, with consolidated turnover amounting to 4.2 million euros.

Ceramics and Glassware



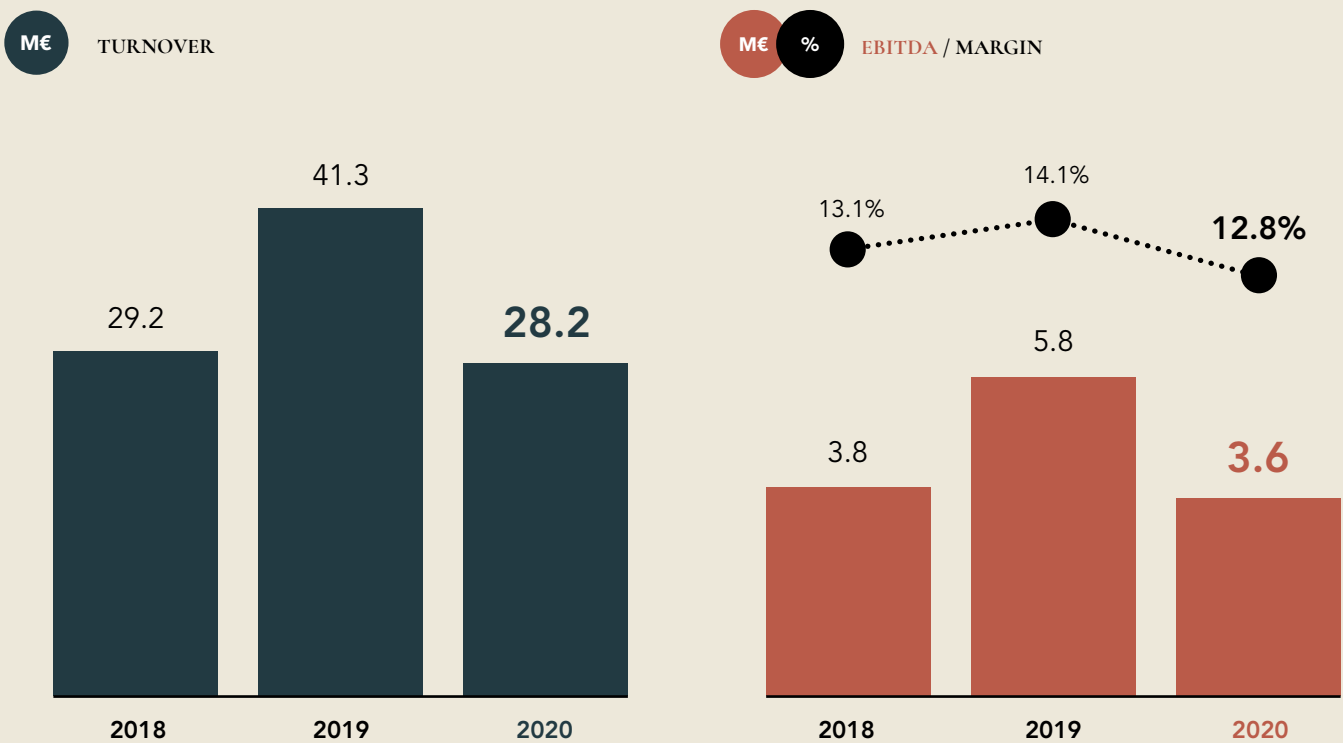
Biofuels and Thermal Energy

During 2020, **Pinewells** achieved its second best year ever, in terms of turnover, after the historic high achieved in 2019. Despite the Covid-19 pandemic, which affected the entire society and the economy, and which affected Pinewells as well, the company quickly adapted and continued to respond to market requests. In this difficult and uncertain context, the company managed to maintain its market and minimize the impacts, closing the year with an activity level only 5% below the record achieved during the previous year. This result strengthened the company's strategy in 2016, guided by a clear commitment towards export and diversification of customers in the industrial pellet sector (targeting co-firing), as its main focus while never neglecting the domestic pellet and industrial sieving market, aimed at markets in Portugal and Spain. These products guarantee a higher sales margin, ensuring that even under more complex situations and those of crisis, the company guarantees greater resilience to market fluctuations and reduced demand. This year, there was a decrease in sales of domestic pellets, due to low consumption in the Spanish market, which had a surplus of stock from 2019, although it was possible to grow in this segment in the national market, despite not fully offsetting lost market in Spain. Losses in the domestic pellet sector were partially offset in the industrial pellet sales

segment, both for co-firing and for the national industry. Although the company was able to sell its entire production, the decrease in pellet consumption for co-firing, due to the lockdown which forced several industries to close, namely in the United Kingdom - which is the main destination for Pinewells pellets - pressured the sale price, as there was a need to store pellets for future sales, with a consequent decrease in the purchase price. One of the most important factors continues to be the availability and price of raw materials. In 2020, Pinewells also invested in purchasing a greater volume of crushed raw material, in the order of 20%, in order to keep stock levels higher, for these levels to serve as safety stock for the warmer months and when there are fewer raw material inputs. The greater availability of crushed products in stock ensures a faster recovery of production levels in the event of possible breakdowns or in situations of less labour availability.

In this context, there was an increase in the price of raw material in the market, largely as a result of greater demand. Special emphasis must be placed on the final market behaviour, in which the demands of industrial pellet customers are increasingly oriented towards the search only for products that are environmental, socially beneficial and economically viable. This is ensured by certification mechanisms

Biofuels and Thermal Energy



that guarantee the Product's Sustainability and here Pinewells remains at the forefront, maintaining its strategic commitment to this positioning. It is also important to highlight Pinewells' commitment towards increasing, training and developing its human resources, in order to face the new production reality of the company, as well as the consequent and important investment made by the company in training these new resources. As one of the highlights of the year, it is also worth mentioning: i) the consolidated leadership of the Pinewells brand in the domestic pellet market; ii) the renewal of quality and product certifications, according to the ISO 9001 and EN Plus standards; iii) the maintenance of the GGL Certification; iv) maintenance of SBP and FSC certification. Under this adverse context, given the demands and constraints that the health crisis imposed on the factory's operations and on the markets, Pinewells managed to decrease its consolidated turnover by only 4%, amounting to 18.5 million euros.

During 2020, **Ambitermo**, like most companies worldwide, underwent the side effects of the pandemic, having recorded a decrease in the volume of activity, but with a performance that should be considered positive, given the constraints, uncertainties and obstacles that the pandemic crisis introduced into its activity and into the market. Thus, during the first quarter, the company, anticipating new opportunities in the current situation, took advantage of the reduction in activity to develop new solutions, namely an innovative mobile grill to adapt to its boilers, allowing for burning different types of solid fuels effectively and opening larger business opportunities. The national market was once again important due to the several works the company was awarded, but special emphasis should be given to the company's focus on foreign markets. Within this difficult context, the company recorded a turnover higher than 6.5 million euros.

Visabeira Turismo, Imobiliária e Serviços

CONSOLIDATED INDICATORS

	2020	2019	Var YoY
Turnover	28.6	69.2	-59%
EBITDA	4.6	33.3	-86%
EBITDA Margin	16.0%	48.1%	-32,1 pp
Recurring operating income *	-2.8	23.7	-112%
Operating margin	-9.9%	34.3%	-44,2 pp
Net income	2.0	21.5	-91%
Net investment	19.6	12.4	-58%
Debt	34	140	-76%
Inventories	27.0	26.6	1%
Fixed assets (including goodwill)	471	624	-24%

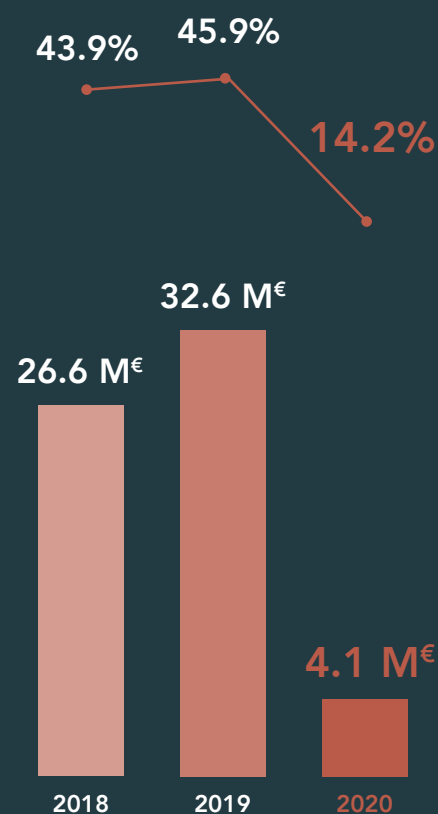
* Operating result excluding the effect of changes in fair value of investment properties and provisions.

TURNOVER

2020 • 28.6 M€



EBITDA AND MARGIN



Maputo



Lisbon



Visabeira TIS is the holding company whose main purpose is to articulate the areas of tourism, real estate and services, integrating the Grupo's different skills in each one, optimizing resources, ensuring an efficient and focused management in each of those sectors of activity and, simultaneously, maximizing the synergies and resulting complement characteristics.

Within the scope of Visabeira TIS, 2020 was a period that interrupted a positive evolution that the tourism, real estate and services sectors had been leading and that will surely be marked as a black year, particularly for the tourism sector and related activities. In early March, the Covid-19 infection was detected in Portugal and the country was faced with the rapid evolution of this new coronavirus, discovered in China, in December 2019. This virus, never before identified in humans, was quickly found to be easily transmissible between people and with lethal effects. This virus has quickly become a truly global threat to the public health, as well as to economies. It changed our lives and behaviour and even today it is difficult to see the real impact of the continuity of this pandemic scenario on people and society and what changes it will bring about. When, on the 11th of March 2020, the World Health Organization qualified the public health emergency caused by the Covid-19 disease as an international pandemic, it opened a new dramatic era, a new situation never experienced in the last century, and which despite all the advances already made, continues to be extremely unpredictable and insecure. These times of uncertainty and extraordinary complexity, as a result of the evolution of events related to the spread of Covid-19, required the Portuguese Government to implement continuous restrictive measures, with great impact on companies and citizens and with dramatic consequences for the market. As a result, companies in the tourism sector saw their customers disappear and reduced their activity to almost null. This gave rise to a dramatic period with catastrophic impacts that, in a

global way, restricted and still continues to restrict the activity of companies.

In summary, 2020 is a year that will go down in history as a closed year, with no mobility, no social contact, with restrictions of all kind, a year that, especially for the hotels that operate resiliently in the tourism sector, marked its almost total inability to operate, to close doors avoided their disappearance pure and simple. Despite the capacity and speed of the different and repeated efforts and attempts to adapt and restructure the hotels, always guided by high levels of resilience of the business structures - which were thus put to the test as never before -, these efforts proved to be insufficient for the dimension and severity of the problems.

A dramatic year it was, for which no one was prepared and in which, in a very difficult environment of advances and setbacks, the economy of a growing sector of vital importance for the country lost its meaning and collapsed, dragging all the leading characters down.

A year to forget... and just remember what was possible to do to survive (are those who are still doing so) in the hope that the following year can be marked as a new beginning.

During 2020, the volume of activity in Visabeira Turismo, Imobiliária e Serviços's businesses recorded a consolidated turnover of around 28.6 million euros, which represents a decrease of 58.7% compared to the previous year, which stood at 69.2 million euros, a clear evidence of the impacts that the new world situation caused in the sector.

Visabeira TIS focused primarily on promoting a swift and effective

adaptation of its operations to the new reality, its demands and new challenges, aiming to defend, to the extent possible, the viability of all its fronts. At the same time, it took advantage of the downtime to promote programs to improve and update the infrastructure of its hotels and, believing in the future, continued to develop expansion projects and the construction of new offers in its portfolio.

In this context, and during 2020, Visabeira TIS sold Movida, which negatively contributed to all indicators in this business area.

The **Tourism** will continue to enhance the **Montebelo** brand's increasing recognition, with the corporate aspect being a relevant component in the operations, but also and mainly due to the quality of the hotels, as well as the cuisine and leisure offer of the hotels which are part of it. They present very positive dynamics of integrated and appealing offer due to quality, originality and complementarity. This sub-holding will continue to focus on expanding its offer and geographically expanding its activities, in addition to optimizing and maximizing its already consolidated operations in Viseu, Lisbon, Vista Alegre, Aguiéira, Maputo, Nampula, Lichinga, Gorongosa, and the latest Milibangalala.

The **Real Estate** segment has focussed on the leading status that its brands, leveraged by VisabeiraHouse, have achieved in the market, and on its strength in this new context, presenting itself in a more comprehensive and assertive way, which created dynamics and extended the reputation belief that the company is trustworthy, closely associated with quality products, strategically well located.

In the **Services** segment, the different units stand out for the ability to respond quickly to the needs and expectations of their markets, which in this period was decisive for their existence and continuity.

At **Visabeira TIS**, in times of such uncertainty and extraordinary complexity, the focus of the different activities will remain on designing and delivering the best services, under the best conditions to continue exceeding market expectations. Thus, it is expected that activity will resume in a measured and safe manner and with it a necessarily slow recovery, adapting its operations to new requirements, always committed to constantly seeking the best options to adapt, overcome challenges and to be able to give the best answers to market requests, as well as to the new needs and concerns of its customers.

Luanda



Santiago



Commitment to society

Quality, Environment and Safety

Sustainable development is one that requires the satisfaction of the needs in the present without compromising those of future generations. Sustainable Development is based on three pillars: economic, environmental and social, called *triple bottom line* or "3Ps" (*Profits, Planet, People*). It reflects the balance that must exist between the performance of the three pillars to create value for Income (profits), for the Planet and for People.

In organisations, the concept of Sustainable Development is understood from the perspective of other concepts, such as, for example, Corporate Sustainability, Corporate Social Responsibility and Management Systems, whose focus is the relationship with shareholders. The sustainability of an organization is based on the balance between its economic growth and its environmental and social duties and responsibilities.

In this sense, in Grupo Vista Alegre, management relies on a set of procedures, standards and practices, capable of using natural resources in an environmentally responsible manner, avoiding irreversible impacts. This new concept entails a concern with the use of clean technologies, minimisation of waste and the sustainable management of natural resources.

With regard to Safety and Health at work, integrated in the social dimension of sustainability, the development and certification of the companies' main Management Systems, combined with various actions to prevent accidents and with the continuous commitment training employees, allowed optimising working conditions and professional performance, which improved in a sustained manner indexes in these areas.

In other words, the quality and excellence in its products/services and companies is sustained by the continuous improvement of Integrated Management Systems (Quality, Environment and Safety). In this sense, in 2020, we highlight a set of activities within the scope of quality, environment and safety, summarised below:

- Software development for continually monitoring good practices in the areas of quality, environment and safety, carrying out Quality, Safety and Environment audits and inspections, mainly in the Visabeira Global areas. These audits are carried out online via a tablet computer, which speeds up this process, reducing the administrative burden of the process and eliminating paper consumption;
- The company will continue focusing on its commitment towards professional training, which involved more than 3,000 employees, with emphasis on health and safety at work, which represented around 70% of trainees;
- Reinforcement of its commitment towards sustainability, as there is an increasing demand for certified and the so-called sustainable products. Thus reassuring the customer that the product he/she is using is in fact from sustainable sources and that it does not jeopardize environmental, social or economic aspects;
- Continued implementation of the Kaizen methodology in the

companies, with special emphasis on the ceramic industry, which has allowed for greater involvement of employees in the company's processes. This methodology that has allowed, in addition to productivity gains, to improve employee well-being, since it also allows for improving their place of work;

- Continuous monitoring of good hygiene and food safety practices, in compliance with a control and audit programme that included, among other actions, over 200 microbiological analyses at the various units of Visabeira Turismo;
- Continuous improvement of the response capacity in situations of environmental emergency, by accident simulation, which allow an effective performance by the employees in the event of accidents of an environment nature;
- Carrying out energy audits and drawing up energy controlling plans for the fleet of some Visabeira Global companies, defining purposes and goals to be met, thus allowing for greater awareness among employees and a reduction in energy consumption;
- Continuous monitoring of environmental aspects, calculation of the respective impacts on the environment and permanent reassessment of mitigation and minimisation measures implemented;
- Centralized waste management at Visabeira Global allows for proper management and control of waste produced, optimizing travels by the Waste Operator and, in turn, reducing costs associated with transportation;
- Continuous optimization of the geolocation system in vehicles, allowing efficient management of technical resources in their daily activities. This system marks an important role in regards to sustainability of the company, since it allows obvious gains either in the economic aspect, and especially in the environmental aspect;
- Environmental awareness when purchasing work equipment, having prepared specifications for the main groups of material and equipment, giving priority to those with lower environmental impact and that simultaneously ensure the safety for users;

Regarding the implementation and certification of management systems, 2020 was marked by the maintenance and consolidation of the company's certification, complying with the quality (ISO 9001), environment (ISO 14001) and safety (OHSAS 18001) standards.

For 2021, the focus on management systems will be focused on the transition to the new regulatory safety standard (ISO 45001).

UN Global Compact

Complying with a strategic orientation that promotes an attitude characterized by accuracy, effort and transparency, Grupo Visabeira continues to make every efforts towards developing a fairer society, focused on people, based on values, integrity and innovation, committed to support and achieving the Millennium Goals, respecting and promoting the human rights of all citizens, reducing social inequalities and environmental imbalances in the regions it does business in.

Thus, in line with its strategic guidelines mentioned previously, Grupo Visabeira, as a signatory of the United Nations Global Compact, prepared its eighth Communication on Progress (COP) report, restating once again its commitment to further promoting the Global Compact and its 10 principles as an important part of the company's strategy, culture and day-to-day operations.

People

Grupo Visabeira, in the extremely adverse scenario and constant uncertainties that indelibly characterized 2020 as a result of the Covid-19 pandemic, focused primarily on adapting its operations and activities to the new context. It involved the entire team, safeguarding necessary behaviour and hygiene rules as well as the essential adaptation of procedures with respect for best practices. In this sense it motivated its structure to provide a suitable and effective response to the needs of the new reality. Moreover, it managed to effectively respond in these demanding times and meet the needs of society and the market, assuming its responsibilities as the main player in vital sectors such as telecommunications, energy, technologies, construction and many others.

Under this demanding scenario, the company continued to focus on its multi-functional and multi-continental corporate identity, favouring training, as well as its human resources policy, always aiming at continuous improvement of productivity and quality of services or products.

The entire team, at its different levels, was motivated to overcome obstacles and maintain its daily aim of meeting the needs and exceeding the expectations of customers. The individual purpose remained in line with the brand's identity, supported by three fundamental aspects: i) the quality of services and products; ii) the geographic expansion of its activities; iii) the dynamics and accuracy of performance.

The organization, in all its structure, also took on balancing the new requirements with the permanent challenge of combining attractive and successful careers with individual and collective results. Everyone's focus always aims at an efficient management of knowledge, a competent management of the teams, the optimisation of resources, the maximization of synergies and the efficient sharing of the company's strategy and values.

The Grupo, which wants to become stronger and whose goal is its growth, the primary mission of its management is to involve

everyone in the awareness of good practices, and to promote their correct connection with the management of professional and personal expectations of each and every one, in line with quality of performance and achievement of goals.

At the base of the success achieved is the versatile capacity of training and qualification of technicians, the dynamics regarding the management of careers, promoting multisectoral opportunities for career development for each of its employees. In this context, it is important to highlight the Grupo's characteristic multi-sector and international identity, which is a key factor for partnerships with education institutions, technical and professional schools, universities and all academic organisations. With these institutions, the company liaises and maximizes the promotion of the best conditions of success for young graduates in order to tailor the best frameworks for their fruitful integration into professional life, ensuring mutual added value.

For the common goals, a wise combination of experience with new blood is essential to harmoniously complement a solid team, competent and motivated in line with the Grupo's expansion model on a full development path with increasingly ambitious challenges, as has been the case for 4 decades at the end of the year.

In historical terms, the average number of employees grew by almost 2%. During a year in which the turnover grew 5.5% within a scenario of new and additional requirements and difficulties associated with the health crisis, this development in terms of personnel, although inferior to turnover, shows the capacity, competence and motivation with which the whole team has strived to achieve remarkable performance, always with an assertive focus on its main goals. This allowed for reaching historical highs in most indicators, and at the same time responding to market demands within this difficult context.

Within this area, in 2020 the Grupo recorded a growth of a total of 12.114 employees, on the 31st of December 2019, and to 12.343 on the 31st of December 2020, a growth representing an increase of 1.9%. The Grupo's three large sub-holdings, taking into account the same reference as on the 31st December, registered behaviour in line with their activity levels: Visabeira Global went from 7,051 to 7,592, which is 7.7 % more; Visabeira Indústria increased from 2,813 to 2,852, representing an increase of 1.0%; and Visabeira TIS increased went from 2,250 to 1,899, leading to a 15.6% decrease. The following table reflects this evolution, in recent years, per sub-holding:

People

	2020	2019	2018	2017
Visabeira Global	7,592	7,051	6,517	5,285
Visabeira Indústria	2,852	2,813	2,654	2,611
Visabeira Turismo, Imobiliária e Serviços	1,899	2,250	2,156	2,177
TOTAL	12,343	12,114	11,327	10,073

Vocational Training

In this knowledge economy era, in which information is treated as a raw material for economic activities, training takes on an increasingly important role.

Within an environment of growing globalization of markets and outsourcing of production activities in keeping with a high degree of specialization and growing importance of the level of customer service, it is paramount to provide companies with tools which will increase competitiveness of its organizations. As Peter Drucker said one day, "the challenge is to make ordinary people do extraordinary things".

In this context, it is increasingly relevant to improve employees' performance of any company, in any business activity. It is easy to understand that the performance of employees with more training or experience is essential for an organization in achieving its goals and it is extremely important for the success of knowledge-based businesses.

The globalisation of markets and the increasing externalization of productive activities leads to the need to provide companies with tools to increase their competitiveness. Thus, improved employee productivity is increasingly relevant, making it easy to understand that professionals performing with more training or experience are fundamental for companies to reach their goals.

Thus, training is no longer seen by companies as a mere legal obligation, but rather as a valuable investment. For people, it is also no longer seen as a waste of time, which is reflected above all in the more open attitude with which they attend training, and engage in their goals.

For Grupo Visabeira, continuous professional training is one of the solutions for improving productivity and profitability levels and it is important to refresh knowledge already acquired. In addition, keeping professionals up to date on the latest trends, laws, technology and practical requirements for their professional occupations strengthens the capacity to innovate, to adapt or to foster group interaction between employees, which are factors that have proved to be truly essential for companies.

The training entity Grupo Visabeira, SA (certified by the DGERT since 2005), treats the companies of the Grupo and their own service providers as privileged clients, as the training is custom tailored to the needs of each company. In this way, it acts in diverse areas of education and training, of which some of the following should be highlighted: Foreign languages and literatures; Management and administration; organisation/company framework; Computer user experience; Electricity and energy; Electronics and automation; Civil construction and civil engineering; Hotel and restaurant industry; Technology for environmental protection; Health and safety at work.

In line with what has been happening in recent years, in 2020, and despite the pandemic, Grupo Visabeira's internationalisation growth scenario in the telecommunications sector on the European market was maintained, resulting in an increase in the number training courses carried out, which made it possible to respond to the need for qualification of technicians for these new markets. These initiatives were carried out in different places in mainland and insular Portugal (most of them centred at the Training Academy in Viseu) and also in Europe, with particular relevance in France.

For 2021, due to the continuous commitment towards the internationalization of the Grupo Visabeira's telecommunications area in the European market, the number of training courses to be carried out, as well as the number of trainees involved, is expected to continue the same growth trend as in recent years.

Communication

Grupo Visabeira

Throughout 2020 Grupo Visabeira continued to undertake strong dynamics in its multiple sector activity in the country and abroad, where it maintained remarkable growth and expansion pace at all levels.

However, all this was conditioned, on a global scale, by the strict restrictions imposed by the Covid-19 pandemic, which meant that companies had to adopt measures in accordance with the guidelines of the health authorities, as well as with the governmental impositions which led, for example, to the decrease in labour and production activities. Despite the unusual year that Grupo Visabeira, its sub-holdings and several dozens companies experienced during the first year of the new decade, information flow can be considered very positive, reaching 4005 news items in several traditional media (press writing, radio and TV).

In 2020 Visabeira celebrated its 40th anniversary of activity. This was the motto for a great interview given by Nuno Terras Marques, Chairman of the Executive Board of Directors of Grupo Visabeira to Forbes magazine. He was also a guest of the program "Tudo é Economia", on RTP 3, where he talked about the four decades of the company, current and future projects at the national and international level. The "Fronteiras XXI" program on RTP 3 highlighted Vista Alegre, with an interview with one of the company's directors and footage shot at the company.

Still regarding interviews with national media, worthy of note was the interview given by Fernando Daniel Nunes, executive director of Grupo Visabeira to the newspaper Expresso (golf notebook), regarding the presence, once again, of the Expresso BPI Golf Cup at Montebelo Golfe. This competition, – Campeonato Nacional de Empresas –, which has been sponsored by Grupo Visabeira and Vista Alegre for over a decade, also gave rise to an interview with Nuno Barra, director of the ceramic company, also published in that weekly newspaper. In addition to these two interviews, over several months, Grupo Visabeira, via Montebelo Golfe and Vista Alegre (as sponsor of the competition trophies), were referenced in several editions of the Golfe do Expresso notebook, as well as in the programs " Golf Report", aired on SIC Notícias channel and "Golfe & Golfistas", aired on Sporttv channel.

As mentioned above, despite global constraints, Grupo Visabeira kept many of its multifunctional sectors active, mainly its core activity - telecommunications and energy -, especially Constructel Europa, which operates in those sectors in France, Belgium, Germany, Denmark, the United Kingdom, Sweden, Italy, India and the Caribbean.

The purchase of new companies specialised in the telecommunications and energy networks - companies Franz-Josef Braun GmbH & Co. KG., in Germany and Oude Markt Voerlieden Natie, in Belgium, was one of main news which marked the end of 2020 in the main national and regional media.

Meanwhile abroad, the activity of Constructel GmbH was highlighted in the Deutsche Telekom's newsletter, the main German telecommunications operator. The news which highlights the Grupo Visabeira is in regards to completing the swap T-Mobile project, which was successfully implemented by Constructel teams.

The entry of Grupo Visabeira in the share capital of Jayme da Costa, one of the major players in the energy sector, was also a theme of several news items in traditional media as well as online, a platform that continues to be one of the great means of communication.

Tourism was one of the other areas of Grupo Visabeira that triggered the publication of hundreds of news items, by general, economic

and specialized media in the sector. Jorge Costa, vice president of Visabeira Turismo, Imobiliária e Serviços, was interviewed, for example, by Idealista, Ambitur and Publituris.

Some of the pieces of news reported were: the reopening of the Montebelo Hotels & Resorts, after the first confinement caused by Covid-19 - which presented themselves with the "Safe & Clean" seal from Turismo de Portugal; the opening of the renovated Montebelo Príncipe Perfeito Viseu Garden Hotel; the award of Trip Advisor's "Traveller's Choice" award to some of the hotels; the creation of a footgolf course at Montebelo Golfe, as well as the award of the "Safe Spot" seal to Palácio do Gelo Shopping, as a safe space that adopts all good practices in preventing and combating Covid-19.

The reopening of all the stores in the largest shopping centre in the Central Region, after the first confinement, was honoured on television with the presence of SIC and CMTV channels.

Casa da Ínsua combining the hotel with its gardens and gourmet products, obtained great media coverage, mainly on television, among which should be noted: "Somos Portugal" aired on TVI channel; "Jardins Históricos", aired on RTP 1 channel, and on SIC/ Expresso Boa Cama Boa Mesa TV section, one of the news of a more institutional nature and the other within the scope of suggestions for deconfinement; and news on the Jornal da Tarde - aired by SIC channel, about the kid goat festival in Penalva do Castelo.

The wine tourism perspective was also explored by the magazine Sábado and by the Observador, in addition to a report signed by the well-known journalist/wine consultant Maria João Almeida. Also noteworthy is the participation of Casa da Ínsua in the annual edition of VIP Noivas. The hotels Montebelo Agueira Lake Resort & Spa, Montebelo Vista Alegre Ílhavo Hotel, Montebelo Palácio dos Melos and Montebelo Lisbon Downtown Apartments were also mentioned in several media, including: Público; Evasões; Visão; Guia Boa Cama, Boa Mesa; LUX Woman; Time Out; Fugas-Público; Sapo and Turisver, among many others.

It should be noted that the opening of the "Jardins da Mimi" terrace, at Forno da Mimi & Rodízio Real Restaurant, with an innovative concept, was also publicized with dozens of publications in the media.

Catarina Pestana, head of Bang Bang Agency, was invited to SIC's "Programa da Cristina", where she had a long conversation live about Grupo Visabeira's communication agency.

Vista Alegre

As a result of its remarkable activity throughout 2020, the Grupo Vista Alegre (Vista Alegre, Ria Stone, Bordallo Pinheiro, Cerutil and Casa Alegre) was the target of more than two thousand news and references in the media – newspapers, magazines, television, radios, online media and blogs.

Present on five continents, either with its own stores or represented by official retailers that sell its products, Grupo Vista Alegre continued its ambitious project and process of international expansion and strengthening during 2020.

The numerous partnerships it has maintained with designers of recognized and undeniable worldwide merit, and the new agreements signed with names that are emerging in the sector, contributed to Grupo Vista Alegre news in different media.

One of the biggest names who lent her talent to Grupo Vista Alegre was Claudia Schiffer. An icon in the fashion world, the former German model is also an outstanding designer. Thus, Claudia Schiffer signed crystal collections for Vista Alegre and faience collections for Bordallo

Pinheiro. The "Única" collection, consisting of 3 crystal vases and the "Cloudy Butterflies" collection, made up of 11 ceramic pieces, presented at the main fairs in the sector - Maison & Objet, in Paris, Ambiente, in Frankfurt and Homi, in Milan, caught the interest of Social Communication Bodies, in Portugal and abroad, on a large scale. The launch of the collections at the Maison & Objet fair was the subject of reports in Paris, aired by RTP, SIC and TVI channels.

In terms of product and news, the launch of the Vista Alegre textile collection was widely reported in a variety of lifestyle as well as general magazines. The theme was also very widespread in national and regional newspapers. Vista Alegre Têxteis is a new and disruptive fashion and home segment, based on scarves and blankets. These pieces are made in pure cashmere from Mongolia, in a process of environmental and social sustainability, and the decoration is based on some of the most emblematic and successful porcelain collections of the almost two century old Portuguese brand.

The two ideas launched by Vista Alegre - "Uma Família Alegre em Quarantena", and by Bordallo Pinheiro - "Primeiro Dia do Fim do Isolamento", - in order to support the National Health Service in time of pandemic, motivated great news flow across different media. Both challenges launched to the Portuguese, during the first confinement period, implied decorating two pieces of Vista Alegre - a mug and a frame, - and a sardine from the Sardinha by Bordallo collection, by Bordallo Pinheiro. The proceeds from the sale of the pieces were used to purchase hospital equipment for the National Health Service. Both the launch of the initiative and the announcement of the winners were widely advertised. Moreover, this theme was the subject of news on the main television channels, radio stations, national, regional and local newspapers and online media.

Another subject that was widely advertised was the fact that Grupo Vista Alegre secured the contract of two important orders for the second half of 2020, in the amount of 16.2 million euros. One of the transactions is aimed at a large French retailer, and is the result of a long-standing partnership with the Zwilling brand, and another contract, protected by a confidentiality agreement, was carried out with a well-known brand.

Other focus of media coverage was Grupo Vista Alegre's results.

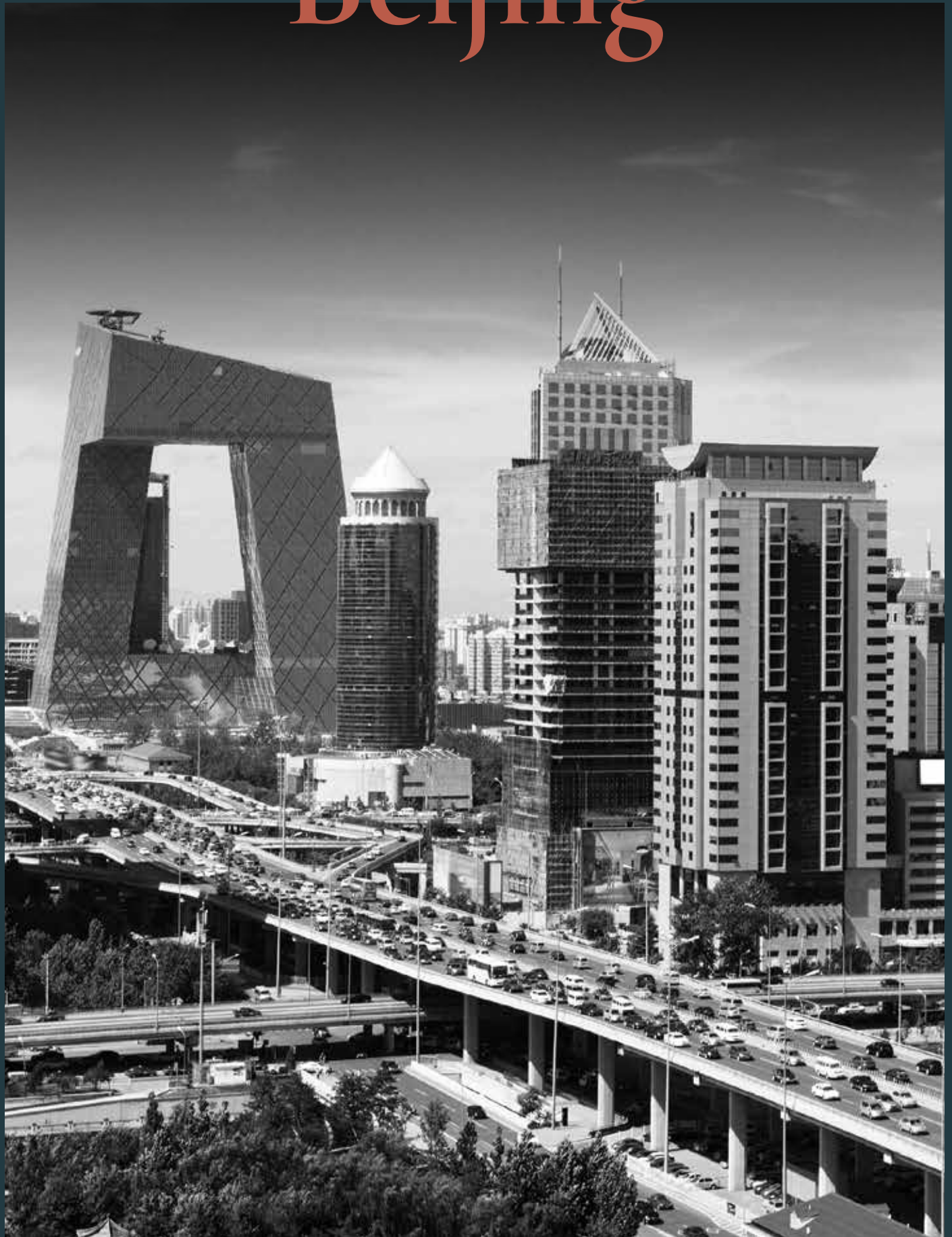
Highlight to the partnership established between Vista Alegre and RTP channel, which for the third consecutive year led to the production of the RTP's Song Festival Trophy awarded to the festival's winner, was another of the news published in various media, namely in television magazines. In fact, the designer of the piece and *product manager*, participated in the program "A Praça da Alegria" aired by RTP 1, where they were interviewed about the piece in pure crystal, developed by Vista Alegre.

In terms of television, the Faianças Bordallo Pinheiro factory was invited to the program "Praça da Alegria", aired by RTP 1 channel, as well as to the program "Somos Portugal" aired by TVI channel.

Also the partnership signed between Bordallo Pinheiro and EPAL, with a view to the creating and producing the "water drop jar" also contributed once again to disclosure to the greater public of news about the centennial faience factory founded by Raphael Bordallo Pinheiro in 1884.

Two other themes that deserved wide disclosure are related to the recognition, once again, of Vista Alegre as the "most reputable brand" in the industry sector and the choice as "Superbrand".

Beijing



Finally, a reference to Vista Alegre, which was distinguished with the “Prémio Especial do Júri” - internationalization category - in the Prémios Exportação & Internacionalização Awards, an initiative organized by Novo Banco and Jornal de Negócios, in partnership with Iberinform Portugal and which already has had ten editions. This award was also widely disseminated by that economics journal.

News in numbers

In 2020, Grupo Visabeira and its companies' news were aired on different channels: RTP, SIC, TVI, CMTV, SPORTTV, PORTO CANAL, CENTRO TV and VISEU NOW, among others. Our factory's news were published by both the printing press and the digital media: at Expresso, Público, Sol, Jornal de Notícias, Diário de Notícias, Correio da Manhã, Negócios, Notícias ao Minuto, ECO, Sapo, Jornal Económico, i, Dinheiro Vivo, Observador, Diários de Viseu, Aveiro, Coimbra e Leiria, Diário As Beiras, Jornal do Centro, Via Rápida, Rua Direita, Jornal da Beira, Caras, Visão, Sábado, Forbes, Exame, Nova Gente, LUX and NIT, among many other local, regional and national news.

The radios Antena 1, Renascença, Observador, TSF, Comercial, Rádio Jornal do Centro, Rádio Clube do Interior, Emissora das Beiras and Rádio Terra Nova, among others, also highlighted Grupo Visabeira's activity.

On the web, dozens of blog posts from different sectors reported news and activities of Grupo Visabeira companies.

During 2020, Grupo Visabeira and its sub-holdings generated 4005 news items, 264 of which on television, 2138 online, 1583 written and 20 news on radio.

Of the total number of news broadcasts, 1637 concern Vista Alegre; 845 concern Bordallo Pinheiro; 633 concern Montebelo Hotels & Resorts; 459 concern Grupo Visabeira, including Visabeira Global; 369 concern Palácio do Gelo Shopping. The remaining news items regard other units in the industry, construction and services sectors.

The 4005 news items on television, digital media, written press and radio generated an Advertising Average Value of approximately 36.5 million euros.

Internal communication

Newsletter

My Visabeira newsletter has been published for a decade, and continued during 2020 to be an internal means of communication for all the activity carried out by Grupo Visabeira and its companies in Portugal and in the other countries where it operates. News, initiatives and other actions are highlighted, and an employee is interviewed in each edition, among other items.

My Visabeira assumes an increasingly important role in uniting an entire Visabeira team spread across the four corners of the world.

Corporate Intranet

It is an internal tool, where Grupo Visabeira interacts via the web with the thousands of employees who have access to information regarding the activities of the companies, with an area of news, protocols, training and internal mobility programs, notices and information on interest of employees. It is continually accessible on the web and this stands out as an important aid in the daily lives of each employee.

Social responsibility

In a sensitive year, for known reasons, Grupo Visabeira did not fail to pay special attention to social concerns, continuing to show particular sensitivity to the Social Responsibility Policy, in Portugal and in other countries, namely in Angola and Mozambique, two countries where it has operated for several decades.

Through multiple initiatives of its own or in partnership with external institutions, supporting the actions taken by them, Grupo Visabeira has undertaken, as a goal, to contribute positively to social or individual well-being.

The Social Responsibility Policy was embodied in financial or logistical support in areas such as health, education, social action, sport, culture and training, among others.

In a year of pandemic caused by Covid-19, Grupo Visabeira has been, since the beginning, in the front line of support to institutions, offering thousands of masks and face shields for individual protection. Centro Hospitalar Tondela-Viseu, as well as the Santa Casa da Misericórdia of Viseu were the institutions which benefited. With the evolution of the pandemic, Grupo Visabeira created a company to manufacture individual protection equipment, including different types of masks, making them available to its thousands of employees at special prices, with significant discounts compared to the market value.

The two pastimes promoted by Vista Alegre and by Bordallo Pinheiro, which challenged the Portuguese to create, in times of confinement, the decoration of two pieces of porcelain and one of faïence, was another initiative within the scope of Covid -19. Mugs and frames by Vista Alegre and a sardine by Bordallo Pinheiro were produced, whose entire revenue would go to the National Health Service to acquire hospital equipment.

This was another direct way for Grupo Visabeira to take on an important role in intervening in the common and social welfare.

As far as education, solidarity and well-being are concerned, during 2020 Grupo Visabeira continued to be the main funder of Fundação Visabeira, a non-profit institution which is in charge of Nurseries Infantinhos da Vilabeira and Infantinhos da Quinta do Bosque, both in Viseu.

These units, in addition to receiving children residing in the surrounding urban areas, it also gives special support to the children of Grupo company employees, nursery and pre-school age. Grupo Visabeira offered some laptop computers to the Agrupamento de Escolas de Mundão Schools, in Viseu, with the purpose of supporting needy students in accessing distance learning.

For a few decades, Grupo Visabeira has been seeking partnerships with organisations and companies to sign protocols that aim to grant the best conditions to its more than 12,500 thousand employees, comprising different sectors, such as the telecommunications, banking, health, automobile and insurance sectors, among others.

Employees also benefit from several discounts on the purchase of products and services that are sold by Grupo Visabeira companies. These include preferential prices on housing rentals and purchases, discounts on restaurants and hotels, on tourist packages and trips, on beauty, wellness and access to the ForLife gym programs, as well as on the purchase of products sold by Vista Alegre and Bordallo Pinheiro.

In 2020, Grupo Visabeira also sponsored the Braille edition of Visão magazine, as well as the Associação Cultural Intruso, from Viseu. In this particular case, it was about sponsoring the “Specific site - Specific body” project. This project consists of interpreting the architectural heritage of the city of Viseu, through movement, image and sound,

aimed at achieving five choreographic short films about the relationship: body – city – heritage.

Grupo Visabeira, through Vista Alegre, also sponsored the ASAS Association once again, offering pieces with a view to trading them at the “Asas Weekend” initiative, where revenue from the sale is intended to be applied in the ASAS shelters.

Vista Alegre also sponsored another edition of the Expresso BPI Golf Cup, offering the competition trophies, as well as the “Women in Tech Global Awards” initiative.

In the sports area, Grupo Visabeira sponsored equipment purchasing for the Lusitano Futebol Clube de Vildemoinhos under-19 women's football team.

In addition to the actions that Grupo Visabeira promotes as a holding company, some of its companies also carry out several initiatives throughout the year. Palácio do Gelo Shopping is one of them. The largest commercial area in the Central Region and one of the largest in the Iberian Peninsula, attracting millions of visitors annually, manages to expand activities in terms of Social Responsibility, in the most varied aspects.

During a year influenced by Covid-19 pandemic, the shopping centre was concerned with the well-being of its customers, visitors and tenants from the beginning, opting for prevention and awareness-raising actions in this area. All over the retail area, disinfectant dispensers were placed and information was posted, always controlling people's entrance and movement. The restaurants area was also resized to avoid people congregating. A specific space was also created in the shopping centre's car parking with a view to collecting purchases and orders, thus preventing the physical entry of customers into the commercial area. With all the protection measures, Palácio do Gelo Shopping was able to obtain the “Safe Spot” seal with distinction, declaring it a clean and safe space.

Another initiative of Palácio do Gelo Shopping was the creation of the Servi.do platform. In partnership with restaurants, this platform was created to make it easier for all customers to choose the restaurant and menu of their choice. This allowed for reserving a table, so that access to the restaurant and the waiting time for a meal were reduced.

At Christmas time, to avoid crowding, the arrival of Santa Claus and the traditional workshops were held online. In fact, the Christmas at Palácio do Gelo Shopping was 90% experienced through social networks.

Keeping the annual activity of sponsoring several non-profit associations, Palácio do Gelo Shopping periodically opened its doors to some entities to carry out fund-raising or goods collection and also during periods when the risk of Covid-19 infection was reduced.

As is the case every year, Palácio do Gelo Shopping sponsored several associations from the region of Viseu, within the social, sports or cultural areas. Noteworthy sponsorships were granted to Académico de Viseu Futebol Clube and Clube Desportivo de Tondela. TOC – Termas Óquei Club de S. Pedro do Sul and Viseu 2001, a futsal team, which competes in the first division, and Viseu Padel were also sponsored by Palácio do Gelo Shopping.

Also noteworthy are the partnerships with Viseu Marca – Feira de S. Mateus and with the Miss Viseu event, in addition to the sponsorship of the Cavalhadas de Vildemoinhos. The Palácio do Gelo Shopping had exhibited the “Vestido da Morgadinha de Teivas”, a giant 8-meter-tall dress, which is now in the Book of Records.

The ForLife gym also had several activities within the scope of its Social Responsibility Policy, celebrating several special days, such as the “International Day for Stopping Violence Against Women”. These dates were used for awareness-raising actions and for fund-raising for associations linked to each of the themes dealt with.

In this context, the celebration was used to collect goods and donations for two associations from Viseu: CAEV – Centro de Acolhimento de Emergência de Viseu and CAD – Casa Abrigo Diferenciada para Vítimas de Violência Doméstica com Doença Mental.

Also worthy of mention is the initiative of Ria Stone, a ceramic factory belonging to the Grupo Vista Alegre: bearing in mind an environmental concern, which also affects society as a whole, Ria Stone has eliminated the use of plastic cups, an average monthly consumption of around ten thousand units, for around two hundred thousand per year. As an alternative, Ria Stone purchased three hundred and fifty reusable bottles personalized with the company's logo, and distributed them to all employees, who then fill them at seven points located in the industrial plant.

Mozambique

In Mozambique, Grupo Visabeira's Social Responsibility actions were once again sponsored especially by TVCABO, an operator that was well aware of the situation in the country due to the coronavirus pandemic.

In this sense, in partnership with TVM, TVCABO transmitted the new TVM Telescola channel in open signal on its distribution platform, also guaranteeing delivery of the same signal to other operators free of charge. With a 12-hour program, from Monday to Friday, it allows access to contents of the national education program, aimed at various years of schooling, from primary to secondary, from technical-professional education to adult education, including teacher training.

Still regarding education, TVCABO, in this case together with the Baía Mall Shopping Centre, donated school material to the Escola Primária Completa da Macaneta, in the district of Marracuence, Maputo province.

Also within the scope of support to the Mozambican population, namely the most needy, TVCABO and its employees donated personal protection masks. They were distributed on the streets and in the markets, intending to minimize the risk of the Covid-19 infection.

TVCABO financially supported the UPG Pre-Schools project as part of its social responsibility policy. This support was even more important due to the effects of Covid-19, which significantly affected the Mozambican economy. The UPG preschools – Escolinha Flor da Infância (EFI), Escolinha de Santa Catarina (ESC) and Escolinha de S. Vicente de Paulo (Pre SVP) – offer 160 underprivileged children, between 3 and 5 years old, access to pre-school education, daily meals, teachers and school supplies. UPG preschools contribute to reducing child marginality, improving nutrition and hygiene, increasing attendance and better results in primary education.

Also noteworthy is the partnership between TVCABO and CCFM – Centro Cultural Franco Moçambicano, with the Grupo Visabeira operator having increased the internet capacity allocated to that entity. This action aimed to contribute to maintaining part of the CCFM's cultural activities online, responding to Covid-19 prevention measures.

The Associação Livro Aberto, an institution aimed at helping children through reading, benefited from the support of TVCABO, which offered the installation of the internet service.

Mexico City



TVCABO also joined the solidarity campaign to support refugees and people displaced by war, raising and donating a wide range of essential goods.

Still during a Covid-19 period, TVCABO joined Valdemiro José and Stewart Sukuma broadcasting their shows online. This was a way of bringing citizens closer to culture, during a time of social distancing.

Angola

The actions included in the Social Responsibility Policy in Angola were also developed by TVCABO and can be summed up in three major initiatives.

First of all, bandwidth was doubled. The year 2020 was marked by the negative economic repercussions caused by Covid-19. The pandemic affected several sectors of economic activity, namely companies, families and the State. Thus, in order to minimize people's lack of mobility, and

somehow helping them to comply with the health standards that forced everyone to stay at home, TVCABO, under the guidelines of the Regulatory Agency, provided double the contracted bandwidth to all customers in the residential segment for approximately 8 months.

In this context, the National channels TPA 1 and TPA 2 were also made available on open signal to all TVCABO customers, even to those who had not renewed their subscription. This offer took place throughout the year 2020, extending until 2021.

Still within the scope of Social Responsibility, since 2016 TVCABO has been promoting various activities with employees and customers in general, to raise awareness, prevention and early diagnosis of breast cancer. Internally, and with prevention and early diagnosis as the motto, online lectures were held on the subject in partnership with the Fundação Mulher unidos na Prevenção do Cancro da Mama.

Future outlook

Grupo Visabeira will continue to be very attentive to the impacts and opportunities that the pandemic has imposed and so will maintain its strategy of strengthening the bases for sustainable growth, ensuring the strengthening of business in the countries it operates in. Moreover, it will continue to expand to other European countries, which is admittedly the priority of the company's expansion policy. In 2021, the Grupo will maintain its focus on actively combining the operations of its three structural sub-holdings (Visabeira Global; Visabeira Indústria; Visbeira Turismo, Imobiliária, Serviços) to keep them aligned with a vision for the future towards focusing management on accuracy and excellence. Accordingly, the main purpose of the entire structure is in line with striving for an increasingly stronger and global Grupo, capable of overcoming ongoing challenges and uncertainties that the future may bring. The attitude of the entire organisation for 2021 is to continue ensuring that the products and services of the Grupo's different brands are recognized and appreciated in all countries and exceed people's needs and expectations.

Visabeira Global

Visabeira Global will maintain the course of strengthening its outlined growth strategy, with a firm commitment to expanding its area of operation to new countries, as it has been doing with undeniable success. Visabeira Global will continue to strengthen its increasing activity in the countries it operates in and, at the same time, focusing on finding new opportunities and possibly operating in new countries and markets, maximizing the structure dynamic that distinguishes its positioning in the market and its commitment to continuously overcoming challenges and exceeding customer expectations. During 2021, the range of Visabeira Global companies will reinforce investment in the optical fibre network segment. The works which were suspended or slowed down will be resumed, as well as material and equipment delivery that affected the progress and completion of many works. In the current context, the company will continue to be particularly aware of the development of the health situation, adapting its operation to new requirements and committed to permanently seeking the best options to adapt and to meet market requests and

emerging needs of all its customers. Maintaining its main identity label, Visabeira Global will continue to centre on full adaptability and evolution capacity to overcome the challenges that the sector it operates in requires. Thus, it will maintain its focus on achieving its goals at all levels, with its entire structure and other companies, strongly committed to overcoming the challenges that await over the next year, in this challenging and demanding telecommunications, energy and construction market.

In the Telecommunications Network, Energy and Gas Engineering Services segment, the Grupo's core area, the impacts will not be significant and the recovery will be faster. Grupo Visabeira is the preferred partner of the incumbent operators in the different countries it operates in, with multi-year contracts that guarantee activity even in scenarios of greater instability. It should be noted that European operators have reinforced investment plans in order to respond to growing communication needs and new demands arising from the current pandemic crisis and the growth of home working.

Visabeira Indústria

Visabeira Indústria foresees a period of strengthening and growth during 2021, leveraged by investments made in modernizing and expanding its manufacturing plants. The entire team will be focused on strengthening its reputation in the market, taking advantage of the capital of trust and capabilities it has built up, reinforcing its positioning and optimizing resources, for continuous improvement in results. Within this pandemic context, this area will remain focused on adapting its operations to the evolution of the health and economic situation, always aiming to finding the best solutions to meet the expectations of its markets.

Despite this backdrop of uncertainty, an overall positive evolution is expected and that even in 2021 there will be periods of recovery and growth, which for Visabeira Indústria will be particularly leveraged by increases in capacity and quality, which the expansion and modernization works carried out provided the plants with. At the same time, several plants will reinforce the promotion of their catalogues and portfolios, alongside a reinforced commitment towards development and design, which is one of the key characteristics of the products and brands under the brand Visabeira Indústria.

As published on the market on the 5th of February 2021, the worsening of pandemic conditions in the country, together with suspension of retail trade activities of Grupo Vista Alegre and the closure of its stores, also determined the implementation of preventive and response measures. The use of lay-off, namely in the retail channel, was one of the adopted measures.

Vista Alegre has already secured new supply contracts totalling more than 20 million euros for the second, third and fourth quarters of 2021. These values are added to the existing and dynamic order portfolio of its vast distribution network, which has shown a great deal of activity. Europe is the main destination for these new supplies, with emphasis on France, Germany and the Scandinavian countries, but it should also be noted that a significant part (25%) goes to the Asian continent.

The reduction in sales, due to the fact that the network of the stores owned in Portugal was closed between January and April 2021, and a strong global slowdown in sales to the Hotels and Restaurants channel, had an impact on results during the first quarter. In these channels, Grupo expects a recovery at the beginning of the second quarter of 2021.

These new supply contracts, together with the normal order portfolio, represent an important basis for the Grupo to be able to maintain an activity with good occupancy levels.

Visabeira Turismo, Imobiliária e Serviços

The company expects that, in 2021, the current framework may evolve so that the activity may be resumed, in its different domains in a measured and safe way, becoming a reality and, thus it can slowly start the recovery process. This is a task that motivates the entire company and which the company is dedicated to in with hope and determination, so that short-term evolution can allow it to resume its normal activity.

As far as Tourism is concerned, the company will continue to focus on expanding its offerings and geographically expanding its activities. This is the focus of all the subsidiaries and it ensures that every day we must be aware and offer global solutions to anticipate the needs of our customers.

As far as Real Estate is concerned, 2021 will be seen as a continuation of the previous year, seeking to recover possible normal activity, with the different companies in this segment more oriented towards buying/selling, but also not losing sight of the potential of the rental market.

In Services, after adapting activities to new health requirements, the course that has been distinguishing this segment for the effectiveness and efficiency of its services will be maintained, so during 2021 the strong commitment towards active innovation and focus on results will be maintained. An attitude that is intended to continue to be a concern for all the organization and units, with constant orientation towards creating added value for its customers.

Within this pandemic context, the hotel and restaurant sectors were the most affected by social distancing measures taken by the Government; in fact, the six hotels that the Grupo owns in Portugal have been completely closed since January, as well as all restaurants, using lay-off measures. In this sector, even in the scenario of reducing the measures associated with the pandemic crisis reported by the Government: social distancing restrictions and the risk of contamination will remain for some time, delaying the recovery of the necessary confidence for recovery of this sector. The impact on consolidated accounts should not, however, be very significant as this sector contributes to only 2% of consolidated turnover;

Dubai



Annex to the report of the Executive Board of Directors

Under article 447 of the Portuguese Companies Code, be it known that the members of the managing and supervisory bodies do not hold Company's shares. The shareholders' identification is the following:

Shareholder/Member of Corporate Bodies

	Number of shares on the 31 st of December 2020	%	Number of shares on 31 st of December 2019	%	Operations in 2020
Fernando Campos Nunes*	22,974,443	98.57%	22,899,601	99.45%	74,842
TOTAL	22,974,443	98.57%	22,899,601	99.45%	74,842

* Included a percentage held by NCFGEST, SA

Viseu, the 11th of June 2021

The Certified Accountant



Member CC number 77089

The Executive Board of Directors







Documents for the provision of consolidated accounts





Sidney

Consolidated Financial Statements

Consolidated income statement

Financial years ending on the 31th of December 2020 and on the 31st of December 2019

	Notes	2020	2019
Ongoing operations			
Sales		168,346,556	194,828,315
Services rendered		791,710,293	715,394,186
Turnover	10	960,056,849	910,222,502
Cost of goods sold and material consumed		-131,763,863	-142,240,320
Subcontracts	13	-330,458,662	-253,306,190
Gross margin		497,834,324	514,675,991
Own work capitalised	11	4,004,325	4,066,498
Other income	12	32,594,004	21,216,416
Supplies and external services	13	-127,918,801	-128,340,999
Personnel costs	14	-242,887,897	-236,446,651
Other costs	12	-8,242,912	-9,973,368
Operating income (excluding amortizations, provisions and fair value of investment properties)		155,383,043	165,197,887
Changes in the fair value of investment properties	24	14,933,037	12,011,690
Amortisations	15	-70,978,413	-63,229,954
Provisions and impairment losses	16	-1,962,166	-332,538
Operating income		97,375,502	113,647,085
Interest expense, net	17	-37,853,304	-40,212,329
Gains/(losses) on listed shares	18	-187,428	-62,868
Other financial expenses, net	19	-18,391,675	-19,243,788
Gains/(losses) on associates and joint ventures	6	-455,816	5,818,938
Financial income		-56,888,222	-53,700,047
Result before taxes		40,487,279	59,947,038
Income tax for the financial year		-20,396,559	-8,308,241
Net income before discontinued operations		20,090,720	51,638,797
Discontinued operations			
Income before taxes from discontinued operations	9	1,912,611	0
Net income		22,003,332	51,638,797
Attributable:			
Shareholders		24,252,965	47,481,112
Non-controlling interests	34	-2,249,634	4,157,685
Earnings per share Continuing operations:			
Basic	32	0.97	2.06
Diluted	32	0.97	2.06

The notes are part of this consolidated financial statement.

Consolidated Statement of Comprehensive Income

Financial years ending on the 31th of December 2020 and on the 31st of December 2019

	2020	2019
Consolidated net income for the period (a)	22,003,332	51,638,797
Other comprehensive income:		
Amounts that will be subsequently reclassified to profit or loss		
Currency translation adjustments		
Translation of transactions denominated in foreign currencies	-43,175,442	-10,151,710
Conversion of operations in foreign currency - related to hyperinflation in Angola in previous years	-13,479,608	-19,976,806
Tax effect	4,717,863	5,923,322
Other comprehensive income in consolidated companies under the equity method	-941,328	0
Derivatives and hedge accounting	-6,711	5,105
Tax effect	1,409	-1,149
Others	-430,875	-44,283
Amounts that will not be reclassified later in results		
Actuarial gains/(losses) on retirement benefits	-188,498	8,095
Tax effect	40,103	-9,846
Change in the fair value reserve of other financial investments	251,169	-743,544
Tax effect	-56,513	167,297
Revaluation of tangible fixed assets	0	225,488,950
Tax effect	0	-69,195,155
Tax effect - Tax rate change in Angola	-7,524,396	0
Translation of transactions denominated in foreign currencies	-42,115,819	0
Other comprehensive income for the period (b)	-102,908,647	131,470,277
Total comprehensive income for the period (a) + (b)	-80,905,315	183,109,073
Comprehensive income for the financial year attributable to:		
Non-controlling interests	-39,801,071	74,481,054
Shareholders	-41,104,244	108,628,019

The notes are part of this consolidated statement of comprehensive income

Consolidated statement of financial position

Financial years ending on the 31th of December 2020 and on the 31st of December 2019

	Notes	2020	2019
ASSETS			
Non-current assets			
Tangible assets	21	566,123,457	655,476,137
Right-of-use assets	22	89,846,540	87,276,870
Goodwill	23	115,745,580	98,289,267
Investment properties	24	311,148,820	435,837,861
Intangible assets	25	102,831,482	94,314,500
Investments in associated companies and joint ventures	6	27,376,275	30,611,922
Other financial investments	7	11,972,977	5,047,611
Deferred tax assets	20	47,013,791	52,277,879
Other receivables	29	2,000,000	0
Total non-current assets		1,274,058,922	1,459,132,046
Current assets			
Inventories	26	114,166,598	111,036,731
Customers	27	132,574,197	129,517,805
Income tax	28	1,914,499	6,105,685
Other receivables	29	27,571,669	19,881,551
Other Assets	29	16,986,652	19,320,009
Assets associated with customers' contracts	10	121,525,047	122,894,660
Other financial investments	7	332,812	531,955
Assets held for sale	9	3,534,706	0
Cash and cash equivalents	30	154,837,853	69,816,007
Total current assets		573,444,033	479,104,402
Total Assets		1,847,502,955	1,938,236,449
EQUITY			
Capital	31	116,540,215	115,125,630
Share premiums		47,292,404	44,493,578
Other reserves	33	-46,479,656	17,074,517
Retained earnings	33	139,313,833	166,216,788
Equity attributable to shareholders		256,666,795	342,910,512
Non-controlling interests	34	113,127,965	146,699,623
Total equity		369,794,761	489,610,135
LIABILITIES			
Non-current liabilities			
Medium- and long-term interest-bearing loans	35	562,093,762	597,380,157
Other accounts payable	37	70,001,624	28,926,401
Deferred tax liabilities	20	147,218,127	179,631,146
Provisions for other risks and expenses	41	5,857,091	7,243,775
Lease liabilities	38	62,928,602	84,972,131
Total non-current liabilities		848,099,207	898,153,610
Current liabilities			
Short-term paid loans	35	173,103,135	120,678,524
Suppliers	36	154,229,505	151,263,899
Assets associated with customers' contracts	10	28,637,421	37,799,471
Other accounts payable	37	158,904,398	155,067,712
Other liabilities	37	85,564,889	67,654,112
Lease liabilities	38	27,352,915	18,008,985
Liabilities held for sale	9	1,816,724	0
Total non-current liabilities		629,608,987	550,472,703
Total liabilities		1,477,708,194	1,448,626,313
Total equity and liabilities		1,847,502,955	1,938,236,449

The notes form an integral part of this consolidated statement of financial position

Consolidated statement of changes in equity

Financial years ending on the 31th of December 2020 and on the 31st of December 2019

	Equity (note 31)	Issue premiums (note 31)	Fair value reserve of financial assets (note 33)	Retained earnings and other reserves (note 33)	Subtotal	Non-controlling interests (note 34)	Total equity
On the 1st of January 2019	115,125,630	44,493,578	-1,350,819	164,189,890	322,458,279	60,939,303	383,397,582
Comprehensive income for the period	0	0	-743,544	109,371,563	108,628,019	74,481,054	183,109,073
Transactions with shareholders							
Dividends distributed	0	0	0	-89,617,000	-89,617,000	-632,878	-90,249,878
Acquisitions, disposals and share capital	0	0	0	1,441,215	1,441,215	11,912,144	13,353,359
On the 31st of December 2019	115,125,630	44,493,578	-2,094,363	185,385,668	342,910,512	146,699,623	489,610,135
On the 1st of January 2020	115,125,630	44,493,578	-2,094,363	185,385,668	342,910,512	146,699,623	489,610,135
Comprehensive income for the period	0	0	251,169	-41,355,413	-41,104,244	-39,801,071	-80,905,315
Transactions with shareholders							
Dividends distributed	0	0	0	-47,365,008	-47,365,008	0	-47,365,008
Capital increases	1,414,585	2,798,826	0	0	4,213,411	0	4,213,411
Acquisitions, disposals and share capital	0	0	0	-1,987,877	-1,987,877	6,229,413	4,241,537
On the 31st of December 2020	116,540,215	47,292,404	-1,843,194	94,677,370	256,666,795	113,127,965	369,794,761

The notes form an integral part of this consolidated statement of changes in equity.

Consolidated statement of cash flows

Financial years ending on the 31th of December 2020 and on the 31st of December 2019

	2020	2019
OPERATING ACTIVITIES		
Customer receivables	1,118,398,850	1,012,112,305
Payments to suppliers	-702,174,363	-625,047,713
Personnel costs	-239,059,569	-234,467,507
Operating cash flow	177,164,918	152,597,085
Income tax paid/received	-8,311,215	-10,125,526
Other operating payments/receipts	-1,217,304	-2,913,026
Cash flow generated before extraordinary items	167,636,398	139,558,533
CASH FLOW FROM OPERATING ACTIVITIES (1)	167,636,398	139,558,533
INVESTING ACTIVITIES		
Receivables from:		
Financial investments	4,342,787	6,091,416
Tangible and intangible fixed assets	1,125,000	0
Investment properties	0	6,122,129
Investment grants	6,218,150	7,906,496
Interest and similar income	43,059	1,615,778
Loans granted	4,301,941	43,039,958
Dividends	0	591,532
	16,030,936	65,367,309
Payments concerning:		
Financial investments	-2,411,384	-1,404,359
Purchase of subsidiaries	-41,392,275	-12,314,267
Tangible fixed assets	-71,567,648	-80,438,956
Loans granted (Note 29.1)	-2,000,000	0
Loans granted to shareholders	-11,015,000	-65,271,866
	-128,386,308	-159,429,448
CASH FLOW FROM INVESTING ACTIVITIES (2)	-112,355,372	-94,062,140
FINANCING ACTIVITIES		
Receivables from:		
Loans granted (Note 35)	339,876,819	417,379,100
Other financing operations	12,500,000	0
Share capital increases by non-controlling interests	0	14,608,369
	352,376,819	431,987,469
Payments concerning:		
Loans granted (Note 35)	-254,187,568	-359,351,961
Amortisation of financial lease contracts	-26,520,473	-22,132,818
Interest and similar costs	-45,531,670	-49,629,328
Dividends	0	-143,951
Other financing operations	-5,120,720	-10,962,058
	-331,360,430	-442,220,117
CASH FLOW FROM FINANCING ACTIVITIES (3)	21,016,388	-10,232,648
Changes in cash and cash equivalents (1) + (2) + (3)	76,297,415	35,263,745
Cash and cash equivalents at the beginning of the period	66,027,887	38,047,297
Effect of currency exchange differences	-7,668,018	-8,086,384
Effect of cash and cash equivalents of companies registered as held for sale	-57,554	0
Effects of changes in the scope of consolidation	11,839,409	803,230
Cash and cash equivalents at the beginning of the period	146,439,139	66,027,887

Notes to the Consolidated Statement of Cash Flows

Financial years ending on the 31th of December 2020 and on the 31st of December 2019

	2020	2019
1. PURCHASE OR DISPOSAL OF COMPANIES		
a) Purchases/ increases in holdings in the current financial year		
J.F. EDWARDS CC	13,000,000	0
OMV NATIE	8,468,325	0
FRANZ-JOSEF BRAUN	7,204,870	0
EIP - Advance	6,448,535	0
MJQUINN	2,759,740	5,907,867
JAYME DA COSTA	1,743,884	0
MODAL	1,258,563	1,259,276
CABLING	1,099,342	1,099,955
TENSA	800,000	0
CAPITAL CRIATIVO	350,000	1,100,000
IBERIS	220,000	0
CONSTRUCTEL MODAL	218,477	218,601
TOFT HANSEN	134,424	2,277,142
CORE CAPITAL	97,500	304,286
IEME	0	1,402,320
CELMOQUE	0	98,871
AUTOVISA	0	50,235
LUSITANIA GAS	0	73
	43,803,660	13,718,626
b) Disposals/receivables in the current financial year		
GEVISAR	3,805,951	5,000,000
PHAROL	309,723	269,666
TF TURISMO FUNDOS-SGFII, SA	227,113	67,100
DOUTIBELO		750,000
LISGARANTE		2,850
NORGARANTE		1,800
	4,342,787	6,091,416
2. BREAKDOWN OF CASH AND CASH EQUIVALENTS:		
For companies included in the scope of consolidation		
a) Cash		
- Cash	1,270,915	586,738
- Bank deposits	138,766,854	65,214,973
- Bank overdrafts	-8,731,526	-4,320,075
b) Other		
- Tradable securities	2,960,675	3,211,066
- Bank overdrafts	8,731,526	4,320,075
From changes to the scope of consolidation during the year		
a) Cash		
- Bank deposits	11,839,409	803,230
Cash and cash equivalents in the balance sheet (Note 30)	154,837,853	69,816,007

Notes to the consolidated financial statements

On the 31st of December 2020 (amounts in euros)

1. Introductory note

Grupo Visabeira, SA, based in Viseu, Portugal, started its activity within the telecommunications and electricity sector in 1980. Based in Viseu and as a result of its combined commitment to human resources, an integrated information and logistics system, its own transport network and strategically located facilities, Grupo rapidly extended to the entire Portuguese territory and became the largest employer in central Portugal.

Its contribution to the modernisation and development of telecommunications, by offering integrated and global solutions, earned it market leadership in the field of telecommunication network engineering, a position it has held for almost 4 decades. In order to diversify its activities, Telecommunications, Energy, Technologies, Construction, Industry, Tourism, Real Estate and Services, as well as its presence in several markets, it adopted a strategy for structuring its operations in sub-holdings sectors, in order to enhance each of its businesses and enhance the Grupo's performing capacity. The engine of its development strategy continues to rely on a management model based on global information systems, which interconnects all the business units and integrates all the Grupo's resources.

Based on the trust gained in the market, it defined and consolidated a bold internationalization strategy that consolidated the capabilities and dynamics of the Grupo on two parallel fronts.

On the one hand, it expanded and consolidated its performing model in new countries as a natural extension of the markets and in countries of emerging economies, through an investment policy in a partnership or local business establishment. Initially investing in Portuguese-speaking countries and, later, with a strong focus on European countries, Grupo has been exporting its model since the 1980s and, as a result of this strategy, today it holds companies with consolidated activities in France, Germany, Belgium, Spain, Denmark, Italy, the United Kingdom, the United States of America, Angola, Mozambique, and it is present in many other countries.

Through the internationalization of its markets, Grupo promoted the placement of its products in more than a hundred countries, on five continents, among which the markets of the European Union, Scandinavian countries, North America, Africa, Australia and Japan. Currently, through investment, Grupo Visabeira continues to have its main development on its external growth, strengthened by its multi sector structure and by its focus on constant technological updating. Grupo Visabeira will continue to enhance its distinctive skills and the dynamics which characterize it, and will operate in an integrated manner in increasingly global scenarios, expanding its markets in a sustained manner and always aiming at its leadership in its strategic businesses.

Grupo Visabeira consolidates its accounts at NCFGest, SA, which is 100% owned by Fernando Campos Nunes.

Covid-19

2020 was slightly marked by the Covid-19 pandemic.

The World Health Organization has classified on the 11th March 2020 the Covid-19 disease as an international pandemic. This internationally widespread pandemic has had a significant impact on the world economy and financial markets where the group operates. In order to prevent the spread of this virus, governments from different countries have taken different measures, in which the growth or shrinking of the Covid-19 have contributed to a slowdown of the global economy. In order to minimize the impact caused by the Covid-19, throughout the year countries all across the world took some measures to support or mitigate the direct impacts that this outbreak could have on companies and their employees. Lay-offs, capital and/or interest moratorium on outstanding loans, as well as new lines to support the economy with more accessible financial conditions were some of the measures undertaken by companies.

Among the support measures launched by the European Governments, the Grupo adhered to the legal moratorium which allowed the introduction of a period of shortage of capital and interest on debt servicing of some ongoing operations, allowing deferring liabilities amounting to 15 thousand euros in loans and 3.8 million euros in cash support lines such as confirming. During 2020, the company used the Economy Support Lines in the amount of 20 million euros, at the agreed rates and with the guarantee of mutual guarantee companies. Thus, within this uncertainty environment, the Grupo prevented the possibility of more negative developments.

Thus, as on the 31st of December 2020, turnover reached 960 million euros. Equity amounted to 370 million euros, of which 113 million euros correspond to non-controlling interests by the Grupo.

In 2020, Grupo Visabeira employed an average of 12,479 employees (12,014 in 2019). At the end of the year, the number of employees was 12.343.

The financial statements were approved for issue in the meeting of the Executive Board of Directors held on the 11st of June 2021, pending approval by the General Meeting of Shareholders, pursuant to current Portuguese corporate law.

The Executive Board of Directors believes that the financial statements will be approved without any changes.

2. Accounting Policies

2.1 Basis of presentation

According to Decree Law no. 35/2005 of 17th February, as subsequently amended by Decree -Law No. 98/2015 of 2nd July, which transposed into Portuguese legislation the provisions of Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of 19 July 2002, these consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and the Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standing Interpretations Committee (SIC), adopted by the EU, effective as of the 1st of January 2020.

The consolidated financial statements were prepared based on the accounting books and records of the companies included in the scope of consolidation (Note 5), kept in accordance with accounting principles generally accepted in the respective jurisdictions and adjusted in the consolidation process and when applicable, so that the consolidated financial statements are presented in accordance with IAS/IFRS.

The Executive Board of Directors evaluated the Company's and its subsidiaries' ability to operate on a continuous basis, based on all relevant information, facts and circumstances of financial, commercial or other nature, including subsequent events, such as those presented in the note 44, to the reporting date of the financial statements, available about the future. As a result of the evaluation carried out, the Executive Board of Directors came to the conclusion that it has the adequate resources to maintain its activities, with no intention of ceasing activities in the short term, and it has considered appropriate to use the assumption of continuity of operations in the preparation of condensed consolidated financial statements.

The consolidated financial statements were prepared based on historical cost, except for investment properties, for derivative financial investments, and for some financial investments which were measured at fair value. The liability for defined benefit obligations is recognized at the present value of that net obligation of the funds' assets.

In preparing the consolidated financial statements in accordance with IFRS, the Grupo Visabeira's Executive Board of Directors uses estimates and assumptions that affect the application of policies and the values of assets and liabilities, gains and losses, and which are based on historical experience and other factors deemed reasonable according to the circumstances, and are the basis for judgements about the values of assets and liabilities whose valuation is not evident from other sources. Actual results may differ from estimates.

The estimates and judgements used in preparing the financial statements are presented in Note 3.

Unless stated otherwise, the amounts are in euros (EUR).

2.2 Bases of consolidation

The consolidated financial statements include, in reference to 31st of December 2020, the assets, liabilities and profit and loss of the companies of the Grupo, understood as the entirety of the Grupo Visabeira and its subsidiaries, which are presented in Notes 5. An entity is classified as subsidiary when it is controlled by the Grupo. Control exists only where the Grupo has, cumulatively:

- a) power over the investee;
- b) exposure to or rights over variable results derived from its relationship with the investee; and
- c) the ability to use its power over the investee to affect the amount of the results for the Grupo.

Generally, it is assumed that there is control when the Grupo holds the majority of voting rights. In order to support this assumption and in cases where the Grupo does not hold the majority of voting rights in the investee, all relevant facts and circumstances are taken into account when determining the existence of power and control, such as:

- a) any contractual agreements with other holders of voting rights;
- b) any rights arising from other contractual agreements;
- c) existing and potential voting rights.

The Grupo controls a subsidiary when, due to the agreements entered into or the voting rights held, can carry out in practice the relevant activities of the subsidiary, and is exposed to variable returns as a result of that capacity, even if it does not hold the majority of the voting rights.

The existence of control by the Grupo is re-evaluated whenever there is a change in any facts and circumstances that lead to changes in one of the three factors of control mentioned above.

Subsidiaries/controlled entities are included in the scope of consolidation according to the full consolidation method, from the date when control is acquired until the date it effectively ends.

In situations where the Grupo has substantial control of entities created for a specific purpose, even if it has no direct shareholdings in these entities, they shall be consolidated using the full consolidation method.

Balances, transactions and cash flows between Grupo entities, as well as unrealised gains on transactions between companies of the Grupo are eliminated.

Unrealised losses are also eliminated, unless the transaction evidences impairment of a transferred asset.

The accounting policies of subsidiaries are changed whenever necessary to ensure consistency with the policies adopted by the Grupo.

A change in the participating interest in a subsidiary that does not entail loss of control is recorded as a transaction between shareholders. An increase in the participating interest in an already controlled entity is also accounted for as a transaction between shareholders, not giving rise to any recognition of goodwill or of gains/losses; in the case of a decrease in the participating interest that does not imply a loss of control, a possible difference between the amount received from non-controlling interests and the respective balance is also recorded directly in equity.

If the Grupo loses control over the subsidiary, the corresponding assets (including goodwill), liabilities, non-controlling interests and other equity components are derecognised and any gains or losses are recognised in the income statement. Participating interest is recognized at fair value at the time of loss of control.

Net assets of subsidiaries consolidated through the full consolidation method attributable to the equity stake or shares held by any third parties are recorded in the consolidated statement of financial position, in the line item Non-Controlling Interests.

Interests held by any third parties over the net income of subsidiaries are identified and adjusted by deduction from the equity attributable to the Grupo shareholders and recorded in the consolidated income statement, in the line item non-controlling interests. The same applies to the statement of comprehensive income.

CHANGES TO THE CONSOLIDATION SCOPE

During 2020, the most significant changes regarding the Grupo's companies (see Note 8) were the purchase of subsidiaries in Germany (Franz Josef Braun), Belgium (OMV Natie), Spain (Tensa), the United States of America (JF Edwards CC) and in Portugal (FIMMO), as well as the sale of Movida in Portugal. During 2019, the most significant changes were the purchase of Toft Hansen in Denmark and the sale of the company, Benetrónica

CLASSIFICATION OF ANGOLA AS A COUNTRY WITH A HYPERINFLATIONARY ECONOMY IN 2017 AND 2018.

In 2017 and 2018, the Angolan economy was classified as hyperinflationary according to IAS 29 – Financial Reporting in Hyperinflationary Economies. During 2019, with the slowdown of inflation, Angola is no longer classified as hyperinflationary. However, the impacts generated in 2017 and 2018 will remain until the assets are sold and consumed/amortized and until the liabilities are liquidated or extinguished.

Pursuant to this standard, financial statements prepared in the currency of a hyperinflationary economy must be expressed in the measurement unit in force at the date of the preparation of the financial statements. Consequently, as defined in IAS 29 – Financial Reporting in Hyperinflationary Economies, the main points to consider are as follows:

- Cash assets and liabilities are not changed, as they are already expressed in the current currency at the date of the financial statements;
- Non-cash assets and liabilities (which are not already expressed in the current unit at the date of the financial statements) are restated by applying a general price index;
- The effect of inflation on the net monetary position of investees is reflected in the income statement as profit/loss in the net monetary position.

Moreover, the conversion of financial statements of subsidiaries and associated companies located in Angola and stated in foreign currency (for which Kwanza is the functional currency) is carried out considering the currency exchange rate prevailing at the balance sheet date. The conversion coefficient used in the monetary correction (IAS 29), in 2017 and in 2018, was the consumer price index (CPI) published by the National Bank of Angola.

The main accumulated impacts on the Consolidated Financial Statements are as follows:

In the financial statement position:

Millions of euros	2020	2019
Tangible and intangible fixed assets	22.2	35.7
Deferred tax liabilities	-7.5	-10.7
	14.6	25.0
Equity attributable to shareholders	7.9	13.7
Non-controlling interests	6.7	11.2
	14.6	25.0

2.3 Concentration of business activities and goodwill

The acquisition method is the method used to recognise the entry of subsidiaries into the Group upon their acquisition.

In the acquisition method, the difference between:

- the consideration transferred together with the non-controlling interests and with the fair value of the equity interests previously held and
- the net amount of identifiable assets purchased and of assumed liabilities is recognized, on the purchase date as goodwill, if positive or as gain, if negative.

The consideration transferred is measured at fair value, calculated as the aggregate amount of fair values, on the date of acquisition, of assets transferred, liabilities incurred and equity instruments issued by the Grupo. For the purpose of determining goodwill/ earnings of the business combination, the transferred consideration is removed from any part of the consideration that concerns another transaction (e.g. remuneration for the provision of future services or settlement of pre-existing relationships) whose margin is recognised separately in profit or loss.

Whenever a business combination is not completed on the reporting date, the provisional amounts recognised on the date of acquisition shall be adjusted retrospectively, for a maximum period of twelve months counting from the date of acquisition and any additional assets and liabilities shall be recognised if new information is obtained on facts and circumstances existing on the date of acquisition which would result in the recognition of such assets and liabilities, should it have been known on that date.

The transferred consideration includes the fair value, on the date of acquisition, of any contingent consideration. Subsequent changes in this value are recognised: (i) as equity if the contingent consideration is classified as equity, (ii) as an expense or income in profit or loss or as other comprehensive income if the contingent consideration is classified as a financial asset or liability under IAS 39 and (iii) as expenses, pursuant to IAS 37 or other applicable standards, in remaining cases; unless they occur within the remeasurement period (12 months after the date of acquisition) and are related to situations prior to the acquisition date, in this case is registered as goodwill/ business combinations.

Costs related to the acquisition are not part of the retribution transferred so they do not affect the determination of goodwill/ negative goodwill, being recognized as expenses in the fiscal year in which they occur.

On the date of acquisition, the classification and designation of all assets acquired and liabilities transferred are reassessed in accordance with IFRS, with the exception of lease and insurance contracts, which are classified and designated based on the contractual terms and conditions, on the commencement date.

The purchase date is the date on which Grupo Visabeira obtains control over the company purchased, which may occur on a date before or after the closing date (date on which consideration is transferred and the assets and liabilities are legally acquired and assumed) – in this case, all relevant facts and circumstances must be taken into account when identifying the purchase date, which requires judgement by the Executive Board of Directors. For convenience, consolidation is carried out at the start of the month in which control was performed.

Assets arising from contractual indemnities paid by the seller concerning the outcome of contingencies related, in whole or in part, to a specific liability of the combined entity, shall be recognised and measured using the same principles and assumptions of the related liabilities.

The determination of the fair value of assets acquired and liabilities assumed takes into account the fair value of contingent liabilities arising from a present obligation caused by a past event (if the fair value can be reliably measured), regardless of whether an outflow is expected or not.

For each acquisition, Grupo can choose to measure "non-controlling interests" at their fair value or by their respective share in the assets and liabilities transferred from the acquiree. The choice of a method influences the determination of the amount of goodwill to be recognised. When the business combination is carried out by phases, the fair value on the date of the acquisition prior to the interests held is re-measured to the fair value at the date in which the control is gained, against the results during the period in which the control is reached, affecting the calculation of the goodwill.

Goodwill is considered to have an indefinite useful life and thus is not amortisable. Regardless of whether or not there are impairment indicators, Grupo annually tests Goodwill for impairment. When Goodwill's carrying amount is greater than its recoverable value, an impairment loss is recorded in the income statement. The recoverable amount is the highest of the fair value minus the costs for selling and the value in use. The recoverable amounts of the cash flow generating units are usually determined based on the calculation of the respective use value, which is the present value of the future cash flows that are expected, due to the continued use of the asset or group of assets and their disposal at the end of its useful life. These calculations require the use of assumptions that are made based on estimates of future circumstances whose occurrence may be different from the estimated one. Goodwill impairment losses cannot be reversed.

For the purpose of impairment testing, goodwill is allocated, on the date of acquisition, to each of the cash-generating units expected to benefit from the business combinations, regardless of the remaining assets and liabilities also associated with the cash-generating unit. In general, the cash-generating units correspond to the purchased entities themselves. When the operation, or part of it, associated with a cash-generating unit is disposed of, the allocated goodwill is also derecognised and included in the balance of gains/losses of the disposal, calculated as the base for its relative value.

Goodwill related to investments in companies based abroad, is recorded in those companies' reporting currency and translated into euros at the statement of financial position date.

Concentrations of business activities between companies under common control are recorded using the purchase method (as indicated above) whenever the concentration of business activities between companies under common control has commercial substance, to be carried out for the purpose of combining companies with activities and for the transaction to have been conducted at fair value. If this is not the case, the transaction is recorded using the "common interest method", with the difference between the concentration cost and the net assets purchased (at the respective net book values) being recorded against equity.

PUT OPTION TO PURCHASE NON-CONTROLLING INTERESTS

When a put option is granted to the Grupo of the participating interest not held by the Grupo in a controlled company, it chooses not to recognize any non-controlling interests but rather a financial liability, measured in accordance with IFRS 9 (see 2.6.2), that is, the Grupo accounts for concentrating business activities as if the participating interest had been purchased subject to the put option granted. Thus, the transferred consideration includes the present value of the amount to be paid to the minority participating interests when exercising the put option.

2.4 Financial holdings in associates and Joint Ventures

Associates are companies over which the Grupo Visabeira exercises significant influence, understood as the power to participate in their financial and operating policy-making process, without, however, exercising control or joint control. Generally, it is assumed that there is a significant influence whenever the holding percentage exceeds 20%. The classification of financial investments in joint ventures is determined based on the existence of shareholders' agreements that demonstrate and regulate joint control, which is understood to exist when decisions on activities relevant to the venture require a unanimous agreement between the parties.

The existence of significant influence or joint control is determined based on the same type of facts and circumstances applicable in the assessment of control over subsidiaries.

These holdings are consolidated by the equity method, that is, they are initially recorded at cost and subsequently the consolidated financial statements include the group's interest in the total recognised gains and losses of the associate/joint venture, from the date on which significant influence/control begins until the date on which it effectively ends. Dividends received from these entities are recorded as a reduction in the value of financial investments.

The Grupo's participation in the gains and losses of its associates/joint ventures is recognised in the income statement, and its share of movements in Post-acquisition Reserves are recognised in Reserves. The cumulative post-acquisition movements are adjusted according to the cumulative movements in the financial investment. When the Grupo's share of losses in an associate/joint venture equals or exceeds its investment in that entity, including any unsecured receipt transaction, the Grupo does not recognise any further losses, unless it has incurred obligations or made payments on behalf of the associate/joint venture.

The purchase of financial investments in associated companies is recorded using the purchase method. Any excess of the cost of acquisition of a financial investment over the Grupo's share in the fair value of the assets, liabilities and contingent liabilities identified on the date of acquisition of the associate/joint venture is recognised as goodwill, which is included in the value of the financial holding and whose recovery is assessed annually as part of the financial investment. If the cost of acquisition is lower than the fair value of the net amount of the assets of the associate/joint venture, the difference is recorded directly in the consolidated income statement.

Unrealised gains from transactions between the Grupo and its associates/joint ventures are eliminated to the extent of the Grupo

share in the respective associates/joint ventures. Unrealised losses are also eliminated, unless the transaction evidences impairment of a transferred asset.

The accounting policies of associates/joint ventures are changed whenever necessary to ensure consistency with the policies adopted by the Grupo.

After applying the equity method, the Grupo assesses the existence of impairment indicators; if any, the Grupo calculates the recoverable amount of the investment, and recognizes an impairment loss if it less than the book value of the investment in item "Gains/Losses on the associated companies and joint ventures" in the income statement; this impairment loss is reversible.

After the loss of significant influence or joint control, the Grupo initially recognises the retained investment at fair value, and the difference between the carrying value and the fair value held plus the revenue from the sale, are recognised in the income statement.

2.5 Recognition of Revenue

The Grupo is organized through sub-holdings that group subsidiaries in the different business areas in which it operates.

The main business areas/revenue sources of the Grupo for the years 2019 and 2020 can be detailed as follows:

- a) Telecommunications and energy in Europe;
- b) Energy in the United States of America;
- c) Engineering and construction;
- d) Telecommunications operator;
- e) Industry;
- f) Hotels and restaurants;
- g) Shopping centre operation and management;
- h) Real estate sale;
- i) Real estate services and management.

NATURE, PERFORMANCE OBLIGATIONS AND REVENUE RECOGNITION

a. Telecommunications and energy

In this business area, the Grupo signs several service provision contracts with energy operators, differentiating between contracts for the external network (construction and maintenance services for the network and adjacent infrastructure on public roads) and contracts for the customers network (services provided to the final customer of energy operators).

Outdoor Network

The purchase orders placed by the customer, under the established general contract, identify the performance obligation that the Grupo has to comply with. Thus, each order is treated as a single performance obligation.

The performance of the Grupo creates an asset that the customer controls as it is being completed, thus the performance obligation of the Grupo is satisfied over time.

Operational teams are provided with a production collection system, where tasks successfully performed are regularly recorded. Each task has already recorded a price agreed with the customer, as well as the standard consumption of materials foreseen for that task. The recognition of the revenue is made according to the completed tasks and valued based on the agreed prices.

Periodically, for the work completed, a performance measurement report is submitted to the validation of the clients, with a summary of the production sheets. After the approval of the said report by the customer, the respective invoice is issued. The frequency with which these measurements reports are delivered depends on the type of customer and on the amount of works.

Customer Network

The purchase orders placed by the customer, under the established general contract, identify the performance obligation that the Grupo has to comply with. Thus each order is treated as a single performance obligation. Purchase orders are characterised for regarding very short duration works. The performance obligation is carried out in a specific moment, namely whenever the customer approves the service rendered. Operational teams are provided with a production collection system, where completed tasks are recorded throughout the day. The customer approves the production carried out on a daily basis. Each task has already recorded a price agreed with the customer, as well as the standard consumption of materials foreseen for that task.

The recognition of the revenue is made according to the completed tasks and valued based on the agreed prices.

Depending on the customer, invoicing for completed and validated tasks can be done on a fortnightly or monthly basis.

b. Energy in the United States of America

In this country, regarding the Energy business area, the Grupo signs with public and private entities several contracts for the provision of construction services that include different components/tasks. Although in most cases customers can benefit from the different components/tasks on its own, since they are negotiated together the promise of transfer of each is not separately identifiable from the others. Moreover, since the above-mentioned components/tasks are typically highly interrelated and dependent on each other, the Grupo considers that they should be treated as a single performance obligation. Thus, usually each construction contract is considered as a unique performance obligation.

On the other hand, since customers have the ability (control) to guide the use of the asset as it is being built and the ability to obtain substantially all the remaining economic benefits thereof, the Grupo's performance obligation in these cases is met over time, the revenue being recognized according to the method described below.

The costs of construction contracts are recognised when incurred. When revenue arising from the contract cannot be reliably measured, income is recognised to the extent of costs recovered. When revenue arising from the contract can be reliably measured and it is probable that the contract will be profitable, revenues are recognised throughout the period of construction. If the contract is not profitable, the expected loss is acknowledged immediately as an expense in the fiscal year.

The percentage of completion method is used to recognise revenue in each period. The percentage of completion is measured taking into account the weight of costs incurred in the total estimated costs.

Costs incurred in the financial year, which are associated with the future activities of the contract, are excluded from the calculation of the percentage of completion and are classified as inventories, deferred costs or other. The Grupo presents as assets any amounts to be recovered from customers for contracts in progress whose costs incurred, plus recognised income (and subtracted from recognised

losses), exceed the amounts invoiced. Unpaid invoices are presented in the line item Customers.

c. Engineering and construction

In this business area, the Grupo signs several contracts for the provision of construction services with public and private entities that include different components/tasks.

Although in most cases customers can benefit from the different components/tasks separate, as they are negotiated as a whole, the promise of transferring each one of them is not separately identifiable from the others. Moreover, given that the components/tasks referred to above are usually highly interconnected and dependent on each other, the Grupo considers that they should be treated as a single performance obligation. Thus, usually each construction contract is considered as a unique performance obligation.

On the other hand, since customers have the ability (control) to guide the use of the asset as it is being built and the ability to obtain substantially all the remaining economic benefits thereof, the Grupo's performance obligation in these cases is met over time, the revenue being recognized according to the method described below.

The costs of construction contracts are recognised when incurred.

When revenue arising from the contract cannot be reliably measured, income is recognised to the extent of costs recovered.

When revenue arising from the contract can be reliably measured and it is probable that the contract will be profitable, revenues are recognised throughout the period of construction.

If the contract is not profitable, the expected loss is acknowledged immediately as an expense in the fiscal year.

The percentage of completion method is used to recognise revenue in each period. The percentage of completion is measured taking into account the weight of costs incurred in the total estimated costs. Costs incurred in the financial year, which are associated with the future activities of the contract, are excluded from the calculation of the percentage of completion and are classified as inventories, deferred costs or other. The Grupo presents as assets any amounts to be recovered from customers for contracts in progress whose costs incurred, plus recognised income (and subtracted from recognised losses), exceed the amounts invoiced. Unpaid invoices are presented in the line item Customers.

d. Telecommunications operator;

In this business area, the Grupo provides operator services, providing cable television, fixed broadband and fixed voice. Revenues from services provided over the fibre and cable network result from:

- a) subscription to base channel packages that can be sold in bundle with fixed broadband and/or fixed voice services;
- b) subscription to premium channel packages;
- c) rental of terminal equipment.

Thus, at the beginning of each contract, the Grupo evaluates the promised goods or services and identifies, as a performance obligation, every promise of transfer to the customer any good or service (or goods or services package). These promises in contracts with customers may be explicit or implied, provided that such promises create a valid expectation on the customer that the entity will transfer a good or service to the customer, based on the entity's published policies, specific statements or business practices.

The Grupo has internally defined that a performance obligation

corresponds to the promise of delivery of a good or service that can be used separated by the customer and on which there is a clear perception of this good or service by the customer among the remaining available in each contract.

The main performance obligations are the Fixed Internet, Fixed Telephone, Television, Consulting, and Cloud / IT Services, distribution of audiovisual rights, among other.

Providing set-top-boxes, routers, modems and other home complementing equipment and respective installation and activation services at customers' homes were considered by the Grupo as not corresponding to a performance obligation, as these are actions required to meet the promised performance obligations.

The recognition of revenue occurs at the moment of fulfilment of each performance obligation, being distinguished between:

Prepaid services

Revenue is recognized when services are actually rendered, that is, the amounts previously received are specialized for the period of service provision which TVCabo has undertaken.

Corporate services

Revenue from subscriptions to telecommunications services (subscription to internet, television and fixed voice, separately or together) is recognized on a straight-line basis over the subscription period. Billing is issued after the service is provided, depending on the conditions provided for in the contract with the customer.

e. Industry - in this area, Grupo carries out the following activities:

i) ceramics, glassware, and biofuel

In determining the amount of revenue, the Grupo assesses for each transaction the performance obligations it undertakes with the customers, the transaction price to for each performance obligation identified in the transaction and the variable price conditions that may lead to future adjustments of the amount of the revenue recorded, and for which the Grupo presents its best estimate.

Income from product sales is recorded in the consolidated income statement, when control over the product or service is transferred to the customer, which is to say, at the moment when the customer is able to manage the use of the product or service and obtain all the remaining economic benefits associated with it.

Grupo considers that, taking into account the nature of the product or service related to the performance obligation undertaken, the transfer of control takes place mainly on a specific date, but there may be transactions in which the transfer of control occurs continuously throughout the defined contract period.

For each contract, the Grupo assesses whether there are other commitments in the contract that correspond to separate performance obligations and for which a portion of the transaction price should be allocated (for example, guarantees and loyalty credits). In determining the transaction price, the Grupo takes into account any variable remuneration, the existence or not, of a significant financing component, non-monetary receivables and the possibility of there being remunerations payable to the customer.

Guarantee obligations

Grupo generally offers guarantees of the proper functioning of its products - repair of defects existing upon the sale - as required by law.

These quality guarantees are accounted for in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Moreover, the Grupo sells a one year guarantee to repair any defects that may exist at the time of sale. These service guarantees are sold separately or in together with the sale of the equipment. Contracts that add equipment and service guarantees contain two performance obligations because the promises to transfer the equipment and to ensure the service guarantee are different. Using the stand-alone selling price method, a portion of the transaction price is allocated to the quality assurance service and recorded as a liability relating to contracts with customers. Revenue is recognized over the period during which the guarantee is provided based on the passage of time.

ii) Thermal energy

Revenue related to the thermal energy business area is recognized in accordance with the method defined for the business area related to b) Engineering and construction.

f. Hotels and restaurants;

Revenue from the provision of Hotel and Restaurant services is recognized when the service is provided or control over the property is transferred to the customer. Sales are usually made in cash or by credit card.

In cases where a crediting period is established, the period of credit granted varies between 30 and 60 days after billing. In the cases when a credit period is established, the period of credit granted varies between 30 and 60 days after billing.

g. Shopping centre operation and management;

Fixed rents

The Grupo acts as a lessee under lease agreements. Income earned through rents is recorded in accordance with the straight-line method during the rental period and presented as "services rendered", due to its operational nature. Contingent rents are recognized only when the right is established. Initial costs directly related to the negotiation of leases are recorded as expenses during the lease period at the same rent as the rents as earned. The lease duration is the sum of the period during which the lease cannot be cancelled with an additional period that the lessee is expected to have the option to maintain the lease, and upon the beginning of the lease the Grupo has reasonable certainty that the lessee will choose to maintain.

Amounts receivable from lessors for contractual assignment or for compensation for asset devaluations are recorded in the income statement when the right to receive is established.

Gains on common expenses redbt to lessees are recorded in the period which the compensation relates to. Fees regarding management and service are included as Income from rents, without considering the respective costs, because the Grupo considers that it acts as principal and not as agent in this situation.

Variable rents

If the consideration provided for in a contract includes a variable component, the Grupo estimates the amount that it considers to be entitled to receive. The variable component is estimated on a monthly basis according to the tenant's turnover and is restricted in case of uncertainty until it is highly probable that there will be

no significant reversal of recognized revenue when the uncertainty associated with the variable compensation component is subsequently resolved.

Key income

Key income is recognised at the time of signature of the contract of reservation of ownership and subsequent receipt.

h. Real estate sale;

The sale of the completed property is generally considered as a single performance obligation and the Grupo has determined that it will be met at the time control is transferred.

In the case of unconditional contract exchanges, the time usually occurs when the legal title is transferred to the customer. In the case of sales through public auction, the moment is verified when all the conditions are met.

It is not expected that the determination of the control transfer, both for sales through public auction or direct sale, will be modified with the adoption of IFRS 15.

For contracts related to the sale of properties in development, the Grupo is responsible for the overall management of the project, and it has identified several goods and services to be provided, including design work, purchase of materials, preparation of the site and foundations, formwork and plastering, mechanical and electrical installations, installation of utensils (eg windows, doors, cabinets, etc.) and finishing work. In these contracts, the Grupo determined that the goods and services are not different and are recorded as a single performance obligation.

Depending on the terms of each contract, the Grupo determines whether the control is transferred at a point in time or over time:

- For the sale of currently recognised developing properties according to the percentage of completion, the Grupo expects to continue to recognize the gains over time because it estimates that control will be transferred over time.
- For the sale of currently recognized developing properties when completed, the Grupo believes that control will be transferred at a point in time.

In contracts that meet the recognition criteria throughout the period, the Grupo's performance is measured using a method of imputation by reference to the costs incurred to comply with the performance obligation (e.g. resources consumed, hours spent, costs incurred, time incurred or machine hours) in proportion to the estimated total inputs to complete the work. The Grupo excludes the effect of costs incurred which do not contribute to the performance obligation in transferring control of goods or services to the customer (such as unanticipated amounts of defective materials or other resources) and adjusts the method of imputation against costs incurred which are not proportional to the Grupo's progress in meeting the performance obligation (i.e. non-installed materials). Some contracts for the sale of properties include variable considerations in the form of penalties for delays and, in limited cases, early termination premiums. Usually, the Grupo expects uncertainty to dissipate before recognizing these gains. In accordance with IFRS 15, estimates of variable consideration are included in the transaction price (after considering the limiting requirements). Considering the wide range of services, Grupo usually applies the expected value method to estimate this variable consideration and will apply the IFRS 15 requirements in

mandatory variable consideration estimates to determine the variable consideration amount that may be included in the transaction price. The Grupo uses the practical expedient provided for in IFRS 15 for the significant financing component.

As such, the Grupo will not adjust the amount under contract by the effects of the significant financing component in contracts where the Grupo expects, at the end of the contract, the interval between the customer payment and the Grupo's transfer of the agreed goods or services to be one year or less:

- For contracts involving the sale of property in development recognized over time, generally, customers carry out the payments as the work progresses. In these cases, the Grupo estimates that the interval between the customer payment for the asset, and the Grupo's transfer of the asset to the customer will be one year or less.
- For some contracts that include the sale of development properties recognized over time and the sale of development properties recognized at a specific point in time, the Grupo is entitled to the recognition of an advance. This situation is not seen as a significant financing component since the reasons are not related to the Grupo's financing. The reason is that these payments are seen as a guarantee that the other party will satisfactorily complete its obligations under the contract in situations, in cases when customers do not have a proven credit record or have a history of late payments.

Property sale contracts have certain guarantees which cover a period of up to ten years after completion of the property, including requirements regarding operating performance conditions (i.e. insulation, energy efficiency, etc.).

The Grupo has determined that these conditions represent guarantees called "reliability" and that they are legally required as quality assurance, continuing to be accounted for in accordance with IAS 37, consistent with current practice.

i. Real estate services and management;

Service expenses, management fees and other recoverable expenses of lessees

Consistent with current practice, the Grupo determined that these services are separate components of the lease (transferred separately from the right to use the asset) and fall within the scope of IFRS15. Grupo will allocate the consideration to the lease component and the service component on a relative basis, consistent with the current accounting.

For the revenue component, Grupo concluded that these services represent a number of daily services that are individually met over time, and a progress measurement basis based on the time taken will be applied. The amounts charged to tenants for these services include fees charged based on the percentage of income and reimbursement of expenses incurred.

Grupo determined that this variable consideration is only related to the non-leasing component and that allocating it to each service period (e.g., each day) fulfils the variable consideration allocation exception. The Grupo provides the third-party competence to provide services to tenants. In accordance with IAS 18, Grupo concluded that it is the principal because it is primarily responsible for meeting the performance obligation of the specific service, and Grupo is subject to credit risk regarding these transactions because it has to pay the third party even if the customer does not comply with the payment terms.

IFRS15 requires a test to demonstrate that the Grupo controls a particular good or service before transferring it to the customer. The Grupo has determined that it controls the service before being provided to the tenant and consequently is the principal rather than agent in these contracts. Consequently, the Grupo underwent no impact as a result of this diagnosis.

Disposal of investment property during the ordinary course of business

The IFRS 15 recognition and measurement requirements are applicable to determine the timing of derecognition and the measurement of the consideration (including the application of requirements for variable consideration), when the gains or losses regarding the disposal of non-financial assets are calculated, when such disposal is not part of the normal course of business. Grupo has determined that there is no need for changes resulting from the transition to IFRS 15 regarding disposals of investment properties carried out in the past, which were owned for rent.

Contract costs

Grupo incurs in commissions which are incremental costs of obtaining a contract with a customer. Grupo intends to use the practical expedient provided for in IFRS15 for the costs of obtaining a contract to waive those costs that would have been amortized over a year or less. In cases where the amortization period would exceed one year, Grupo will capitalize the costs of obtaining a contract that meets the criteria for recognition of IFRS15. Costs incurred by the Grupo to raise a contract before the beginning of its performance (e.g. proposal costs) usually comprise general and administrative costs.

Contract assets and liabilities

i) Assets of contracts with customers

A customer contract asset is a right to receive a return in exchange for goods or services transferred to the customer.

If the Grupo delivers the goods or services to a customer before the customer pays the compensation or before the compensation is due, the contract asset corresponds to the amount of the consideration that is conditional.

ii) Accounts receivables from customers

An account receivable represents the unconditional right (that is, it only depends on the passage of time until the consideration is due) of the Grupo to receive the consideration - See note 27

iii) Liabilities of contracts with customers

A liability of contracts with customers is the obligation to transfer goods or services for which the Group received (or is entitled to receive) a consideration from a customer. If the customer pays the consideration before the Grupo transfers the goods or services, a contract liability is recorded when the payment is made or when it is due (whichever comes first). Contract liabilities are recognized as revenue when the group carries out its contract performance obligations.

2.6 Financial assets and liabilities

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and liabilities are recognized in the consolidated statement of the Grupo's financial position when it becomes part of the contractual provisions of the instrument.

Financial assets and liabilities are initially measured at fair value.

Transaction costs directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets or liabilities measured at fair value through the income statement) are added to or deducted from the fair value of the financial asset or liability, as the case may be, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or liabilities recognized at fair value through the income statement are recognized immediately in the consolidated income statement.

2.6.1 FINANCIAL ASSETS

i) Initial recognition and measurement

All purchases and sales of financial assets are recognized on the date of their respective purchase and sale contracts, regardless of the date of their financial settlement. Initially, the assets are classified and subsequently measured at amortised cost, or at fair value through other comprehensive income or at fair value through profit or loss. The initial classification of financial assets depends on the contractual characteristics of the cash flow and the business model that the Grupo adopts to manage them. With the exception of accounts receivable from customers that do not contain a significant financial component and for which the Grupo adopts the practical expedient, Grupo initially measures a financial asset at its fair value added, in the case of an asset not classified as fair value through results, of the transaction costs. Trade accounts receivable that do not contain a significant financial component and for which the Grupo adopts the practical expedient are measured at the transaction price determined in accordance with IFRS 15. In order for a financial asset to be classified and measured at amortized cost or at fair value through other comprehensive income, it should provide cash flows representing solely payments of principal and interest (SPPI) on the outstanding capital. This assessment, known as the "cash flows solely from payments of principal and interest" test is carried out for each financial instrument.

The business model for managing financial assets refers to how it manages its financial assets in order to generate cash flow.

The business model can be designed to obtain contract cash flows, to dispose of financial assets or both.

Purchases or sales of financial assets that requires delivery assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Grupo commits to purchase or sell the asset.

ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss;

Financial assets at amortized cost (debt instruments)

This category is the most relevant for the Grupo. The Grupo measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contract terms of the financial asset give rise, at defined dates, to cash flows corresponding only to payment of principal and interest on the outstanding capital.

Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The financial assets that the Grupo measures at amortized cost include accounts receivable from customers and other debtors, loans to shareholders and related parties and loans.

Interest related income is recorded in the income statement under Interest Paid, net, using the effective interest rate method, which is applied to the gross carrying amount of the financial asset.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)

The Grupo measures debt instruments at fair value through other comprehensive income if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flow and selling; and
- The contract terms of the financial asset give rise, at defined dates, to cash flows corresponding only to payment of principal and interest on the outstanding capital.

In the case of debt instruments measured at fair value through other comprehensive income, interest earned, currency exchange differences and impairment losses and reversals are recorded in profit or loss and calculated in the same way as financial assets measured at amortized cost. The remaining fair value changes are recognised in other comprehensive income. At the time of derecognition, the changes in fair value accumulated in the other comprehensive income are transferred (recycled) to the profit and loss.

Debt instruments measured at fair value through other comprehensive income include quoted debt instruments.

The Grupo does not hold this type of financial assets on the 31st December 2020.

Financial assets at fair value through OCI with recycling of cumulative gains and losses (equity instruments)

Upon initial recognition, the Grupo can elect to classify irrevocably its equity investments as equity instruments designated at fair value through other comprehensive income when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit and loss. Dividends are recorded as a financial gain in profit or loss when the right to receive payment of the dividend is established, except when the Grupo benefits from such dividends as a recovery of part of the cost of the financial asset and in that case dividends

are recorded in the other comprehensive income. Equity instruments designated at fair value through other comprehensive income are not subject to impairment assessment.

The Grupo decided to irrevocably classify its investments in equity instruments of entities not listed in this category, as well as the shares held in Pharol.

Financial assets to the fair through the income statement

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments.

Financial assets with cash flow that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through the income statement are presented in the Statement of Financial Position at fair value with the net changes in fair value presented in profit and loss.

This category includes derivatives and investments in listed shares for which the Grupo has not decided irrevocably to measure at fair value through other comprehensive income.

If a hybrid contract includes a basic contract that is not a financial asset, an embedded derivative shall be separated from the base agreement and accounted for as a derivative if, and only if:

- i) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the underlying contract;
- ii) a separate instrument with the same terms as the embedded derivative satisfies the definition of a derivative;
- iii) the hybrid contract is not measured at fair value through profit or loss.

Embedded derivatives are measured at fair value with changes in fair value recognized in profit or loss. The revaluation of the classification is only possible when there is a change in the contractual terms that significantly modify the cash flows or the reclassification of the financial asset in order to stop being classified in the category of fair value through profit or loss.

A derivative embedded in a hybrid agreement which includes a base agreement that contains a financial asset is not accounted for separately. The financial assets of the underlying contract and the embedded derivative are entirely classified as financial assets at fair value through profit or loss.

III) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Grupo's consolidated statement of Financial Position) when:

- The contract rights to receive cash flows resulting from the financial asset expire; or
- Grupo has transferred its contract rights to receive cash flows arising from the financial asset or has undertaken an obligation to pay the cash flows received in full in the short term under an agreement in which the Grupo
 - i) it is under no obligation to pay amounts to final recipients unless it receives equivalent amounts resulting from the original asset;
 - ii) it is prohibited by the terms of the transfer agreement to sell or pawn the original asset other than as a guarantee to final recipients for the obligation to pay them cash flows; and
 - iii) the Grupo has an obligation to remit any cash flow it receives on behalf of the final recipients without significant delays.
- The Grupo transferred substantially all the risks and rewards of the asset, or the company did not transfer or substantially retain all the assets and benefits of the asset, but transferred control over the asset.

When the Grupo transfers its rights to receive cash flows from an asset or is part of an agreement that may enable derecognition, it assesses whether and to what extent, the risks and benefits associated with ownership of the asset have been retained.

When all the risks and benefits of ownership of an asset have not been substantially transferred or retained, nor transferred control of the asset, the Grupo continues to recognize the transferred asset to the extent of its continuing involvement. In this case, Grupo also recognizes the corresponding liability, the transferred asset and the corresponding liability are measured on a basis which reflects the rights and obligations that the Grupo retained.

If the continuing involvement of the Grupo undertakes the form of a guarantee on the transferred asset, the measure of continuing involvement is the lower between the original book value of the asset and the maximum amount of the consideration received that the Grupo may have to pay.

Consequently, the balances of customers in the form of discounted and not due bills and accounts receivable assigned in factoring at the date of each statement of financial position, with the exception of non-recourse factoring operations (and for which it is clear that the risks and benefits inherent to these accounts receivable are transferred) are recognised in the Grupo's financial statements until they are received. In the derecognition of a financial asset measured at amortized cost, the difference between the carrying amount and the consideration received is recognized in the income statement.

In the event of derecognition of a financial asset measured at fair value through other comprehensive income, the accumulated gain or loss in the fair value reserve is reclassified to the income statement ("Recycling"), unless it is a representative financial asset of an equity instrument so designated irrevocably at the beginning, a situation in which the accumulated gain or loss in the fair value reserve is transferred directly to retained earnings.

The Grupo writes off a financial asset only when there is information that the debtor is under a liquidation or bankruptcy process. If the balances are subsequently recovered, they are recorded in the income statement.

IV) Impairment of financial assets

Additional disclosures about impairment of financial assets can be found in the following notes:

- Disclosures about significant assumptions - note 3
- Accounts receivable, including assets related to contracts with customers - Notes 10, 27 and 29

The Grupo recognizes an adjustment for expected credit losses for all debt instruments not measured at fair value through profit or loss. The expected credit losses are based on the difference between the contract cash flows due and all the cash flows that the Grupo expects to receive, discounted at a rate close to the original effective interest rate. Cash flows which are expected to be received include cash flows resulting from collateral held or other credit guarantees which are part of the contractual terms. For trade receivables and trade receivables related with contract assets, the Grupo applies a simplified approach in calculating expected credit losses.

Therefore, the Grupo does not track changes in credit risk, but instead recognises a loss allowance based on lifetime expected credit losses at each reporting date. The Grupo has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. For this purpose, the balances of customers and other debtors have been segregated taking into account their risk profiles and the duration of the default situation.

For balances receivable from associated and affiliated companies, which are not considered part of the financial investment in these companies, impairment is assessed in accordance with risk criteria. In cases where the balance receivable is immediately payable and the related entity is able to pay, the risk of non-compliance is assessed to be very close to zero and, as such, the impairment is zero. In cases where the receivable balance is not immediately due, the related Grupo's credit risk is assessed and if it is "low" or if the maturity is less than 12 months, then the Company only evaluates the probability of a non-compliance occurring for the cash flows that mature during the next twelve months.

For all other situations and types of balances receivable, the Grupo adopts the general approach of the impairment model. Expected credit losses are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12 months; for those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default, mentioned on the note 39.

The Grupo considers a financial asset in default when contractual payments are 90 days past due.

However, in certain cases, the Grupo may also consider a financial asset to be in default when internal or external information indicates that the Grupo is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is derecognised when there is no reasonable expectation of recovering contract cash flows.

2.6.2 FINANCIAL LIABILITIES

I) Initial recognition and mensuration

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings,

payables, or as derivatives designated as hedging instruments in an effective hedge.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Grupo's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

II) Subsequent measurement

The measurement of financial liabilities depends on their initial classification, as described below:

Financial liabilities at fair value through profit or loss;

Financial liabilities at fair value through the income statement include the financial liabilities held for trading and the financial liabilities that at the time of initial recognition were so designated and, furthermore, the financial liabilities associated with a contingent consideration arising from a business combination.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Grupo that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separate embedded derivatives are also classified as held for trading unless they have been designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

Put options granted related to purchase of financial holdings (see Note 2.3) are classified in this category.

Financial liability at amortized cost

This is the category most relevant for the Grupo.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Gains and losses are recorded in the income statement when liabilities are derecognised and through amortization arising from the effective interest method.

The amortized cost is calculated taking into account any discount or premium on acquisition and fees as well as other costs that are part of the effective interest rate. The effective interest amortisation is included as finance costs in the statement of profit or loss.

This category is generally applicable to accounts payable to suppliers and other creditors, and to loans including bank loans, factoring and bank overdrafts. Loans in the form of commercial paper are classified as non-current liabilities when they have a period of more than one year and it is the intention of the Executive Board of Directors to use this financing instrument for a period of more than one year.

The Grupo contracts confirming operations with financial institutions, which are classified as reverse factoring agreements. These agreements are used to manage the Grupo's treasury, and the amounts of the invoices advanced to suppliers who adhere to these contracts are maintained in Liabilities, in the account of other accounts payable, with payments of the amount advanced to suppliers being treated as operational payments and payments relating to interest and

fees incurred being treated as financing activities. Costs incurred from confirming operations are recorded under other net financial expenses.

III) Derecognition

A financial liability is derecognised when the obligation specified is satisfied, or when it is cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, the exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss. Conditions are considered to be substantially different if the current value of cash flows from renegotiated financial liability, including commissions, discounted using the original effective interest rate is at least 10% different from the current value of the remaining cash flows from original financial liability.

If the exchange gives rise to a change that is not substantial, the difference between the carrying amount of the liability before the change and the carrying amount after the change (corresponding to the present value of future cash flows) is recorded in the income statement as a gain or loss from the change.

2.6.3 COMPENSATION OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the respective net amount is presented in the consolidated statement of financial position if there is a mandatory present duty to offset amounts recognized and there is an intention to settle on a net basis or realize the asset and liquidate the liabilities.

2.6.4 HEDGE ACCOUNTING

I) Initial recognition and mensuration

Grupo uses derivative financial instruments, such as swaps of interest rates to cover its interest risks. Such derivative financial instruments are initially recorded at fair value on the date of the derivative contract and are subsequently measured at fair value. The resulting gain or loss is recorded in the income statement unless the derivative is classified as a hedging instrument, in which case the recognition of the change in fair value depends on the nature of the hedging relationship. Derivatives are presented in assets when their fair value is positive and in liabilities when their fair value is negative.

In terms of hedge accounting, hedges are classified as:

- Fair value hedge when the purpose is to hedge the exposure to fair value changes of a registered asset or liability or an unregistered Grupo commitment.
- Cash flow hedge when the purpose is to hedge the exposure to cash flow variability arising from a specific risk associated with the whole or a component of a recorded asset or liability or an anticipated highly probable occurrence or currency exchange risk associated with an unregistered Grupo commitment.
- Coverage of a net investment in a foreign subsidiary.

At the beginning of the hedge relationship, the Grupo formally designates and documents the hedge relationship for which hedge accounting is intended to be applied as well as the management and strategy purpose of such hedge.

Prior to the 1st January 2018, the documents included the identification of the hedging instrument, the hedged item or transaction, the nature of the hedged risk, and the way in which the Grupo assessed the effectiveness of the fair value changes of the hedging instrument against exposure changes in the fair value of the hedged item or cash flows arising from the hedged risk. Such hedges should be highly effective in offsetting changes in fair values or cash flows and would be assessed on a continuing basis to demonstrate that they were in fact highly effective over the reporting period.

As of the 1st January 2018, the documents include the identification of the hedging instrument, the item or transaction covered, the nature of the risk to be hedged and the way in which the Grupo assesses whether the hedge relationship meets the accounting requirements (including its analysis of the sources of coverage ineffectiveness and how it determines the coverage rate). The hedge relationship is eligible for hedge accounting if it meets all of the hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the changes in value which result from this economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the amount of the hedged item which an entity effectively, and the amount of the hedging instrument that the entity effectively uses to hedge that amount of the hedged item.

The hedging relationships that meet the above mentioned eligibility criteria are accounted for as follows:

II) Fair value hedge

The change in the fair value of the hedging instrument is recorded as a financial result for the period. The change in the fair value of the hedged item attributable to the hedged risk is recorded as part of the carrying amount of the hedged item.

For fair value hedging of items measured at amortized cost, any adjustment to the book value is amortized in the income statement for the remaining period of the hedge using the effective interest method. Amortization using the effective interest method starts when there is an adjustment and no later than when the hedged item is no longer adjusted for changes in the fair value attributable to the risk being hedged.

If the hedged item is derecognised, the fair value to be amortized is recorded immediately in the income statement.

When an unrecorded commitment is designated as a hedged item, subsequent cumulative changes in the fair value of the Grupo's commitment attributable to the hedged risk are recognized as an asset or liability and the corresponding gain or loss recorded in the income statement.

III) Cash flow hedging

The effective portion of the gain or loss on the hedging instrument is recognized in Other comprehensive income in the cash flow hedge reserve, while the ineffective portion is recognized immediately in the income statement. The cash flow hedge reserve is adjusted to the lesser of the amounts between the accumulated gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

As from the 1st January 2018, the Grupo shall designate only the element under the *forward* contracts as a hedging instrument. The element forward is recognized in Other comprehensive income and accumulated in a separate equity component.

The amounts accumulated in Other comprehensive income are accounted for according to the nature of the respective hedging relationship. If the hedging relationship subsequently translates into the recording of a non-financial item, the accumulated amount is removed from the separate equity component and included in the initial cost or carrying amount of the hedged asset or liability. This is not a reclassification adjustment and should not be recorded in Other comprehensive income for the period. This also applies when an expected transaction hedged by a non-financial asset or a non-financial liability becomes a Grupo commitment subject to hedge accounting. Other comprehensive income is reclassified to the income statement as a reclassification adjustment in the same period or periods during which the cash flows hedged affect the income statement. If cash flow hedge accounting is discontinued, the amount accumulated in Other comprehensive income should remain if the future cash flows hedged are still expected to occur. Otherwise, the accumulated amount is reclassified immediately to the income statement as a reclassification adjustment. Upon discontinuation, as soon as the cash flows are hedged, any accumulated amount remaining in Other comprehensive income shall be accounted for in accordance with the nature of the underlying transaction as described above.

IV) Hedging of a net investment in a foreign operation

Hedging of a net investment in a foreign operation, including the hedging of monetary items that are accounted for as part of the net investment, are accounted for in a similar way to the cash flow hedge. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recorded in Other comprehensive income while the gains or losses relating to the ineffective portion are recorded in the income statement. At the time of the disposal of the foreign subsidiary, the accumulated amount of the gains and losses accounted for in equity are transferred to the income statement.

2.6.5 EQUITY INSTRUMENTS

Equity instruments are classified according to the substance of their contractual arrangement, regardless of their legal form. Equity instruments issued by companies of the Grupo are recorded at the value of proceeds received, net of any costs related to their issuance. Own shares are recorded at their acquisition value as a deduction from equity.

Gains or losses incurred in the disposal of own shares are recorded in the line item "Other reserves" and are not considered in the results for the period in which they occur.

2.6.6 LOANS COSTS

Grupo capitalizes loans costs (interest and other costs incurred due to loans/Borrowing of funds) that are directly attributable to the acquisition, construction or production of an asset that qualifies as part of the cost of that asset, that is, an asset that necessarily takes a substantial amount of time to get ready for its intended use or for sale. All other loans costs shall be accounted for as an expense in the period in which they are incurred.

2.7 Tangible assets

Tangible fixed assets are recorded at their acquisition cost, net of any accumulated depreciations and impairment losses.

Subsequent costs are included in the carrying amount of the asset or recognised as separate assets, when future economic benefits are likely to flow to the company, surpassing the originally assessed performance standard of the existing asset, and the cost of the asset for the company can be reliably measured. All other subsequent expenditure is recognised as expenses in the period they are incurred. The assets of the TVCabo Angola and TVCabo Moçambique networks are measured, as of the 1st of October 2019, according to the revaluation model, that is, they are measured at fair value at the date of the revaluations, minus any subsequent accumulated depreciation and subsequent impairment losses accumulated. Revaluations are carried out with sufficient frequency to ensure that the carrying amount does not differ materially from that which would be determined by using fair value at the end of the reporting period. The frequency of revaluations depends on changes in the fair values tangible fixed assets that are being revalued. When the fair value of a revalued asset differs materially from its carrying amount, a new revaluation is required. Such frequent revaluations are unnecessary for tangible fixed assets items, with only minor changes in fair value. Instead, it might be necessary to revalue the item only every three or five years.

When the carrying amount of these assets is increased as a result of a revaluation, the increase must be recognized in other comprehensive income and accumulated in equity under "Revaluation surplus". However, the increase must be recognized in the income statement to the extent that it reverses a decrease in the revaluation of the same asset previously recognized in profit or loss. If the carrying amount of an asset is decreased as a result of a revaluation, the decrease should be recognized in the income statement. However, the decrease must be recognized in other comprehensive income to the extent of any credit balance existing in the revaluation surplus with respect to that asset. The decrease recognized in other comprehensive income reduces the amount accumulated in equity under revaluation surplus. A transfer is made annually between the caption "Revaluation surpluses" and the retained earnings, which corresponds to the difference between depreciation based on the revalued value of the asset and depreciation based on its historical cost. On the date of disposal, any remaining revaluation reserve is transferred to retained earnings. Financial charges related to the financing of the production/ acquisition of assets that require a substantial period of time to be ready for use are added to the cost of those assets.

Amortizations

Plots of land are not depreciated, except those used for mining activities. The depreciation of the remaining assets is calculated by applying the straight-line method, on a duodecimal basis, to the acquisition amount. The annual rates applied satisfactorily reflect the economic useful life of assets.

Residual values and useful lives of assets are reviewed and adjusted, if appropriate, on each balance sheet date. On average, the depreciation rates applied correspond to the following estimated useful lives:

	2020	2019
Land and natural resources	2.50%	2.50%
Buildings	2.00% to 5.00%	2.00% to 5.00%
Other constructions	2.00% to 10.00%	2.00% to 10.00%
Basic equipment	6.67% to 33.33%	6.67% to 33.33%
Transport equipment	16.66% to 25.00%	16.66% to 25.00%
Tools and utensils	4.00% to 25.00%	4.00% to 25.00%
Office equipment	4.00% to 10.00%	4.00% to 10.00%

2.8 Investment Properties

Investment properties include plots of land and buildings held to earn rental income or for capital appreciation, or both, and that are not used in the course of normal business.

Investment properties are initially measured at their acquisition cost, including transaction costs. After their initial recognition, investment properties are measured at their fair value, determined in reference to the balance sheet date, reflecting current market conditions. Fair value is determined by independent and duly accredited entities, following internationally recommended methodologies.

Gains or losses arising from changes in the fair value of investment properties are recorded in the income statement in the year in which they are generated.

Investment properties are derecognised when they are disposed of or when they are decommissioned with no expectations of future economic benefits resulting from their decommissioning. Any gains or losses arising from the de-recognition of investment properties are recognised in the income statement of that year.

Costs incurred with investment properties in use, such as maintenance, repairs, insurance and property taxes, are recognised in the consolidated income statement, in the period to which they relate.

The transfer to, or from, investment properties shall be made when, and only when, there is a change in use. In the transfer of an investment property carried at fair value to an owner-occupied property, the cost considered for subsequent accounting shall be its fair value on the date of the change in use.

If an owner-occupied property becomes an investment property carried at fair value, the Grupo shall use the same accounting principles that apply to tangible fixed assets, up to the date of the change in use.

If an asset initially recognised in inventories is subsequently considered as an investment property after its change in use has been determined, any difference between the fair value of the property on that date and its previous carrying amount is recognised as profit or loss for that financial year. If the Grupo begins the development or construction of a building with the intention of selling it, it must be transferred to inventory. If this property is measured at fair value, such transfer shall be measured at fair value at the date of transfer and this will be the cost considered for recording the property in inventories.

2.9 Leases

The Grupo assesses, at the beginning of each agreement, whether the agreement is, or contains, a lease. That is, the right to control the use of a specific asset or assets is transferred for a certain period of time in exchange for a consideration. In order to conclude that a contract transmits the right to control the use of an identifiable asset for a certain period of time, the Grupo assesses whether it cumulatively has i) the right to obtain substantially all the economic benefits derived from the use of the asset in question and ii) the right to direct its use.

GRUPO AS A LESSEE

The Grupo applies the same recognition and measurement method to all leases, except for short-term leases and leases associated with low-value assets.

The Grupo recognizes a liability regarding payments and an asset identified as the right to use of the underlying asset.

I. Right-of-use assets

At the lease start date (that is, the date from which the asset is available for use), the Grupo recognizes an asset related to the right to use. "Assets under right of use" are measured at cost, minus accumulated depreciation and impairment losses, adjusted by remeasurement of the lease liability. The cost comprises the initial value of the lease liability adjusted for any lease payments carried out on or before the starting date, besides any initial direct costs incurred, as well as an estimate decommissioning and removal costs of the underlying asset (if applicable), less any incentive obtained. The asset under right of use is depreciated using the straight-line method, based on its useful life or the lease term, whichever is the lowest.

If ownership of the asset is transferred to the Grupo at the end of the lease term, or the cost includes a call option, depreciation is calculated taking into account the estimated useful life of the asset. Assets under right of use are also subject to impairment losses.

II. Lease liability

At the lease start date, the Grupo recognizes a liability measured at the present value of the lease payments to be made throughout the agreement. The lease payments included in the measurement of the lease liability include fixed payments, minus any incentives already received (if applicable) and variable payments associated with an index or rate. Payments also include, if applicable, the purchase price of a call option, which will be exercised by the Grupo with reasonable certainty, and penalty payments for terminating the contract, if the terms of the lease reflect the Grupo's exercise option.

The lease liability is measured at amortized cost, using the effective interest method, and is remeasured when there are changes in future payments resulting from a change in the rate or index, as well as possible changes in the lease agreements.

When the lease liability is remeasured, the right to use the asset is adjusted by the same amount, except if its amount has already been reduced to zero, in which case a gain/loss is recorded in the income statement.

Variable payments which are not associated with any indexes or rates are recognized as expense of the financial year, in the financial year in which the event or condition leading to payment occurs.

For the calculation of the present value of future lease payments, the Grupo uses an incremental interest rate at the lease start date, since the interest rate mentioned in the contract is not immediately determined. After that date, the lease liability amount is increased by accruing interest and reduced by rent payments made. Moreover, the amount is remeasured if there is any change in the terms of the agreement, in the amount of the rents (e.g., changes in future payments caused by a change in an index or rate used to determine those payments), or a change in the valuation of a call option purchase associated with the underlying asset.

III. Short-term leases and low value leases

The Grupo applies the recognition exemption to its short-term leases of assets (i.e., leases with 12-month terms or less and which do not contain a call option). The Grupo applies as well the exception for the recognition of lease contracts whose underlying asset is of low value. Operating lease payments are recorded as operating expense on the income statement in the straight-line basis over the lease period.

THE GRUPO AS LESSOR

Leases in which the Grupo does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Income earned through rent is accounted for, under a straight line basis, during the period of the lease and is presented in revenue due to its operating nature. Initial costs directly related to the negotiation and collection of *leasings* are added to the book value of the asset and are recorded as expenses during the leasing period at the same rate as the rents earned. Contingent rents are recognized only when the right is established

The lease duration is the sum of the period during which the lease cannot be cancelled with an additional period that the lessee is expected to have the option to maintain the lease, and upon the beginning of the lease the Grupo has reasonable certainty that the lessee will choose to maintain.

Amounts receivable from lessees for contractual assignment or for compensation for asset devaluations are recorded in the income statement when the right to receive is established.

Gains on common expenses redept to lessees are recorded in the period which the compensation relates to. Fees regarding management and service are included as Income from rents, without considering the respective costs, because the Grupo considers that it acts as principal and not as agent in this situation.

2.10 Intangible assets

All intangible assets are recorded at their acquisition cost, net of accumulated amortisations and impairment losses.

Amortisations are calculated on the acquisition value, by the straight-line method on a duodecimal basis for its useful life (generally three years).

Costs related to internally generated intangible assets and own brands are recorded in profit or loss for the period as they are incurred.

Costs of research carried out in the quest for new technical or scientific

knowledge or in the quest for alternative solutions are recognised in profit or loss when incurred. Development costs are capitalised when the technical feasibility of the product or process under development can be proven, and when the Grupo intends and is able to complete its development and begin its marketing or use.

In the context of business combinations, intangible assets are recorded (order backlog) at fair value, which are amortized on a straight-line basis over 36 months.

2.11 Impairment of tangible and intangible assets

Assets that have an indefinite useful life are not subject to amortisation, but are subject to annual impairment tests. Impairment tests are also performed for assets that, having a finite useful life, are subject to amortisation or depreciation, whenever circumstances change and their carrying amount may not be recoverable. An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount is the higher of an asset's fair value, net of costs to sell, and its value in use, which results from future cash flows updated based on pre-tax discount rates that reflect the present value of the capital and the risk specific to the asset(s) concerned.

To determine the recoverable amount, the assets are analysed individually or grouped at the lowest level for which they are identified separately as cash-flow generating units. A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Whenever the carrying amount of the asset is higher than its recoverable amount, an impairment loss is recognised in the income statement for the period to which it relates. If this loss is subsequently reversed, the carrying value of the asset is adjusted accordingly, but it can never be greater than the amount that would be recognized had the impairment loss not been recorded. The impairment reversal is also recognised in the income statement in the period to which it relates.

2.12 Assets held for sale and discontinued operations

This category includes assets or groups of assets whose value is realisable through a sale transaction or, jointly as a group in a single transaction, and any liabilities directly associated with these assets that are transferred in the same transaction. Assets and liabilities in this situation are measured at the lower of their carrying amount and fair value less the selling costs.

For this situation to take place, the sale needs to be highly probable (expected to be realised within 12 months) and the asset has to be available for immediate sale in its present condition, in addition to the Grupo commitment in effecting the sale. The amortisation of assets in these conditions ceases from the moment in which they are classified as held for sale and are recognised as current under asset, liability or equity line items.

A discontinued subsidiary is a component (subsidiaries and cash flows that can be clearly distinguished operationally and for financial reporting purposes from the rest of the entity) from an entity that has

either been disposed of or is classified as held for sale and:

- a) represents a major line of business or separate geographical area of operations;
- b) is an integral part of a single coordinated plan to dispose of a major line of business or separate geographical area of operations; or is a subsidiary acquired exclusively with a view to resale; or
- c) is a subsidiary acquired exclusively for the purpose of resale.

The results of the discontinued operations are presented as a single amount in the income statement, which includes profit or loss after tax of the discontinued operations, plus the gains or losses after tax recognised in the measurement at fair value minus costs of sale or disposal of assets or group(s) for disposal comprised in the discontinued operation. Balances and transactions between related companies and unrelated companies are eliminated to the extent that they represent the companies that will no longer be part of the Grupo.

2.13 Inventories

Inventories are valued at either their cost or their net realisable value, whichever is lower. The net realisable value is the selling price, net of the costs estimated for completing production of the asset and corresponding selling costs.

Raw materials and consumables - Include lands for future real estate projects which are valued at purchase price plus the cost of purchase, which is lower than its market price. The remaining raw materials and consumables are valued at purchase price plus the cost of purchase, including storage.

Finished goods and work in progress - When corresponding to fractions of buildings for sale in completed developments and products in progress, these are valued at production cost, which is lower than their market value. Production cost includes the cost of raw materials used, direct and indirect labour, subcontracts, other fixed and variable costs and financial charges. The finance charges considered correspond to the actual borrowing costs incurred on financing agreements that explicitly refer to the development, to the extent it is reasonable in terms of the application.

Goods are valued at their average purchase price, including shipping and storage costs.

2.14 Provisions

Provisions are recorded in the balance sheet whenever the Grupo has a present obligation (legal or constructive) resulting from a past event and whenever it is probable that a reasonably estimable decrease in resources incorporating economic benefits will be required to settle the obligation.

- Restructuring: A provision for restructuring is recognised after formal approval of a restructuring operation and it has been initiated or made public. Operating expenses shall not be included in the value of such provision.
- Onerous Contracts: A provision for onerous contracts is recognized when the expected benefits of the contract fulfilment are lower than the costs arising from the obligation imposed by it.

Provisions for the costs involved in the dismantling, removing of goods and restoration of the site are recognised when the goods are first used and if the respective obligation can be reliably estimated.

The amount of the provision recognised is the present value of the obligation, and the financial update is recorded in profit or loss as a financial cost in the line item "Net interest".

A contingent liability recognised in connection with a business combination is initially recognised at fair value. After the initial recognition and until the liability is settled, cancelled or expired, a contingent liability is recognised in a business combination at the higher of the amount that would be recognised in accordance with IAS 37 and the amount initially recognised, less, where appropriate, the cumulative amortisation recognised in accordance with the Revenue standard.

Provisions are reviewed and updated on the balance sheet date, so as to reflect the best estimate of the obligation in question at that time.

2.15 Contingent assets and liabilities

Contingent liabilities (outside the scope of a business combination) are not recognized in the consolidated financial statements and are disclosed in the annex, unless the possibility of an outflow of funds is remote, in which case they are not the subject of dissemination. Contingent assets are not recognised, and are only disclosed when there is a likelihood of a future economic benefit.

2.16 Income tax

Income tax is calculated based on the taxable results of the companies included in the scope of consolidation and includes deferred taxation. Grupo Visabeira is covered by the special regime for taxation of groups of companies, established at the level of NCFGest, SA, which covers all companies it participates in, directly or indirectly, with at least 75% of the respective capital and which, simultaneously, are based in Portugal and taxed under Corporate Income Tax (IRC). Since 2014, the subsidiaries of Grupo VAA have been included in the scope of consolidation of Grupo Visabeira.

The remaining subsidiary companies, not covered by the special tax scheme for groups of companies in Portugal, are taxed individually, based on their respective taxable results and applicable tax rates. Deferred tax is calculated based on the balance sheet liability method, from temporary differences between the carrying value of the assets and liabilities and the respective tax base.

Deferred tax assets are recognised whenever it is reasonably certain that future profits will be generated against which the reversion of existing deductible temporary differences, tax losses and tax credits can be used. Deferred tax assets are reviewed annually and reduced whenever they are no longer likely to be used.

No deferred tax is calculated on consolidation differences or on temporary differences in the initial recognition of an asset or liability when it does not affect the accounting or tax results.

Likewise, no deferred taxes relating to temporary differences associated with investments in associates and interests in joint ventures are recognised because the following conditions are considered to be cumulatively satisfied:

- The Grupo is able to control the timing of the reversal of the temporary difference; and
- It is likely that the temporary difference will not reverse in the foreseeable future.

The tax base of assets and liabilities shall reflect the tax consequences arising from the way the Grupo expects, on the reporting date, to recover or settle the carrying amount of assets and liabilities, based on decisions that, from the fiscal point of view, are substantially implemented on the date of the consolidated income statement. The amount of tax to be included either in current or deferred taxes resulting from the transactions or events recognised in equity is recorded directly in these same line items and does not affect the income statement for the financial year.

Deferred taxes are determined by the tax rates (and laws) decreed or substantially decreed at the balance sheet date and are expected to be applicable in the accrual basis of deferred tax assets or settlement of deferred tax liabilities. According to the legislation in force, the income tax rate considered is 21% and, in situations not related to tax losses, a 1.5% surcharge is added to the value of temporary differences that originated deferred tax assets or liabilities.

2.17 Employee benefits

2.17.1 PROVISIONS FOR RETIREMENT PENSIONS – DEFINED BENEFIT PLAN

Some of the Grupo's companies, namely Grupo Vista Alegre companies, have assigned pension schemes to former employees, in the form of a defined benefit plan, which is a pension plan that defines the amount of pension benefit that an employee will receive upon retirement, usually dependent on one or more factors such as age, years of service and remuneration. The Grupo has in place various retirement benefit plans, some managed by the Group and others by Futuro/Grupo Montepio.

The liability amount recognised in the balance sheet which concerns defined benefit plans is the present value of the defined benefit obligation on the balance sheet date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows, using interest rates of high-quality bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approaching the terms of the related pension liability. All actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in equity and presented in other comprehensive income in the period in which they occur, and are not subsequently reclassified in profit or loss. Net financial costs and income derived from the plan's assets are recognised in profit or loss.

Financial costs are calculated by applying the discount rate to the liability of a defined or active benefit. Grupo recognises the costs of current or past services, the gains and losses in curtailments and/or settlements, as well as the net financial costs in the line item "Personnel costs".

Past-service costs are immediately recognised in profit or loss, unless the changes to the pension plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period. Gains or losses resulting from the curtailment or settlement of a defined benefit plan are recognised in profit or loss for the period in which the curtailment or settlement takes place.

A curtailment occurs when there is a material reduction in the number of employees or the plan is changed so that the defined benefits are reduced, with material effects, causing a reduction in the plan's liability.

2.17.2 TERMINATION OF EMPLOYMENT

Termination benefits are due when there is termination of employment before the normal retirement date or when an employee accepts voluntary redundancy in exchange for those benefits. The Grupo recognises these benefits when it can prove to be forced to eliminate current positions, according to a detailed formal plan for termination and there is no realistic alternative or these benefits are granted to encourage voluntary termination. Where termination benefits fall due more than 12 months after the balance sheet date, they shall be discounted to their current value.

Termination benefits must be recognised at the moment immediately before:

- i) which commitment in its award cannot be withdrawn and
- ii) a provision for restructuring in accordance with IAS 37.

2.17.3 HOLIDAYS, HOLIDAY PAY AND BONUSES

In accordance with the labour law of the different countries, Grupo Visabeira's responsibilities regarding its employees' right to annual holidays, holiday pay as well as other rights acquired during the year prior to its payment are recorded when incurred, regardless of the time of payment, and are reflected under "Other Payables".

2.17.4 LABOUR COMPENSATION FUND (LCF) AND LABOUR COMPENSATION GUARANTEE FUND (LCGF) - PORTUGAL

With the publication of Law No. 70/2013 and subsequent regulation through Order No. 294-A/2013, the Labour Compensation Fund (LCF) and the Labour Compensation Guarantee Fund (LCGF) entered into force on the 1st October. In this context, companies that hire a new employee are required to deduct a percentage of their salary for these two new funds (0.925% for LCF and 0.075% for LCGF), in order to ensure the future partial payment of the corresponding compensation in case of dismissal. Taking into account the characteristics of each Fund, the following was considered:

- Monthly payments made by the employer to the LCGF are recognised as expenses for the period when they occur.
- The monthly payments made by the employer to the LCF are recognised as a financial asset of that entity, measured at fair value and with the respective changes recognised in profit or loss.

2.17.5 PENSIONS

The company's commitments in terms of retirement indemnities are calculated to determine the present value of its defined benefit obligations and respective current service cost and, when applicable, past service cost.

The Projected Unit Credit Method (also known as the accrued benefits methods accrued benefits method with pro-rata service or the benefit/years of service method) views each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build the ultimate obligation.

In the consolidated accounts, only provisions for indemnities for retirement in French companies were recorded in the accounts of the

Grupo Visabeira. For other companies, similar provisions are recorded in corporate accounts or are insignificant.

2.18 Cash and cash equivalents

The line item "Cash and cash equivalents" includes cash, demand deposits and treasury investments with short maturities and quickly mobilizable, without significant risk of changes in value. For the purposes of the cash flow statement, the line item "Cash and cash equivalents" also includes bank overdrafts included in the balance sheet in the line item "Bank loans", and the held-for-trading financial assets.

2.19 Works between the Grupo's companies

Internal expenses (e.g., labour, materials, transport) incurred in the production of tangible assets and inventories are capitalised only when the following conditions are met:

- the assets are identifiable and reliably measurable;
- it is highly likely that they will generate future economic benefits.

No internally generated margins are recognised.

2.20 Accrual basis

In general, income and expenses are recorded on an accrual basis, whereby they are recognised as they are generated, regardless of the moment in which they are received or paid. The differences between the amounts received and paid, and the corresponding income and expenses, are recorded in the consolidated statement of financial position in line items 'Other current assets' and 'Other current liabilities', respectively.

2.21 Grants

Grants are only recognised when received or upon sufficient certainty that the Grupo can comply with the conditions required for their granting. Investment grants are included in line item Other non-current liabilities, and the associated income is recognised on a straight-line basis over the estimated useful lives of the respective assets.

Subsidies awarded to support training and investment actions are recognised in the income statement at the same time that the Grupo incurs eligible expenses and are presented in the "Other income" line.

2.22 Assets measured at fair value

The Grupo measures some of its financial assets, such as available-for-sale and held-for-trading financial assets, and some of its non-financial assets, such as investment properties, at fair value on the reference date of the financial statements.

The fair value measurement assumes that the asset or liability is exchanged in a transaction between market participants to sell the asset or transfer the liability, on the measurement date, under the current market conditions.

The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability can take place in the main asset and liability market, or in the absence of a main market, the transaction is assumed to occur in the most advantageous market. The most advantageous market is that which maximises the amount

that would be received upon the sale of the asset or that minimises the amount that would be paid to transfer the liability, after considering transaction and transportation costs.

Because different entities and different businesses within a single entity can have access to different markets, the main or most advantageous market for the asset or liability can vary from one entity to another, or even between businesses within the same entity, but they are assumed to be accessible to the Grupo.

Fair value measurement relies on assumptions that market participants would use in pricing the asset or liability, assuming that market participants would use the asset to maximise its value and use.

Grupo uses valuation techniques that are appropriate to the circumstances and for which there is sufficient data to measure the fair value, maximising the use of relevant observable data, and minimising the use of non-verifiable inputs.

All assets and liabilities measured at fair value or for which disclosure is mandatory are classified according to a fair value hierarchy, which classifies the data to be used in the fair value measurement into three levels, as detailed below:

Level 1 – Market prices quoted, unadjusted, in active markets for identical assets or liabilities, which the entity may access at the measurement date;

Level 2 – Valuation techniques which use inputs that are not quoted, and are directly or indirectly observable;

Level 3 – Valuation techniques using inputs not based on observable market data, i.e., based on unobservable data regarding assets and liabilities. Unobservable data must be used to measure at fair value whenever there is no relevant observable data, allowing to provide for situations in which there is little or no market activity with regard to the asset or liability on the measurement date. However, the purpose of fair value measurement remains the same, i.e., an exit price on the measurement date from the perspective of the market participant that holds the asset or owes the liability. Thus, unobservable data must reflect the assumptions that market participants would consider when pricing the asset or liability, including any assumptions on risk.

The fair value measurement is classified entirely at the lowest level (unobservable data) of the fair value hierarchy, corresponding to the input that is the most significant for the measurement as a whole.

2.23 Information by segments

Since IFRS 8 is not mandatory, the Grupo in Note 10 presents some business indicators, having been defined as follows:

A business segment is a distinguishable component of the Grupo, engaged in providing an individual product or service, and subject to different risks and rewards in relation to other business segments. Their internal organisational and management structure, as well as their reporting system, are geared toward the analysis of business performance by activity.

A geographical segment is an individual area of the Grupo committed to providing products or services within a particular economic environment, which is subject to risks and rewards that are different from those of other areas operating in other economic environments. The Grupo has subsidiaries in Angola, Mozambique, France, Spain,

Belgium, Italy, Brazil, the United Kingdom, Germany, Denmark, Sweden, Russia and United States of America, so these countries are identified as geographical segments.

2.24 Transactions in a currency other than euro

The Grupo's functional and presentation currency is the euro. Companies based in Angola and Mozambique have different functional currencies, so their financial statements are translated into U.S. dollars applying kwanza and metical cross rates and then from dollars to euro. Monetary assets and liabilities denominated in foreign currencies for which there are no rate-fixing agreements are translated into euros using the exchange rates in effect on the date of the balance sheet. Favourable and unfavourable exchange differences resulting from the comparison between the exchange rates in force on the date of the transactions and those in force on the date of collections, payments, or on the date of the balance sheet, are recorded as income or expenses in the income statement, except for exchange differences arising from the translation of loan balances which, in practice, are an extension of financial investments abroad and whose repayment is not expected in a near future, which are recorded in equity until the disposal of the investment, at which time they are transferred to profit or loss for the period.

Non-monetary assets and liabilities denominated in foreign currency and recorded at cost are converted into the functional currency of each subsidiary, using the exchange rate in effect on the date when they were acquired.

Non-monetary assets and liabilities denominated in foreign currency

and recorded at fair value are converted into the functional currency of each subsidiary, using the exchange rate in effect on the date when the fair value was determined.

The financial statements of subsidiary and associated companies expressed in foreign currency are translated using the following exchange rates:

- The exchange rate in force on the date of the balance sheet for the conversion of assets and liabilities;
- Average exchange rate of the period for the conversion of the income statement headings, except for subsidiaries located in hyperinflationary economies, for which the exchange rate prevailing at the balance sheet date is used;
- The average exchange rate for the period used for the conversion of cash flows (where such exchange rate is close to the actual rate; the remaining cash flows are translated using the exchange rate in effect on the date of the transactions);

Goodwill related to investments in companies based abroad, acquired after the 1st of January 2005, is recorded in those companies' reporting currency and translated into euros at the exchange rate in force on the balance sheet date.

Exchange rate differences arising from the translation into euros in the financial statements of subsidiary and associated companies expressed in foreign currencies are included in equity in the line item Foreign currency translation reserves. When disposing of financial holdings in subsidiaries based abroad, the exchange differences associated with the financial holding previously recorded in reserves are recognized in the income statement. On the 31st December 2020 and 2019, assets and liabilities denominated in foreign currencies were translated into euros using the following exchange rates:

CLOSING EXCHANGE RATE

	2020	2019	Code	Designation
	798.43	540.82	AON	Angolan Kwanza
	92.02	68.90	MT	Mozambican Metical
	6.38	4.51	BRL	Brazilian real
	7.44	7.47	DKK	Danish Crown
	1.23	1.12	USD	US Dollar
	0.90	0.85	GBP	Pound sterling

In the financial years 2020 and 2019, the financial statements of subsidiaries expressed in foreign currency were converted using the following exchange rates:

AVERAGE EXCHANGE RATE

	2020	2019	Code	Designation
	669.78	419.08	AON	Angolan Kwanza
	80.45	69.99	MT	Mozambican Metical
	5.98	4.42	BRL	Brazilian real
	7.45	7.47	DKK	Danish Crown
	1.15	1.12	USD	US Dollar
	0.89	0.88	GBP	Pound sterling

See Note 2.2, referring to the Angolan economy as hyperinflationary.

2.25 Subsequent events

Any events occurring after the balance sheet date, which provide additional information on the existing conditions on the balance sheet date, shall be reflected in the consolidated financial statements. Any events after the balance date which may provide information on the conditions that occurred after the balance sheet date, if material, are presented in the notes to the consolidated financial statements.

2.26 Reconciliation of alternative performance measures

Below is a table reconciling the performance measures referred to in the management report and in the financial statements that are not directly readable in the primary financial statements.

MANAGEMENT REPORT AND NOTES TO FINANCIAL STATEMENTS	CONSOLIDATED FINANCIAL STATEMENTS
Turnover	Sales and services provided
Gross margin	Turnover - Subcontracts - Cost of goods sold and materials consumed
EBITDA	Operating income (excluding amortizations, provisions and fair value of investment properties)
Operating income	EBITDA + Changes in the fair value of investment properties - Amortisations - Provisions and impairment losses
Net debt	Long-term bank loans + Short-term bank loans + Lease liabilities + Factoring + Confirming - Cash and cash equivalents
Net financial debt	Long-term bank loans + Short-term bank loans + Lease liabilities - Cash and cash equivalents
Net financial debt / EBITDA	Net financial debt / EBITDA
Gearing ratio	Net debt / Total equity

3. Judgments and estimates

In preparing the consolidated financial statements in accordance with IFRS, the Executive Board of Directors of Grupo Visabeira uses estimates and assumptions that affect the application of policies and amounts reported. Estimates and judgements are continually evaluated and are based on the experience of past events and other factors, including expectations of future events as probable under the circumstances the estimate was based on, or the result of information or experience. The most significant accounting estimates reflected in the consolidated financial statements are as follows:

a) Analysis of goodwill impairment

Grupo annually tests goodwill to check for impairment. The recoverable amounts of cash-generating units were determined based on the value-in-use method. The use of this method requires the estimation of future cash flows arising from the operations of each cash-generating unit and the choice of a suitable discount rate.

b) Valuation and useful life of intangible assets

The Grupo has made assumptions in the estimation of future cash flows arising from the intangible assets acquired as part of company acquisition processes, including the estimated future revenues, discount rates and useful lives of the said assets.

The assets associated with the TVCabo Angola and TVCabo Moçambique network are measured using the revaluation model, which implies the determination of the respective fair value, which

is determined by evaluations, carried out by duly accredited and independent external experts. The evaluation process involves the use of assumptions (see note 21), in which actual implementation has different underlying uncertainties, such as changes in inflation rates and interest rates.

The Grupo reviews annually whether the useful lives of the assets used in determining the amortization/depreciation rates of the assets related to the activity are reasonable.

Whenever applicable, the Grupo prospectively changes the amortization/depreciation rate for the period based on the review carried out.

c) Liabilities for lease (Leases due on lease contracts)

With the adoption of IFRS 16, the Grupo recognises assets under right of use ("ROU asset") and lease liabilities (rents due on lease contracts) whenever the contract provides for the right to control the use of an identifiable asset during a certain period of time, in exchange for consideration. To evaluate the existence of control over the use of an identifiable asset, the Grupo assesses whether: i) the contract includes the use of an identifiable asset; ii) has the right to obtain substantially all the economic benefits from using the asset during the lease period; and iii) has the right to control the use of the asset.

The analysis of the lease agreements, namely with regard to cancellation and renewal options provided for in the agreements and in deter-

mining the incremental financing rate to be applied for each identified lease portfolio requires the use of judgements by the Grupo.

d) Recognition of provisions and adjustments

The Grupo is a party in various legal proceedings for which, based on the opinion its legal advisers, makes a judgement to determine whether a provision should be recorded for such contingencies (note 40). Adjustments for accounts receivable are calculated mainly based on the ageing of the accounts receivable, on the customers' risk profile and on their financial situation. Estimates related to adjustments for accounts receivable differ from business to business.

The Company's policy regarding the imposing of *ceilings* on loans granted, either domestically or internationally, relies on companies specialised in credit risk hedging.

Excluding state-run agencies and customers with higher domestic and international credit ratings, it is noted that the average internal risk exposure is 20%. However, a detailed analysis of the changes in annual provisions clearly evidences that there is almost no risk of non-collection. Furthermore, Grupo has access to major market databases, which, together with its technical analysis team, allows for a clear assessment and minimised credit risk.

e) Fair value of investment properties

Grupo relies on external entities to calculate the fair value of investment properties.

Note 24 - Investment Properties are described the assumptions used, as well as the respective sensitivity analysis. An appraisal is an estimate of the market value but it is not a guarantee of the value that would be obtained in a transaction. In addition, other appraisers can legitimately calculate a different market value.

Despite showing signs of recovery, market transactions have been rare and market prices have proven unstable, so the method used to determine the fair value of investment properties was discounted cash flow. This valuation depends on the value of future rents, and on the long-term occupancy rate, as well as in the case of land held for future appreciation dependent on the evolution of the real estate market in Viseu and Aveiro.

f) Taxes

Deferred tax assets are recognised for all recoverable losses to the extent to which it is probable that there will be taxable profits against which the losses can be used.

Taking into account the context of the crisis and the impact it may have on future results, a judgement is required from the Executive Board of Directors to determine the amount of deferred tax assets that can be recognised, considering:

- The probable date and amount of taxable future profits, and
- Future tax optimization strategies.

g) Post-employment benefits

The assessment of liabilities associated with retirement and health benefits attributed to the Grupo's employees under defined benefit plans is performed annually using actuarial studies prepared by independent experts, based on actuarial assumptions related to economic and demographic indicators.

All the indicators used are specific to the countries where the employee benefits are attributed and include, but are not limited to:

- Discount rates based on the rates of corporate bonds of the respective country with an AAA or AA rating;
- Mortality tables available for the population of the respective country;
- Future increases in salaries and pensions based on future inflation rates expected for the respective country.

Estimates were based on the best information available on the date of the preparation of the consolidated financial statements. However, situations may occur in subsequent periods, which, not being foreseeable at the time, were not considered in these estimates. Changes to these estimates, which occur after the date of the consolidated financial statements, are corrected in profit or loss on a prospective basis, in accordance with IAS 8.

h) Companies included in the scope of consolidation

For the purpose of determining the entities included in the scope of consolidation, the Grupo assesses the extent to which it is exposed, or entitled to, the variability of the returns related to its involvement with the entity in question and its ability to take them over through the power it has over that entity (facto control).

The Grupo's decision to consolidate a given entity is based on the use of judgement, assumptions and estimates to determine the extent to which the Grupo is exposed to the variability of its returns and its ability to take them over through its power.

Other assumptions and estimates could result in a different scope of consolidation, with a direct impact on the Grupo's consolidated financial statements.

4. Changes to accounting policies and errors

During the financial year ended on the 31st December 2020, there were no voluntary changes in accounting policies in relation to those considered in the preparation of the financial information of the previous year presented in the comparative statements. However, it should be noted that the Grupo chose to separate expenses with Subcontracts in the consolidated income statement, before presenting in the item External Supplies and Services.

Regarding new standards and interpretations occurred the following emissions, revisions, changes and improvements in standards and interpretations:

4.1 Standards, interpretations, amendments and revisions with effect in the financial year

The following standards, interpretations, amendments and revisions adopted ("endorsed") by the European Union have mandatory application for the first time during the financial year started on the 1st of January 2020:

• Amendments to the IFRS 16 - Locations - Covid-19 related rent concessions

This change states a practical expedient for lessees (but not for lessors), which exempts them from assessing whether the bonuses granted by lessors under Covid-19 qualify as "modifications" when three criteria are cumulatively met: i) a change in lease payments results in a revised fee for the lease that is substantially equal to,

or less than, the fee immediately prior to the amendment; ii) any reduction in lease payments only affects payments due on or before the 30th of June 2021; and iii) there are no significant changes to other terms and conditions of the lease.

Lessees who choose to apply this exemption, account for the change to the rent payments resulting from a concession related to Covid-19 in the same way as they account for a change that is not a change in the lease in accordance with IFRS 16.

This expedient applies to financial years beginning on or after the 1st of June 2020, and early application is allowed.

• **Amendments to IFRS 3 – Definition of business**

This change represents a review of the definition of business for accounting purposes regarding business combinations, aiming to overcome the difficulties which a company faces when it determines it has purchased a new business or set of assets.

The new definition requires that an acquisition include an input and a procedure to manage outputs. Outputs are now defined as goods and services provided to customers, which generate income from financial investments and other income, excluding returns in the form of cost reductions and other economic benefits for shareholders. "Concentration tests" are also allowed, which, in case they are positive, exempt the entity from additional assessment, as to whether it is the acquisition of an asset or a business. Under the concentration test, if a significant part of the fair value of acquired assets corresponds to a single asset, the acquired assets do not constitute a business.

• **Amendments to IFRS 9, IAS 39 and IFRS 7 – Reform of reference interest rates**

These changes are part of the first phase of the IASB's "IBOR reform" project and allow for exemptions related to *benchmark* reform for reference interest rates.

The main exemptions refer to hedge accounting in terms of: i) risk components; ii) "highly probable" requirement; iii) prospective evaluation; iv) retrospective effectiveness test (for those who adopt IAS 39); v) recycling the fair value variation reserve in equity, whose purpose is that the reform in reference interest rates does not lead to the cessation of hedge accounting.

Hedging inefficiencies should continue to be recognized in the income statement.

• **Amendments to IAS 1 and IAS 8 – Definition of material**

The intention of changing the standard is to clarify the definition of material and to align the definition used across international financial reporting standards.

The new definition states that "information is material if it is omission, error or concealment can reasonably be expected to influence the decisions that the primary users of the financial statements make on the basis of those financial statements which provide financial information about a given reporting entity". The changes clarify that materiality depends on the nature and magnitude of the information, or both. An entity has to assess whether certain information, either individually or in combination with other information, is material in the context of the financial statements.

• **Conceptual framework for the financial reporting**

The conceptual framework for the revised financial reporting is not a standard and none of its concepts prevail over the concepts present in standards or other requirements of any of the standards.

The purpose of the conceptual framework is to support the IASB in developing standards, help preparers to develop consistent accounting policies where no applicable standard exists, and assist all parties to understand and interpret the standards.

The changes affect entities which have developed their accounting policies based on the conceptual framework. The revised conceptual framework introduces new concepts, definitions and criteria for recognizing assets and liabilities and clarifies some important concepts. No effects were recorded in the Grupo's financial statements for the twelve-month period ended on the 31st of December 2020, as a result of the adoption of the standards, interpretations, amendments and revisions referred above.

4.2 At the date of approval of these financial statements, the standards and interpretations endorsed by the European Union, but whose mandatory application occurs in future years, are as follows:

These standards, interpretations, amendments and revisions, whose application is mandatory only in future periods, were not, until the approval date of these financial statements, adopted ("endorsed") by the European Union:

• **IFRS 4 – Insurance contracts - deferral of the application of IFRS 9 (effective for annual periods beginning on or after the 1st of January 2021).**

This amendment refers to the temporary accounting consequences that result from the difference between the date of entry into force of IFRS 9 – Financial Instruments and the future IFRS 17 – Insurance Contracts. In particular, the amendment made to IFRS 4 postpones the expiry date of the temporary exemption from applying IFRS 9 until the 1st of January 2023 in order to align the effective date of the latter with the new IFRS 17.

• **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Interest Rate Benchmark Reform - phase 2 (to be applied in financial years beginning on or after the 1st of January 2021).**

These amendments address issues that arise during the Interest Rate Benchmark Reform, including the replacement of a benchmark interest rate by another alternative, allowing the adoption of exemptions such as: i) changes in designation and coverage documentation; ii) amounts accumulated in the cash flow hedge reserve; iii) retrospective assessment of the effectiveness of a hedging relationship under IAS 39; iv) changes in hedging relationships for groups of items; v) presumption that an alternative benchmark, designated as an unspecified contractually specified risk component, is separately identifiable and qualifies as a hedged risk; and vi) update the effective interest rate, without recognizing gain or loss, for financial instruments measured at amortized cost with changes in contractual cash flows as a result of the IBOR reform, including leases that are indexed to an IBOR.

The Grupo did not carry out the early application of this standard in the financial statements during the period of twelve months ended on the 31st of December 2020. Significant impacts on the financial statements arising from their implementation are not estimated.

4.3 Standards and interpretations issued by IASB but not yet endorsed by the European Union

These accounting standards, interpretations amendments and revisions, whose application is mandatory only in future periods, were not, until the approval date of these financial statements, adopted ("endorsed") by the European Union:

- **Amendments to IAS 1 – Presentation of financial statements**

– **Classification of liabilities.** This amendment seeks to clarify the classification of liabilities as current or non-current balances depending on the rights that an entity has to defer their payment, at the end of each reporting period.

The classification of liabilities is not affected by the entity's expectations (the assessment should determine whether a right exists, but should not consider whether or not the entity will exercise that right), or by events occurring after the reporting date, such as non-compliance of a "covenant".

This amendment also includes a new definition of "settlement" of a liability and is of retrospective application.

- **IFRS 17 – Insurance contracts.** IFRS 17 applies to all insurance contracts (i.e., life, non-life, direct insurance and reinsurance), regardless of the type of entities that issues them, as well as to some guarantees and some financial instruments with characteristics of participation discretionary. Some exceptions will be applied. The overall goal of IFRS 17 is to provide an accounting model for insurance contracts that is of greatest use and more consistent for issuers. In contrast to the requirements of IFRS 4, which are based on previously adopted local accounting policies; IFRS 17 provides an integral model for insurance contracts, covering all relevant accounting aspects.

- **Amendments to IAS 16 – Pre-commissioning revenue.** Change in the accounting treatment given to the consideration obtained from the sale of products that result from production in the test phase of tangible fixed assets, prohibiting its deduction from the acquisition cost of the assets. The entity recognizes the income obtained from the sale of such products and the costs of their production in profit and loss.

- **Amendments to IAS 37 – Onerous contracts – Cost of Fulfilling Contract.** This amendment specifies that whenever assessing whether such contracts are onerous only expenses directly related to the performance of the contract can be considered, such as incremental costs related to direct labour and materials and the allocation of other expenses directly related as the allocation of depreciation expenses of the tangible assets used to carry out the contract. General and administrative costs do not relate directly to a contract unless they are explicitly chargeable to the counterparty under the contract.

This change should be applied to contracts that, at the beginning of the annual reporting period in which it first applies, still include contracts for which the entity has not yet fulfilled all its obligations, with no need to restate the comparison.

- **Amendments to IFRS 3 – References to the Conceptual Framework.**

This amendment updates the references to the Conceptual Framework in the text of IFRS 3, with no changes being made to the accounting requirements for business combinations.

This amendment also clarifies the accounting treatment to be adopted for liabilities and contingent liabilities under IAS 37 and IFRIC 21, incurred separately versus included in a business combination.

The change is for prospective application.

- **Amendments to IFRS 1 – Subsidiary while first-time adoption of IFRS (included in the annual improvements related to the 2018-2020 cycle).**

This improvement clarifies that, when the subsidiary chooses to measure its assets and liabilities by the amounts included in the parent company's consolidated financial statements, the measurement of accumulated transposition differences of all foreign operations can be carried out by the amounts that would be recorded in consolidated financial statements, based on the parent company's IFRS transition date.

- **Amendments to IFRS 9 – Derecognition of Liabilities – Costs incurred to be included in the 10% variation test (included in the annual improvements related to the 2018-2020 cycle).**

This improvement clarifies the fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. This improvement clarifies that under the derecognition tests carried out on renegotiated liabilities, the borrower must determine the net amount between fees paid and fees received considering only those paid or received between borrower and lender, including fees paid or received by any of the entities on behalf of the other.

- **Amendments to IAS 41 – Taxation and measurement of fair value (included in the annual improvements relating to the 2018-2020 cycle).**

This improvement eliminates the requirement to exclude tax cash flows when measuring the fair value of biological assets, ensuring consistency with the principles of IFRS 13 - "Fair value".

- **Amendments to IFRS 17 – Insurance contracts.** This amendment comprises specific changes in eight areas of IFRS 17, such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation of the statement of financial position; vii) recognition and measurement of the income statement; and viii) disclosures. This change also includes clarifications, which intend to simplify some of the requirements of this standard and streamline its implementation.

These standards so far not adopted ("endorsed") by the European Union, but so far not adopted by the Grupo for the period of twelve months ended on the 31st December 2020. Significant impacts on the financial statements arising from their implementation are not estimated.

5. Companies of the Grupo included in the consolidation

			% of equity held	
	Conditions for inclusion	Head office	2020	2019
GRUPO VISABEIRA, SA		Viseu	Parent	Parent
VISABEIRA GLOBAL				
Aeroprotechnik - Aerial Engineering, Lda		Viseu	51.00%	50.64%
Base Force		Viseu	100.00%	100.00%
Cabling Station Data, SA		Mont-Sur-Marchienne	100.00%	79.43%
Comatel Infraestruturas, Lda		Luanda	100.00%	100.00%
Constructel - Contructions et Télécommunications Belgique		Mons	100.00%	99.28%
Constructel - Contructions et Télécommunications, SARL		Valence	100.00%	99.28%
Constructel BAU GmbH		Berlin	100.00%	99.46%
Constructel Denmark, ApS		Copenhagen	100.00%	99.29%
Constructel Energie, SA		Clermont-Ferrant	99.07%	94.88%
Constructel GmbH		Berlin	100.00%	99.46%
Constructel Infra-Structures, SAS		Santo Domingo	100.00%	99.86%
Constructel Italia, SRL		Galliate	100.00%	99.64%
Constructel LLC		Moscow	100.00%	100.00%
Constructel Modal, SA		Flemalle	100.00%	79.43%
Constructel Sweden AB		Stockholm	100.00%	99.73%
Constructel Visabeira, SA (Constructel Europe, SGPS, SA)		Lisbon	100.00%	100.00%
Edivisa – Empresa de Construção Lda		Luanda	100.00%	100.00%
Edivisa - Empresa de Construções, SA		Viseu	100.00%	100.00%
Escotel, SASU		Aurillac	100.00%	99.28%
Franz-Josef Braun GmbH & Co. KG		Mechnich	100.00%	-
Field Force Atlântico, SA		Viseu	100.00%	100.00%
Gatel, SAS		Domessin	100.00%	99.28%
Hidroáfrica - Comércio e Indústria, SARL		Maputo	96.79%	96.79%
Infrassign SARL		Beveren	100.00%	-
IEME, SRL		Cesena	100.00%	99.28%
Iutel - Infocomunicações, SA		Viseu	99.95%	99.24%
JF Edwards Construction Company	b)	Des Moines - Iowa	100.00%	-
MJ QUINN - Integrated Services, Ltd		Liverpool	100.00%	99.28%
MJ QUINN Holding		Liverpool	100.00%	99.28%
Modal Installation, SA		Marchienne-Au-Port	100.00%	79.43%
Naturenergia - Agro-Energias, SA		Viseu	100.00%	100.00%
Oude MarktVoerlieden Natie NV (OMV Natie)		Beveren	100.00%	-
PDT - Projectos e Telecomunicações, SA		Lisbon	100.00%	99.29%
Quinn Constructel UK, Ltd		London	100.00%	99.29%
Real Life - Tecnologias de Informação, SA		Algés	65.00%	65.00%
Real Life Advanced Technologies Academy MZ, SA		Maputo	65.70%	65.70%
Real Life Technologies MZ, SA		Maputo	65.70%	65.70%
SCI Constructel		Valence	100.00%	99.28%
Selfenergy Moçambique, SA		Maputo	60.00%	60.00%
Sogitel - Sociedade de Gestão Imobiliária, Lda		Maputo	90.00%	90.00%
Televisa - Sociedade Técnica de Obras e Projectos, Lda.	a)	Maputo	50.00%	50.00%
Tensa, SA	b)	Oviedo	100.00%	-
Toft Hansen ApS		Kirke Hylling	100.00%	99.29%
TV Cabo - Comunicações Multimédia, Lda	a)	Maputo	50.00%	50.00%
TV Cabo Angola, Lda.	a)	Luanda	50.00%	50.00%
Viatel - Tecnologia de Comunicações, SA		Viseu	100.00%	99.29%
Visabeira - Sociedade Técnica de Obras e Projectos, Lda		Viseu	100.00%	60.00%
Visabeira Global, SGPS, SA		Viseu	100.00%	100.00%
Visacasa - Serviços de Assistência e Manutenção Global, SA		Cacém	100.00%	100.00%
VisaPower, Unipessoal, Lda		Viseu	100.00%	-

% of equity held

	Conditions for inclusion	Head office	2020	2019
VISABEIRA INDÚSTRIA				
Agrovisa – Agricultura e Pecuária, Lda		Maputo	100.00%	100.00%
Álamo – Indústria e Desenvolvimento Florestal, Lda		Luanda	100.00%	100.00%
Ambitermo - Engenharia e Equipamentos Térmicos, SA		Cantanhede	51.00%	51.00%
Ambitermo Maroc Chaudieres Industrielles, SARL		Casablanca	51.00%	51.00%
Armisepi, SA		Viseu	60.00%	-
Besconsigo - Materiais, Construção de Besteiros, Lda	a)	Tondela	50.00%	50.00%
Bordalgest, SA *		Lisbon	85.60%	85.60%
Celmoque - Cabos de Energia e Telecomunicações de Moçambique, SARL		Maputo	91.23%	85.19%
Cerexport - Cerâmica de Exportação, SA *		Aveiro	85.60%	85.60%
Cerutil - Cerâmicas Utilitárias, SA*		Sátão	85.60%	85.60%
Faianças Artísticas Bordallo Pinheiro, Lda*		Caldas da Rainha	73.74%	73.74%
Faianças da Capôa - Industria de Cerâmica, SA *		Aveiro	85.60%	85.60%
Granbeira - Soc. de Exploração e Com. de Granitos, SA		Viseu	98.75%	98.75%
Granbeira II - Rochas Ornamentais, SA		Vouzela	100.00%	100.00%
Marmonte - Mármore de Moçambique, SARL		Maputo	80.00%	80.00%
Mexicova, SA*		Mexico City	85.60%	85.60%
Mob - Indústria de Mobiliário, SA		Viseu	97.78%	97.77%
Mob Cuisines, SASU		Paris	97.78%	97.77%
Pinewells, SA		Arganil	100.00%	100.00%
Rodinerte - Transportes, Lda	a)	Tondela	50.00%	50.00%
Ria Stone – Fábrica de Louça de Mesa em Grés, SA*		Ílhavo	85.60%	85.60%
Ria Stone II, SA*		Ílhavo	85.60%	-
Shree Sharda Vista Alegre Private Limited*		Ílhavo	42.80%	42.80%
Visabeira Indústria, SGPS, SA		Viseu	100.00%	100.00%
Visaconstroi - Construção e Gestão Imobiliária, Lda		Luanda	100.00%	99.95%
Vista Alegre Atlantis, SA*		Lisbon	85.60%	85.60%
Vista Alegre Atlantis Brasil - Comércio, Importação e Exportação, SA*		Vitória	76.97%	76.97%
Vista Alegre Atlantis Imobiliária e Investimento, SA *		Ilhavo	85.60%	85.60%
Vista Alegre Atlantis Moçambique, Lda*		Maputo	85.75%	85.75%
Vista Alegre Atlantis, SGPS SA		Ilhavo	85.60%	85.60%
Vista Alegre Atlantis UK LTD*		London	85.60%	85.60%
Vista Alegre Atlantis USA *		New York	85.60%	85.60%
Vista Alegre España, SA*		Madrid	85.60%	85.60%
Vista Alegre France, SAS*		Paris	85.60%	85.60%

			% of equity held	
	Conditions for inclusion	Head office	2020	2019
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS				
Ambitermo Angola, Lda		Luanda	99.14%	99.00%
Agrovisa, Lda		Luanda	70.00%	70.00%
Autovisa - Serviços Auto, SARL		Maputo	100.00%	100.00%
Catari Angola, Lda	a)	Luanda	50.00%	50.00%
Cepheus, SA		Maputo	100.00%	-
Combustíveis do Songo, SA		Songo	99.90%	99.90%
Constellation, SA		Maputo	57.14%	-
Creative Shots, SA		Lisbon	100.00%	100.00%
Empreendimentos Turísticos Montebelo - Soc. Tur. e Recreio, SA		Viseu	99.83%	99.83%
FIMMO - Fundo Esp. Inv. Imob. Closed			100.00%	-
Gesvisa - Património Imobiliário, SA		Lisbon	99.87%	99.87%
Ifervisa - Sociedade de Promoção e Desenvolvimento Imobiliário, SA		Lisbon	100.00%	100.00%
Imobiliária Panorama, Lda		Maputo	70.00%	70.00%
Imovisa - Imobiliária de Moçambique, SA	a)	Maputo	49.00%	49.00%
Inhambane Empreendimentos, Lda		Maputo	80.00%	80.00%
Martifer-Visabeira, SA	a)	Maputo	50.00%	50.00%
Mercury Comercial, Lda		Maputo	100.00%	100.00%
Mercury Comercial, Lda		Luanda	100.00%	100.00%
Mercury South Africa, Lda		Johannesburg	100.00%	100.00%
Milibangalala, SA		Maputo	70.00%	70.00%
Movida - Empreendimentos Turísticos, SA		Viseu	-	98.69%
Mundicor - Viagens e Turismo, SA		Viseu	100.00%	100.00%
PDA - Parque Desportivo de Aveiro, SA		Aveiro	54.57%	54.57%
Soginveste Empreendimentos, Lda		Maputo	70.00%	70.00%
Turvisa – Empreendimentos Turísticos, Lda		Maputo	100.00%	100.00%
Troppo Squisito Lisboa, Lda		Lisbon	84.85%	85.00%
VAA - Empreendimentos Turísticos, SA		Ílhavo	99.55%	99.55%
Vibeiras, Sociedade Comercial de Plantas SA		Maputo	64.43%	64.43%
Visabeira Angola - Investimento e Participações, Lda		Luanda	99.24%	99.24%
Visabeira Espanha, SA		Madrid	61.00%	61.00%
Visabeirahouse - Sociedade de Mediação Imobiliária, SA		Viseu	100.00%	100.00%
Visabeira Imobiliária, SA		Viseu	100.00%	100.00%
Visabeira Imobiliária, SGPS, SA		Viseu	100.00%	100.00%
Visabeira Moçambique, Lda		Maputo	100.00%	100.00%
Visabeira Saúde, SA		Viseu	100.00%	100.00%
Visabeira Serviços, SGPS, SA		Viseu	100.00%	100.00%
Visabeira Turismo Imobiliária e Serviços, SGPS, SA		Viseu	100.00%	100.00%
Visaqua - Gestão de Infraestruturas e Serviços, Ambientais, SA		Maputo	51.00%	51.00%
Visauto - Reparações Auto, Lda		Luanda	100.00%	100.00%
Visa House - Sociedade de Mediação Imobiliária, SA		Maputo	100.00%	-
Zambeze - Restauração, SA	a)	Lisbon	50.00%	50.00%
Zambeze Village, Lda		Maputo	63.00%	63.00%

*Consolidated by VAA, SGPS, S.A., a listed company.

a) The mentioned companies are considered subsidiaries and are consolidated in accordance with the full consolidation method, as the Grupo Visabeira has the power to control subsidiaries and, as such, is exposed to variable results. In the assessment of the existence of actual control, particular aspects were taken into account, such as the holding of a majority of voting rights, management agreements, and representation in corporate bodies.

In the specific case of TVCabo Angola, 50% owned by Grupo Visabeira and 50% owned by Angola Telecom, which benefits from the know-how and technical expertise that the Visabeira brand guarantees with its 40 years of activity in the field of telecommunications, Grupo controls all relevant activities: construction, financing (depending on the maintenance of the Management and Technical Assistance Agreement (MTAA) between TVCABO and Visabeira); content; technological support and selection of human resources, including the General Director. In the specific case of TVCABO Moçambique and Televisa, both 50% held by the Grupo Visabeira and 50% by TDM, the situation is similar to TVCabo Angola.

Consolidated based on a contractual agreement that grants control over all shares; Grupo currently formally holds the underlying voting rights.

6. Investments in associated companies and joint ventures

	Head office	2020	Share 2019	Equity 2020	Net income 2020	Carrying value 2020	2019	Effect of asset equivalence method on the result 2020	2019
VISABEIRA GLOBAL									
Aceec, ACE	Viseu	50.00%	50.00%	51,397	0	19,643	19,643	0	0
Beiragás, SA	Viseu	23.55%	23.55%	44,293,100	1,329,942	10,763,368	10,448,373	313,224	462,550
Birla Visabeira Private Limited	Dili	49.00%	49.00%	1,915,509	-146,202	1,055,446	1,253,976	-71,639	473,585
Domingos da Silva Teixeira / Visabeira, ACE	Lisbon	50.00%	50.00%	-329,827	0	0	0	0	0
Electrotec, SA	Maputo	49.00%	49.00%	-327,995	514,818	624,119	1,532,837	252,261	640,109
Ventos de Inhambane	Inhambane	32.50%	32.50%	150,000	0	48,750	48,750	0	0
Vista Power, Lda	Luanda	50.00%	50.00%	382,000	0	191,000	191,000	0	0
Jayme da Costa - Energia e Sistemas, SA	Vila Nova de Gaia	15.00%	-	200,560	159,400	2,315,728	-	2,780	-
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS									
Doutibelo, Lda	Viseu	19.97%	19.97%	2,564,829	-76,040	3,163,135	3,178,779	-25,165	62,013
Doutibelo, Lda - loans	-	-	-	-	-	1,601,526	1,601,526	-	-
Lipilichi Holdings, Lda	Port-Louis	15.00%	15.00%	-2,553,912	0	0	0	0	0
Lipilichi Holdings, Lda	Port-Louis	25.00%	25.00%	1,518	0	0	0	0	0
Sem Amarras, SA	Viseu	19.97%	19.97%	1,807,056	-119,897	2,242,627	2,266,570	-23,943	-2,348
Sem Amarras, SA - loans	-	-	-	-	-	5,143,498	5,103,214	-	-
Gevisar, SA	St.ª M.ª da Feira	-	30.00%	0	0	0	4,759,221	-902,841	4,184,121
Imensis - Soc. Gestão Empreem. Imobiliários, Lda	Maputo	49.00%	49.00%	297,628	0	66,629	66,629	0	0
Predibeira - Compra e Venda de Propriedades, Lda	Viseu	50.00%	50.00%	214,022	-983	107,011	107,503	-492	-1,091
Twin City Maputo, Lda	Maputo	39.00%	39.00%	28,770	0	33,794	33,794	0	0
Visa House, MZ	Maputo	-	40.00%	-	-	-	107	-	-
TOTAL						27,376,275	30,611,922	-455,816	5,818,938

The Gevisar company was dissolved in November 2020, after the process of selling assets that the company held had ended.

The table below shows summarised information on the most significant associated companies:

	Year	Assets	Liabilities	Income	Costs
VISABEIRA GLOBAL					
Beiragás, SA	2019	79,731,786	36,776,147	14,694,841	12,730,867
	2020	79,534,000	35,240,000	12,835,000	11,505,000
Electrotec – Projecto, Execução e Gestão de Redes de Energia, Lda	2019	10,827,194	9,276,400	4,371,000	3,672,806
	2020	9,170,226	9,498,221	4,879,232	4,364,414
Jayme da Costa - Energia e Sistemas, SA	2019	-	-	-	-
	2020	14,743,534	11,483,386	6,837,480	7,626,173
VISABEIRA, TURISMO, IMOBILIÁRIA E SERVIÇOS					
Doutibelo, Lda	2019	6,308,387	3,665,222	833,308	522,779
	2020	6,147,808	3,582,979	402,564	478,604
Sem Amarras, SA	2019	8,765,879	6,838,926	294,752	306,511
	2020	8,474,115	6,667,059	292,201	412,098
Gevisar, SA	2019	24,652,063	11,383,039	1,687,379	2,074,180
	2020	-	-	-	-
TOTAL 2019		130,285,309	67,939,734	21,881,280	19,307,143
TOTAL 2020		118,069,682	66,471,645	25,246,477	24,386,290

7. Other financial investments

7.1 Other non-current financial investments

CAPITAL HOLDINGS	Head office	2020 %	Book Value 2020	2019 %	Book Value 2019
a) Financial Investments at amortised cost					
Capital investments					
C2 Capital Partners (Former Capital Criativo)		n.d.	1,450,000	n.d.	1,100,000
Core Capital, SA	Lisbon	n.d.	500,000	n.d.	402,500
Transcom - S. F. C. Auditoria T. Comunicações, SARL	Maputo	22.00%	431,199	22.00%	431,199
Parque de Ciência e Inovação (PCI)	Ílhavo	5.00%	375,000	5.00%	375,000
Fundação Visabeira, IPSS	Viseu	76.58%	324,000	85.09%	360,000
Iberis Capital	Lisbon	n.d.	220,000	10.00%	0
Moçambique Companhia de Seguros, SARL	Maputo	5.00%	182,892	5.00%	182,892
Duofil, Lda	Pedrogrão Grande	3.17%	75,000	3.17%	75,000
Imersys Ceramic	Maputo	n.d.	44,000	n.d.	44,000
Lusitânia Gás - Companhia de Gás do Centro, SA	Aveiro	0.04%	30,221	0.04%	30,221
Associação Inov Paredes	Paredes	10.00%	25,000	10.00%	25,000
Centro Venture – Soc. Capital de Risco, SA	Coimbra	3.33%	11,000	3.33%	11,000
In2In	Viseu	19.97%	9,996	n.d.	0
Norgarante		n.d.	250	n.d.	250
TF Turismo Fundos - SGFII, SA	Lisbon	2.50%	0	2.50%	137,574
Other capital holdings			601,998		641,218
			4,280,555		3,815,853
b) Other financial investments recorded at fair value through other comprehensive income					
Pharol SGPS, SA			1,243,887		1,231,757
c) Advance on the purchase of financial investments					
Ongoing investments			6,448,535		0
TOTAL			11,972,977		5,047,611

* The fair value of these assets was not determined as they are minority holdings for which the Executive Board of Directors believes that their fair value is close to the respective acquisition cost.

During 2020, Grupo Visabeira sold 2.4 million shares of Pharol.

The advance on account of the purchase of financial investments refers to the purchase of the EIP Serviços SA shareholding, as described in Note 8.

7.2 Other current financial investments

Other financial instruments measured at fair value through profit or loss	Book Value 2020	Book Value 2019
BCP	290,090	477,518
Other capital holdings in listed companies	42,722	54,437
TOTAL	332,812	531,955

8. Changes in the scope of consolidation

ACQUISITIONS

During the financial year 2020, Grupo Visabeira maintained its investment strategy to expand its activity to new countries and to reinforce its position in markets where it operates by purchasing companies as detailed below:

ACQUISITIONS / ESTABLISHMENT	Country		% Acquired / Incorporated	% of equity held after the acquisition	Date	Amount
Visabeira - Sociedade Técnica de Obras e Projectos, Lda	Portugal	Acquisition	40.00%	100.00%	01.01.2020	4,458,401
Visa House - Sociedade de Mediação Imobiliária, SA	Mozambique	Acquisition	60.00%	100.00%	01.01.2020	392,017
Cepheus, SA	Mozambique	Acquisition	100.00%	100.00%	01.01.2020	21,667,755
Constellation, SA	Mozambique	Acquisition	57.14%	57.14%	01.01.2020	15,981,408
Franz-Josef Braun GmbH & Co. KG	Germany	Acquisition	100.00%	100.00%	01.07.2020	14,685,881
Oude Markt Voerlieden Natie NV (OMV Natie)	Belgium	Acquisition	100.00%	100.00%	01.07.2020	15,110,000
Infrasign SARL	Belgium	Acquisition	100.00%	100.00%	01.07.2020	558,325
Tensa, SA	Spain	Acquisition	100.00%	100.00%	01.10.2020	949,614
JF Edwards Construction Company	United States of America	Acquisition	100.00%	100.00%	01.10.2020	15,431,224
VisaPower, Unipessoal, Lda	Portugal	Establish- ment	100.00%	100.00%	04.12.2020	5,000
Ria Stone II, SA	Portugal	Establish- ment	100.00%	85.60%	09.12.2020	50,000
Armisepi, SA	Portugal	Establish- ment	60.00%	60.00%	20.04.2020	180,000
Viatel - Tecnologia de Comunicações, SA	Portugal	Acquisition	0.71%	100.00%	30.10.2020	402,349
Modal Installation, SA	Belgium	Acquisition	20.00%	100.00%	05.11.2020	1,258,563
Cabling Station Data, SA	Belgium	Acquisition	20.00%	100.00%	05.11.2020	1,099,342
Constructel Modal, SA	Belgium	Acquisition	20.00%	100.00%	05.11.2020	218,477
TOTAL						92,448,356

In situations that gave rise to the recognition of goodwill (see Note 23), it is justified by expected synergies arising from the activities carried out by the new companies and from entry into new countries. The total amount of goodwill determined is not tax deductible.

None of the purchases involve contingent remuneration agreements or gave rise to the recognition of indemnity receivables, as no contingent liabilities were identified.

PURCHASES IN EUROPE

Purchases in Europe gave rise to goodwill amounting to 23,820,247 euros and an increase in the Grupo's assets and liabilities (reported on the purchase dates) of 16,025,815 euros and 8,629,991 euros, summarized as follows:

	Tensa	Franz-Josef Braun	OMV Natie
VALUE OF THE PRE-PURCHASE POSITION			
Fixed tangible and intangible assets	2,037,781	2,183,893	2,257,737
Other Assets	2,167,805	2,247,981	3,548,588
Cash and cash equivalents	-98,637	269,560	1,411,107
Other liabilities	-3,310,837	-1,875,746	-3,443,408
Total net assets	796,111	2,825,689	3,774,024
Acquisition price	949,614	14,685,881	15,110,000
Goodwill	153,502	11,860,192	11,806,552

No significant differences were identified between the fair value and the respective account value of the assets and liabilities of the companies purchased. It should be noted that Tensa was purchased under the Special Process of Revitalization of the Grupo EIP – described below.

PURCHASES IN THE UNITED STATES OF AMERICA.

During 2020, Grupo Visabeira participated in a process for purchasing a set of assets of the Grupo EIP, SA, a Portuguese group which underwent a Special Revitalization Procedure and which includes a group of companies and branches that operates mainly in the design, supply and construction of energy systems, with an international presence.

Following this process, in October 2020, Grupo Constructel Visabeira acquired control over two companies of the Grupo EIP: 90% of the share capital and 10% with put option of J.F.Edwards Construction Company, based and operating in the United States of America and Tensa, based and operating area in Spain.

For the purchase of J.F.Edwards, negative goodwill was determined, detailed as follows:

NET ASSETS	Fair value on 01/10/2020
Tangible fixed assets	8,380,211
Intangible Assets	12,557,150
Other Assets	17,941,420
Cash and cash equivalents	11,272,602
Other liabilities	-28,701,995
Total net assets	21,449,388
Acquisition price	15431224
Goodwill	-6,018,165

Regarding the main differences between the fair value of the identifiable assets purchased and the liabilities assumed, recording an intangible asset to contracts with customers and the respective deferred tax liability as well as the derecognition of intangible assets recorded in the company in the amount 2 million euros is noteworthy. For the intangible calculation the 6.6% discount rate was taken into account.

For the remaining assets and liabilities, no significant differences were identified between the fair value and the respective carrying value.

Negative goodwill is explained by the Grupo EIP's PER process.

ASSET PURCHASE

Of the asset acquisitions, it is worth mentioning controlling interest in Visahouse in Mozambique, through a capital increase operation whose main asset, held by a majority share in Constellation, is an investment property.

Also noteworthy is the purchase of FIMMO – Fundo Esp. Inv. Imob. Fechado, which holds a set of real estate assets, some of which will be used by the Grupo in developing the Tourism segment.

PURCHASES IN PROGRESS

Within the scope of the Grupo EIP's Special Revitalization Procedure, Viatel advanced an amount of 6.4 million euros for purchasing EIP Serviços, SA, which holds a set of assets in Portugal, becoming effective only in 2021 with the approval of the Special Revitalization Procedure.

SALES

During the year, the sales carried out by Grupo Visabeira were as follows:

Company	Head Office	Change scope of consolidation	Date	Percentage of equity held	
				Direct	Total
Movida – Empreendimentos Turísticos, SA	Viseu	Exit	31.12.2020	98.69%	98.69%

These sales resulted in discontinued activities – see Note 9.

IMPACT OF PURCHASES

The acquisitions had the following impact on the Grupo's income statement:

MAIN INDICATORS	Tensa	JF Edwards	OMV Natie	Franz-Josef Braun	Cepheus	Constellation
Impact on the 2020 consolidated accounts	(Oct to Dec)	(Oct to Dec)	(Jul to Dec)	(Jul to Dec)	(Jan to Dec)	(Jan to Dec)
Turnover	2,977,663	19,266,745	8,044,837	6,760,366	0	0
EBITDA	197,835	7,283,078	2,316,368	1,889,357	-8,676	-21,031
Net income	337,533	5,320,934	1,379,546	1,319,594	-8,670	17,090,041

In the event that purchases had been made on the 1st of January 2020, the Grupo's turnover would have been around 1.046 million euros and EBITDA would have been 164 million euros

CHANGE OF INTEREST PERCENTAGES IN CONTROLLED COMPANIES

During the year, the following changes occurred in the interest percentages in controlled companies:

- Shareholding percentage in Viatel, in which 0.71% of the capital was purchased, thus, Grupo Visabeira now holds 100% of the company.
- Shareholding percentage in Belgian companies: Constructel Modal, Modal and Cabling, in which 20% of the capital was purposed, thus, Constructel now holds 100% of the companies.
- Shareholding percentage in Visabeira Infraestruturas, in which 40% of the capital was purchased, thus, Grupo Visabeira now holds 100% of the company.

The interest percentages considered for consolidation purposes take into account the financial year of said put options (30% in the case of OMV Natie; 10% in the case of JF Edwards and Tensa) by the previous owners. Regarding this subject, see in 2.3 the accounting policy followed to measure put options granted to minority shareholders in the context of business combinations.

9. Discontinued activities and assets held for sale

At the end of 2020, the Grupo Visabeira sold Movida and decided to sell Granbeira, considering it as an asset held for sale under IFRS 5. The impact of these situations on the results are broken down as follows:

A) MOVIDA

MOVIDA	
Operating income	25,825,423
Operating expenses	-11,164,253
Operating income	14,661,170
Financial expenses and losses	-1,181,789
Result before taxes	13,479,381
Income tax	-3,285,303
Net Income	10,194,078
Loss/Gain of divestiture in discontinued activity	-2,327,103
Income before taxes from discontinued operations	7,866,975

B) GRANBEIRA

b1) Impact on profit and loss

GRANBEIRA	
Operating income	2,679,813
Operating expenses	-2,966,325
Operating income	-286,512
Financial expenses and losses	-5,344
Result before taxes	-291,856
Income tax	40,524
Net Income	-251,332
Recognition of impairment	-5,703,032
Income before taxes from discontinued operations	-5,954,364

b2) Main classes of assets and liabilities

GRANBEIRA	
Tangible fixed assets	4,386,403
Goodwill	3,116,383
Inventories	585,850
Customers	370,937
Recognition of impairment	-5,703,032
Other Assets	778,166
Assets held for sale	3,534,707
Loans obtained - credit institutions and other lenders	430,556
Deferred tax assets	590,870
Suppliers	413,236
Other liabilities	382,062
Liabilities held for sale	1,816,724

In March 2021, the sale was completed, with a residual loss value being determined.

The net cash flows corresponding to discontinued/held for sale operations are as follows:

	MOVIDA	GRANBEIRA	TOTAL
Operational	9,627,617	-9,825	9,617,792
Investment	4,569,546	-541,795	4,027,751
Financing	-17,070,410	527,714	-16,542,696
Net cash flows	-2,873,247	-23,907	-2,897,154

EARNINGS PER SHARE CONTINUING OPERATIONS:	2020
Basic	
Net income of the year for the purpose of calculation	24,252,965
Weighted average number of shares for the purpose of calculation	23,048,702
Basic earnings per share	1.052
Diluted	
Net income of the year for the purpose of calculation	24,252,965
Weighted average number of shares for the purpose of calculation	23,048,702
Diluted earnings per share	1.052

EARNINGS PER SHARE CONTINUING OPERATIONS	2020
Basic	
Net income of the year for the purpose of calculation	1,912,611
Weighted average number of shares for the purpose of calculation	23,048,702
Basic earnings per share	0.083
Diluted	
Net income of the year for the purpose of calculation	24,252,965
Weighted average number of shares for the purpose of calculation	23,048,702

10. Main indicators by segment

10.1 Main indicators by activity / country

A) BY AREA OF ACTIVITY

	Years	Global	Industry	Tourism, Real Estate and Services	TOTAL
Turnover	2019	672,826,824	166,723,958	70,671,719	910,222,502
	2020	786,412,063	143,710,252	29,934,534	960,056,849
EBITDA	2019	100,401,150	32,208,946	32,587,791	165,197,887
	2020	129,687,934	21,625,346	4,069,763	155,383,043
Recurring operating income**	2019	60,120,757	19,191,265	22,655,911	101,967,933
	2020	82,179,589	7,128,990	-4,903,948	84,404,631
Net income	2019	26,907,020	3,213,044	21,518,733	51,638,797
	2020	41,984,685	-8,481,033	-11,500,320	22,003,332
Tangible/Intangible assets / Right-of-use	2019	409,452,299	248,300,980	179,314,228	837,067,507
	2020	359,119,849	246,627,214	153,054,417	758,801,479
Inventories	2019	37,999,954	46,478,878	26,557,899	111,036,731
	2020	40,020,003	47,125,580	27,021,015	114,166,598

In 2020 Turnover is broken down as follows:

	Global	Industry	Tourism, Real Estate and Services	TOTAL
Income from contracts with customers	786,412,063	143,710,252	29,696,271	959,818,586
Income from rents	0	0	238,263	238,263
TOTAL	786,412,063	143,710,252	29,934,534	960,056,849

B) BY COUNTRY*

	Years	Portugal	Europe	Africa	America and Asia	TOTAL
Turnover	2019	362,794,590	439,217,671	103,720,951	4,489,289	910,222,502
	2020	338,520,757	506,274,167	92,625,651	22,636,274	960,056,849
EBITDA	2019	78,293,179	45,162,695	42,391,243	-649,229	165,197,887
	2020	64,523,782	57,093,427	26,862,649	6,903,185	155,383,043
Operating income recurring **	2019	54,067,588	27,417,024	21,192,922	-709,601	101,967,933
	2020	35,973,120	34,360,207	8,091,519	5,979,785	84,404,631
Net income	2019	32,823,589	11,496,621	8,032,567	-713,980	51,638,797
	2020	-11,470,573	19,443,267	9,100,015	4,930,623	22,003,332
Tangible / Intangible assets / Right-of-use	2019	402,662,317	45,838,424	388,514,370	52,396	837,067,507
	2020	404,487,640	68,906,463	274,742,392	10,664,984	758,801,479
Inventories	2019	87,245,244	7,888,606	12,818,141	3,084,739	111,036,731
	2020	91,737,176	11,390,507	10,219,178	819,736	114,166,598

* Distribution according to the location of the company head office

** Excluding the effect of changes in the fair value of investment properties, provisions and impairment losses

10.2 Assets associated with contracts with customers

	Years	Global	Industry	Tourism, Real Estate and Services	TOTAL
Total assets associated with contracts with customers	2019	112,671,819	3,224,922	6,997,920	122,894,660
	2020	117,836,818	518,803	3,169,426	121,525,047

The amounts of assets associated with contracts with customers are mainly values of Visabeira Global, resulting from the telecommunications area. These amounts refer to services already provided according to the terms contracted with the customer and not yet billed.

The vast majority of amounts were billed in 2020, with small exceptions for companies in the construction area, in which they may not yet be fully billed.

In the financial years ending on the 31st December 2020 and 2019, only one customer represented more than 20% of consolidated turnover.

Moreover, on the 31st December 2020, only one customer represented more than 10% of the consolidated turnover.

10.3 Assets associated with contracts with customers

	Years	Global	Industry	Tourism, Real Estate and Services	TOTAL
Advances from customers	2019	8,608,569	928,708	2,147,393	11,684,669
	2020	4,331,339	609,826	1,828,229	6,769,393
Billing on services to be rendered	2019	19,050,287	1,966,265	5,098,250	26,114,802
	2020	17,060,257	1,463,355	3,344,416	21,868,028
Assets associated with contracts with customers	2019	27,658,855	2,894,972	7,245,644	37,799,471
	2020	21,391,596	2,073,181	5,172,645	28,637,421

The amounts of liabilities associated with contracts with customers are mainly of Visabeira Global, resulting from the telecommunications area.

11. Own work capitalised

	2020	2019
Software development - Grupo Visabeira	2,035,786	-
Construction and remodelling work - Edivisa	500,000	-
AEO project to promote security and facilitate global trade - Vista Alegre	195,146	-
New isostatic cup pressing cell - Vista Alegre	186,188	-
Construction of new TV Cabo cells in Mozambique	177,922	671,768
Innovation project of the productive processes - Cerutil	168,582	169,779
Preparation of the hull and crushing of the crystal furnace - Vista Alegre	154,309	-
Improvement work to the building of the crystal decoration area - Vista Alegre	147,275	-
Remodelling and optimization of the production system - Pinewells	146,017	39,672
Projects for the development of crystal bottles – Vista Alegre	0	916,746
Project to increase the production capacity of the furnace and crockery – Vista Alegre	0	755,072
Construction of new TV Cabo cells in Angola	0	598,546
Turvisa Hotels Remodelling	0	489,592
Project of changes of the production process - Vista Alegre	0	211,283
Project to increase the production capacity of earthenware - Bordallo Pinheiro	0	102,426
Others	293,101	111,614
TOTAL	4,004,325	4,066,498

During 2020, Beon software was developed as part of Grupo Visabeira, which comprises a set of integrated, innovative and flexible technological solutions based on hardware and software components adaptable to each customer's business needs, as well as the development of specific modules for the companies recently purchased by Grupo Constructel, such that the Grupo Visabeira's 2 million euros came from these works.

12. Other income and other operating costs

	2020	2019
OTHER INCOME		
Supplementary income	19,353,871	12,246,476
Gains on tangible fixed assets	1,204,290	6,403,987
Gains on the disposal of investment properties	73,785	1,143,934
Gains/(Losses) on the acquisition and disposal of subsidiary companies (Note 8)	6,018,165	0
Investment and operation grants	5,943,893	1,422,018
TOTAL	32,594,004	21,216,416
OTHER EXPENSES		
Taxes	4,156,082	3,847,962
Others	4,086,830	6,125,406
TOTAL	8,242,912	9,973,368

"Supplementary income" includes sales and debts to subcontractors related to expenses incurred on behalf of them and also redeemed to other related parties.

The item "Exploration subsidies" refers to extraordinary support for reducing economic activity as a result of the impacts resulting from the new Covid-19 coronavirus pandemic. These supports included the measures adopted by the different companies of the group, either through simplified lay-off or through Support for Recovering Business Activity.

13. External supplies and services

	2020	Weight %	2019	Weight %
Subcontracts	330,458,662	72%	253,306,190	66%
Conservation and repair	20,280,454	4%	18,317,370	5%
Specialised works	19,948,726	4%	18,433,060	5%
Rents	16,346,241	4%	20,180,777	5%
Fuel	13,637,403	3%	15,452,932	4%
Insurance	9,108,053	2%	8,152,263	2%
Electricity	8,962,693	2%	11,452,800	3%
Communication	5,091,982	1%	4,603,032	1%
Tools and utensils for fast wear	4,017,861	1%	3,496,790	1%
Transport of goods	3,922,548	1%	5,314,486	1%
Travel and stays	3,089,260	1%	4,790,562	1%
Advertising	2,729,858	1%	3,605,800	1%
Commissions	2,451,329	1%	1,695,520	-
Cleaning, hygiene and comfort	2,316,591	1%	2,569,812	1%
Fees	1,908,480	-	2,067,262	1%
Surveillance and safety	1,512,573	-	2,083,952	1%
Office supplies	1,133,160	-	855,317	-
Representation expenses	711,754	-	1,074,767	-
Others	10,749,837	2%	4,194,497	1%
TOTAL	458,377,463	100%	381,647,189	100%

From the increase in subcontracts in the amount of 76 million euros, 14 million euros are justified by the changes in the group of companies observed during 2020, the remaining being the result of the growth of the Grupo's activity, adopting the strategy of hiring external labour.

14. Personnel costs

	2020	2019
Personnel costs	189,102,188	190,694,041
Social Security Contributions	35,188,684	36,803,417
Remuneration premiums	2,971,290	1,627,940
Corporate bodies	3,342,105	2,055,933
Insurance	1,497,404	1,880,828
Social initiatives expenses	927,579	948,610
Occasional Personnel and Personnel on retainer	729,949	469,366
Others	9,128,698	1,966,516
TOTAL	242,887,897	236,446,651

The average number of the Grupo's employees during 2020 was 12,479 (2019: 12,014), with the following distribution by sector of activity and country, shown in the following tables:

Average number of employees by business area	2020	2019
Global	7,618	7,350
Industry	2,861	2,613
Tourism, Real Estate and Services	2,000	2,051
TOTAL	12,479	12,014

Average number of employees by geography	2020	2019
Portugal	5,288	4,612
Europe	3,735	4,401
Africa	3,084	2,617
America and Asia	372	384
TOTAL	12,479	12,014

The remuneration of the key management personnel (under the terms of IAS 24) has an essentially fixed nature and does not include post-employment benefits or employment termination benefits. In 2020, it amounted to 3.3 million euros (2019: 2.1 million euros).

15. Amortizations

	2020	2019
TANGIBLE ASSETS AMORTIZATIONS		
Land and natural resources	974,862	753,127
Buildings and other constructions	1,459,112	12,350,366
Basic equipment	21,329,517	13,890,626
Transport equipment	4,992,347	1,572,360
Office equipment	2,083,256	1,893,442
Others	6,977,888	8,239,972
Total amortization of tangible asset	37,816,981	38,699,892
TANGIBLE ASSETS AMORTISATIONS		
Land and natural resources	15,877	16,299
Buildings and other constructions	13,667,328	10,284,939
Basic equipment	596,698	800,783
Transport equipment	12,417,346	8,230,107
Office equipment	121,569	141,832
Others	132,226	164,273
Tangible assets	17,210	2,868
Total tangible assets amortisations	26,968,256	19,641,101
INTANGIBLE ASSETS AMORTISATIONS		
Development projects	867,726	838,794
Software	195,687	180,246
Others	5,129,763	3,869,921
Total intangible amortization	6,193,177	4,888,961
TOTAL	70,978,413	63,229,954

16. Provisions and impairment losses

	2020	2019
Increases in provisions and adjustments	2,892,091	5,473,436
Decreases in provisions and adjustments	-929,925	-5,140,898
TOTAL	1,962,166	332,538

In 2020 and 2019, regarding “increases in provisions and adjustments”, we highlight the provisions set up mainly to cover risks related to collections from customers and the reinforcement of provisions to cover other estimated losses. Regarding the “reductions in provisions and adjustments”, the amount recorder during 2019 mainly refer to a reversal of impairments of debts receivable from customers in Mozambique.

17. Interest expense, net

	2020	2019
Interest paid		
Loans obtained	-39,590,764	-43,930,705
	-39,590,764	-43,930,705
Interest earned		
Loans granted	1,737,461	3,718,377
	1,737,461	3,718,377
TOTAL	-37,853,304	-40,212,329

18. Gains / (losses) on listed shares

	2020	2019
Other financial assets recorded at fair value through profit or loss (see note 7.2)	-187,428	-62,868
TOTAL	-187,428	-62,868

19. Other financial expenses, net

	2020	2019
Unfavourable exchange differences	-27,295,776	-16,913,015
Other costs	-6,102,086	-6,136,935
Cash payment discounts granted	-130,220	-143,963
Favourable exchange rate differences	15,050,143	3,825,959
Cash payment discounts obtained	32,852	64,906
Other income	53,412	59,259
TOTAL	-18,391,675	-19,243,789

Operations in Angola contributed negatively to 5.9 million euros (2019: negative 15.2 million euros), as a result of the negative devaluation of the Kwanza (2020: 798.43; 2019: 540.82) while operations in Mozambique contributed negatively in the amount of 6.3 million euros (2018: positively with 460 thousand euros), as a result of the negative devaluation of the metical (2020: 92.02; 2019: 68.90) to the net balance of exchange rate differences.

20. Income tax

	2020	2019
Current tax	-12,776,231	-13,891,214
Deferred tax	-7,620,328	5,582,972
Income tax for the financial year	-20,396,559	-8,308,241

	2019	Changes to the scope of	Effect on the results	Effect on equity	Reclassifications	2020
DEFERRED TAX ASSETS						
Adjustments and other provisions not fiscally accepted	40,781,460	822,915	-5,373,702	-542,999	31	35,687,704
Tax losses	8,055,374	675,136	1,242,483	-2,945,550	0	7,027,443
Changes in exchange rates not accepted for tax purposes	724,326	0	2,001,936	-390,568	0	2,335,694
Tax credit	1,358,146	0	-825,634	0	-31	532,481
Unrealised income in intra-group operations	756,048	0	71,896	0	0	827,944
Fiscal adjustment in transition 'snc'	602,526	0	0	0	0	602,526
TOTAL	52,277,879	1,498,051	-2,883,021	-3,879,118	0	47,013,791

DEFERRED TAX LIABILITIES

Difference from the fair value of investment properties	69,364,009	-23,685,665	6,836,276	-1,327,120	0	51,187,499
Monetary adjustment (IAS 29 - Angola)	10,703,366	0	-786,605	-2,368,506	0	7,548,254
Adjustments and other provisions not fiscally accepted	9,846	1,396,525	510,522	28,697	0	1,945,589
Difference from the fair value of intangible assets	17,006,255	1,187,931	1,911,232	0	0	20,105,419
Free revaluation reserves	80,658,725	-2,185,093	-3,135,569	-12,927,156	0	62,410,907
Fiscal adjustment in transition 'snc'	1,155,393	0	0	0	0	1,155,393
Unrealised income in intra-group operations	163,662	0	-58,442	0	0	105,220
Changes in exchange rates not accepted for tax purposes	569,890	72,172	-540,108	-70,108	0	31,846
Other provisions	0	0	0	0	2,728,000	2,728,000
TOTAL	179,631,146	-23,214,130	4,737,306	-16,664,195	2,728,000	147,218,127

The tax review in the Angolan market is noteworthy (reduction of the tax rate from 30% to 25%, with the exception of TV Cabo Angola, where it increased to 35%), contributing to a reduction in tax loss assets and balances monetary restatement liabilities (IAS 29 – Angola) and free revaluation reserves.

In 2020, due to the large devaluation of the metical and the kwanza, there was a large impact on the liability balance, resulting in a decrease of 17 million euros.

Emphasis should be given to the changes in the Grupo's companies which occurred during the year as a result of the sale of Movida and the entry of JF Edwards CC into the group.

The amount in "Other provisions" related to fiscal contingencies other than income tax has been reclassified to the item Provisions for other risks and charges.

The tax reconciliation for the year is detailed as follows:

	2020	2019
Earnings before Taxes	40,487,279	59,947,038
Nominal rate of tax on profits	21.0%	21.0%
Tax rate - 21%	-8502329	-12,588,878
Differentiated nominal tax rates*	-6,369,877	-2,627,600
Differences between more and less tax and accounting	0	328,504
Autonomous Taxation	-572,471	-721,272
Non-deductive financial charges	3,121,276	2,331,194
Local tax	-1,562,209	-1,622,505
Tax benefits	912,794	885,692
Other	196,584	123,652
Total current assets	-12,776,231	-13,891,213
Deferred tax	-7,620,328	5,582,972
Tax for the financial year	-20,396,559	-8,308,241

*Differentiated tax on profits: France and Belgium 31%; Mozambique 32%; Angola 30% UK 19%; Italy 27.9%; Denmark 22%, Spain 24% and United States of America 30%.

21. Tangible assets

	Land	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Others tangible fixed assets	Tangible assets in progress	Advance payments on account of tangible assets	TOTAL
Opening Balance on the 1st of January 2019	30,081,684	260,127,821	84,217,201	29,875,770	9,699,273	15,784,273	49,071,983	442,748	479,300,753
Reclassification for assets under rights of use	0	-17,335,788	-3,299,173	-17,511,017	-30,991	-184,191	0	0	-38,361,159
Increases	213,750	18,352,390	18,141,973	704,368	730,221	495,144	17,979,689	0	56,617,535
Disposals / Transfers	-958,703	-5,354,231	28,094,058	-2,072,217	-744,301	7,385,667	-28,688,283	-68,828	-2,406,837
Changes to the group pf companies*	0	8,399,918	1,583,560	758,283	77,690	171,683	0	0	10,991,134
Revaluations	0	147,595,650	65,809,859	0	154,459	16,641,737	0	0	230,201,705
Exchange rate effect	-290,700	-28,362,170	-4,725,384	-896,265	-181,248	-2,051,351	189,899	0	-36,317,218
Impairment	3,842	-4,298,078	-1,532,703	982	-14,486	-9,440	0	0	-5,849,883
Amotization for the year	-753,127	-12,350,366	-13,890,626	-1,572,360	-1,893,442	-8,239,972	0	0	-38,699,892
Closing balance on the 31st of December 2019	28,296,746	366,775,146	174,398,766	9,287,545	7,797,175	29,993,550	38,553,287	373,920	655,476,137
On the 31st of December 2019									
Acquisition cost	30,438,006	367,833,487	286,501,037	48,194,728	31,740,835	52,690,012	38,553,287	373,920	856,325,313
Accumulated depreciations	2,089,582	140,166,016	174,697,386	38,861,186	24,081,522	38,814,664	0	0	418,710,357
Impairment losses	51,678	3,225,728	1,463,833	45,997	76	224,055	0	0	5,011,366
Revaluations	0	142,333,403	64,058,948	0	137,938	16,342,257	0	0	222,872,547
Tangible assets	28,296,746	366,775,146	174,398,766	9,287,545	7,797,175	29,993,550	38,553,287	373,920	655,476,137
Opening Balance on the 1st of January 2020	28,296,746	366,775,146	174,398,766	9,287,545	7,797,175	29,993,550	38,553,287	373,920	655,476,137
Increases	109,000	18,483,108	10,438,822	1,007,593	1,605,443	14,465	25,051,127	0	56,709,557
Disposals / Transfers	951,364	-4,898,000	7,765,047	105,128	-162,776	6,999,229	-11,193,550	-175,708	-609,266
Changes to the perimeter *	-2,490,813	598,989	6,330,509	3,709,285	112,966	-82,335	-17,164	0	8,161,438
Revaluation exchange rate update	0	-43,552,535	-17,594,171	0	-38,841	-5,265,901	0	0	-66,451,447
Reclassification to Assets held for sale	-2,950,584	-724,865	-762,754	-26,279	-9,402	-9,153	0	0	-4,483,036
Exchange rate effect	-203,484	-28,172,623	-8,573,152	-1,236,218	-376,948	183,124	-4,967,000	0	-43,346,302
Impairment	3,262	2,166,144	-3,387,804	274	-682,284	383,767	0	0	-1,516,642
Amotization for the year	-974,862	-1,459,112	-21,329,517	-4,992,347	-2,083,256	-6,977,888	0	0	-37,816,981
Closing balance on the 31st of December 2020	22,740,630	309,216,252	147,285,746	7,854,982	6,162,077	25,238,858	47,426,700	198,213	566,123,457
On the 31st of December									
Acquisition cost	23,149,895	338,435,377	291,764,512	50,007,934	31,537,541	53,946,922	47,417,038	198,213	836,457,431
Accumulated depreciations	360,851	127,735,009	179,518,176	42,116,482	24,776,110	38,399,154	-9,663	0	412,896,119
Impairment losses	48,415	153,931	4,582,786	36,471	682,361	-159,712	0	0	5,344,252
Revaluations	0	98,669,815	39,622,197	0	83,006	9,531,379	0	0	147,906,397
Tangible assets	22,740,630	309,216,252	147,285,746	7,854,982	6,162,077	25,238,858	47,426,700	198,213	566,123,457

* It was decided to present the accumulated tax amortizations amounts associated with the assets acquired.

During 2020, the increases that occurred are mainly explained by the purchase of the necessary equipment for operational teams of the Grupo Constructel in the amount of 23.1 million euros, by the investments for construction and expansion of the coverage network for television operations in Africa through TVCabo in Angola and TVCabo in Moçambique in the amount of 9 million euros, by the construction of new areas, and by the expansion and improvement of existing hotels, in the Tourism area, at around 19 million euros, as well as for the expansion and improvement of industrial units with about 5 million euros by Grupo Vista Alegre.

Also noteworthy in 2020 were changes in the group, including the exit of Movida and the entry of the companies purchased in Europe and the United States of America (Franz Josef Braun, OMV Natie, Tensa and JF Edwards CC), which had a net contribution of 3.7 million euros.

During 2019, the increases that occurred are mainly explained by the purchase of the necessary equipment for operational teams of the Grupo Constructel in the amount of 13.2 million euros, by the investments for construction and expansion of the coverage network for television operations in Africa through TVCabo in Angola and TVCabo in Moçambique in the amount of 14 million euros, by the construction of new areas, and by the expansion and improvement of existing hotels, in the Tourism area, at around 12 million euros, as well as for the expansion and improvement of industrial units with about 23,9 million euros by Grupo Vista Alegre.

The changes in the consolidation scope contributed as well to the increases that occurred during 2019. The main increase was due to the consolidation of the company Martifer Visabeira, which contributed to an increase in assets of 8.4 million euros.

The revaluation of the TVCabo Angola and TVCabo Moçambique networks assets carried out in 2019, contributed to a net increase in assets of 222.9 million euros. In 2020, due to the devaluation of the metical and the kwanza, there was a net decrease in assets of 66,5 million euros. The most significant values presented as "Tangible assets in progress" relate to the expansion and renovation works of the hotels and the construction of new areas, in the Tourism sector, as well as the improvement and expansion works of the industrial units of the Grupo Vista Alegre.

REVALUATION OF TVCABO ANGOLA AND TVCABO MOÇAMBIQUE NETWORKS ASSETS.

As of the financial year 2019, the Grupo started to measure the TVCabo Angola and TVCabo Moçambique network assets according to the revaluation model, due to the very significant currency devaluation of the kwanza and the metical. The Grupo engaged an independent and accredited entity, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft, to determine the fair value on the 31st of October 2019 of the TVCabo Angola and TVCabo Moçambique networks, which include assets such as the copper network, the optical fibre network, civil construction and network control equipment (such as servers, routers and terminals) and equipment installed at customers.

The fair value was determined based on the cost approach, which reflects the amount that would be required to replace the assets service capacity (usually referred to as the current replacement cost). As relevant elements of the evaluation, stands out the cost of acquisition of goods purchased in Europe, estimated by external specialists, supported by the Grupo's technicians. To the goods' cost of acquisition, an amount corresponding to transportation, assembly, and even customs fees was added to place the equipment in Angola and Mozambique, as well as the labour cost for its installation. Estimates regarding transport costs and customs fees were carried out.

The determination of fair value falls within level 3 of IFRS 13.

If the TVCabo Angola and TVCabo Moçambique networks assets had been kept at cost, the carrying amounts would have been 29.3 million euros and 20.0 million euros, respectively.

As a result of re-evaluating amortizations for the year amounted to 5.1 million euros (2019: 3.2 million euros).

On the 31st of December 2020, the net effect of the increased revaluation of network assets amounted to 98.7 million euros (Buildings and other constructions) and 39.6 million euros (Basic Equipment). If TVCabo Angola and TVCabo Moçambique network assets had been kept at cost, the carrying amounts would have been 39.5 million euros (Buildings and other constructions) and 9.2 million euros, (Basic Equipment) respectively.

IMPAIRMENT TESTS

The Grupo evaluates, as described in note 2.11, the existence of signs of tangible assets impairment.

Taking into account the significant increase in the carrying amount of the TVCabo Angola and TVCabo Moçambique networks, impairment tests were carried out in accordance with the value in use method, based on business plans approved by the Grupo's Executive Board of Directors, under the following assumptions:

Assumptions impairment test	Angola	Mozambique
Period	2021-2025	2021-2025
Sales growth rate (CAGR)	9.0%	7%
Exchange rate in 2024 (Euros)	798 Kz	92 MT
Growth rate in perpetuity	6.0%	5.5%
Discount rate	13.9%	13.7%

With regard to assets located in Angola, sensitivity tests indicate that:

- If the compounded growth rate of sales for the period under review has a negative deviation from 0.3 pp, impairment losses must be recognized;
- a 1.05 pp increase in the discount rate implies the recording of impairment losses;
- as regards the perpetuity growth rate, which corresponds to the rate published by the IMF, an impairment loss would only be recognized if it is less than 5.4%.

With regard to assets located in Mozambique, the sensitivity tests indicates that:

- If the compounded growth rate of sales for the period under review has a negative deviation from 0.4 pp, impairment losses must be recognized;
- a 2.6 pp increase in the discount rate implies the recording of impairment losses;
- as regards the perpetuity growth rate, which corresponds to the rate published by the IMF, an impairment loss would only be recognized if it is less than 1.2%.

22. Right-of-use assets

The item "Assets under rights of use", in 2020, has the following composition:

	Land	Buildings and other constructions	Basic equipment	Transportation equipment	Office equipment	Others tangible fixed assets	Tangible assets in progress	Intangible Assets	TOTAL
Opening Balance on the 1st of January 2019	24,441	49,077,225	944,851	1,866,345	82,978	121,426	0	0	52,117,267
Reclassification for assets under rights of use	0	17,335,788	3,299,173	17,511,017	30,991	184,191	0	0	38,361,159
Increases	0	3,779,487	1,332,469	10,388,803	359,455	281,466	136,415	103,261	16,381,356
Exchange rate effect	1,416	55,477	0	0	3,779	-2,484	0	0	58,189
Amortization for the year	16,299	10,284,939	800,783	8,230,107	141,832	164,273	0	2,868	19,641,101
Closing balance on the 31st of December 2019	9,558	59,963,039	4,775,710	21,536,059	335,370	420,326	136,415	100,393	87,276,870
On 31 December 2019									
Acquisition cost	24,441	75,255,951	8,336,967	39,061,857	498,091	637,064	136,415	103,261	124,054,047
Accumulated amortizations	14,883	15,292,912	3,561,257	17,525,798	162,721	216,738	0	2,868	36,777,177
Right-of-use assets	9,558	59,963,039	4,775,710	21,536,059	335,370	420,326	136,415	100,393	87,276,870
Opening Balance on the 1st of January 2020	9,558	59,963,039	4,775,710	21,536,059	335,370	420,326	136,415	100,393	87,276,870
Increases	34,813	9,327,882	296,415	32,653,059	0	492,217	0	0	42,804,386
Reductions	0	-1,206,679	0	0	0	2,509	-2,842	0	-1,209,521
Changes to the group of companies	0	-9,664,849	-1,755,851	0	-16,927	-118,500	0	0	-11,556,127
Exchange rate effect	206	-528,064	0	29,115	-4,254	-326	0	0	-500,813
Amortizations for the year	15,877	13,667,328	596,698	12,417,346	121,569	125,405	6,821	17,210	26,968,256
Closing balance on the 31st of December 2020	28,700	44,224,001	2,719,576	41,800,887	192,620	670,821	126,752	83,182	89,846,540
On the 31st of December 2020									
Acquisition cost	57,288	68,632,206	4,301,770	71,680,116	408,347	874,808	136,415	103,261	146,194,212
Accumulated amortizations	28,588	24,408,205	1,582,194	29,879,230	215,727	203,988	9,663	20,079	56,347,673
Right-of-use assets	28,700	44,224,001	2,719,576	41,800,887	192,620	670,821	126,752	83,182	89,846,540

The most relevant assets in Assets under right of use are: under Buildings and other constructions, the Hotel Montebelo, and to a lesser extent other hotels; under Transport equipment, several vehicles from different companies, mainly MJ Quinn fleet and Constructel France.

During 2020 the Grupo had an increase of 43 million euros in assets under right of use.

For this increase, MJ Quinn contributed with 18 million euros related to a lease contract for transportation equipment.

The companies with the greatest contribution to the investment in transportation equipment for fleet maintenance/renewal were Constructel (8.5 million euros) and Viatel (2.6 million euros).

It should be noted that the net decrease of 11.6 million euros relate to the changes in the group's companies that took place during 2020. This decrease is largely explained by the departure of Movida from the group. With this change, there was an increase of 12.6 million euros, relating to contracts that the other companies of the Grupo have with Movida, relating to offices and stores, as well as a decrease of 20.1 million euros relating to lease contracts held by Movida, resulting in a net effect of 7.5 million euros. The remaining 4.1 million euros are justified by a contract that Empreendimentos Turísticos Montebelo holds with FIMMO, which with the latter's entry into the group of companies, has to be eliminated for consolidation purposes.

23. Goodwill

	Year of acquisition	Value of goodwill 2020	Value of goodwill 2019
VISABEIRA GLOBAL			
MJ QUINN	2018	52,857,021	56,004,828
Viatel - Tecnologia de Comunicações, SA	1997, 2002	14,997,178	14,997,178
Oude Markt Voerlieden Natie NV (OMV Natie)	2020	11,635,976	0
Franz-Josef Braun GmbH & Co. KG	2020	11,860,192	0
Grupo Constructel Modal	2017	5,666,717	5,666,717
Toft Hansen	2019	2,609,671	2,609,671
IEME, SRL	2017	1,263,270	1,263,270
Martifer Visabeira	2019	1,708,573	2,281,775
Edivisa - Empresa de Construções, SA	1993, 2002	888,354	888,354
Gatel, SAS	2008	744,207	744,207
Others		1,458,135	587,454
VISABEIRA INDÚSTRIA			
Mob - Indústria de Mobiliário, SA	1998, 2002	1,320,221	1,320,221
Granbeira II - Rochas Ornamental, SA	1992, 1998, 2001, 2002	905,101	905,101
Granbeira – Soc. Expl. Com. Granitos, SA	1992, 1998, 2002	0	3,116,383
Others		551,392	551,065
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS			
Visabeira Moçambique, SARL	2001, 2002	3,390,676	3,390,676
Empreendimentos Turísticos Montebelo, SA	1998, 2002	2,768,845	2,768,845
PDA - Parque Desportivo de Aveiro, SA	2008	894,659	894,659
Others		225,390	298,862
TOTAL		115,745,580	98,289,267

The amounts recorded in the Goodwill item refer exclusively to acquisitions of financial holdings. The acquisition of financial investments in entities or business activities under common control is recorded i) through the "method of communion of interests", with the difference between the cost of the business combination and the net assets acquired (at the respective net book values) recorded in contra entry equity; or ii) through the acquisition method (provided for in IFRS 3), whenever the business combination of entities under common control has commercial substance, is carried out for the purpose of combining entities with complementary activities and the transaction has been carried out at fair value.

In 2020, new companies were purchased, representing an increase of 24 million euros. The goodwill of these purchases was based on the value of the net assets at the date of entry into the consolidation group of companies and their acquisition price.

The decrease in the amount of MJ Quinn and Martifer Visabeira's Goodwill is related to the currency devaluation that occurred during the year under review.

For the purpose of impairment tests, the goodwill amount was distributed among the cash-generating units that correspond to the reportable business segments. The Executive Board of Directors, based on the estimated future cash flows of these segments, discounted at the rate considered applicable to each business, concluded that, on the 31st of December 2020, the carrying value of financial investments, including

goodwill, does not exceed its recoverable value.

Regarding the most significant goodwill amount, resulting from the acquisition during the year of MJ Quinn, the main assumptions used in the impairment test were as follows:

ASSUMPTIONS IMPAIRMENT TESTS

Method used	Updated cash flow methods
Based used	Projection
Years of projection	5 years
Sales growth in 2021	47.87%
CAGR sales 2022-2025	2.00%
Perpetuity growth rate	2.00%
WACC used in perpetuity	7.18%

For the year 2021, the significant growth is justified by new projects with the company's main client.

On the 31st of December 2020, if a discount rate higher than 0.5% had been used, or a perpetuity growth rate of less than 0.5%, or projected cash flows less than 5%, the results obtained in the tests mentioned above would not give rise to impairment. The value in use corresponds to the estimate of the present value of the future cash flows, calculated based on budgets and business plans duly approved by the Grupo's Executive Board of Directors, which cover an average of five years.

Regarding Viatel, the impairment tests carried out showed once again that there was no impairment in goodwill, considering that it is a robust company, with a solid and sustained business model, which allows us to estimate that, on a prudent basis, the company will release an annual EBITDA of more than 10 million euros.

For the other cash-generating units, the Grupo also carried out a sensitivity analysis of the respective impairment tests to the variation of assumptions, which the Executive Board of Directors considers to be the most relevant, and with the greatest impact on the test results, namely the rate of turnover growth. No impairment losses were identified. Taking into account the safety margins obtained in these tests, the details of the aforementioned analysis are not presented given its irrelevance.

24. Investment properties

	2020 Level 3*	2019 Level 3*
Opening balance	435,837,861	445,214,935
Transfer of inventories	0	986,000
Acquisitions	37,036,853	4,433,165
Foreign currency translation reserves	-13,252,471	169,468
Disposal	-163,406,460	-26,977,397
Change in fair value	14,933,037	12,011,690
TOTAL	311,148,821	435,837,861

* Classified according to the fair value hierarchy defined in IFRS 13 (not applicable to investment properties measured at acquisition cost)

	Appraisal method	2020	2019
Projeto Parque Desportivo	DCF Method	72,141,000	76,710,185
Montebelo Resort Golf Project	DCF Method	58,394,614	64,484,614
Real Estate Project in Maputo	DCF Method	50,444,395	0
Urbeira Project	Comparative method	33,303,000	33,500,000
Vista Alegre Buildings	Comparative Methods and DCF Method	19,588,800	19,170,600
Quinta dos Areais Project	Comparative method	19,310,000	19,360,000
Land held for capital appreciation	Comparative method	19,147,960	19,211,145
Project for Quinta do Bosque	DCF Method	13,540,726	13,594,726
Santa Luzia Project	Comparative method	13,261,000	13,290,000
Condomínio de Belo Horizonte development (Mozambique)	Cost method	8,111,564	8,983,382
Mozambique commercial space project	DCF Method	3,858,691	4,069,000
Palácio do Gelo Shopping	DCF Method	0	158,300,000
Alagoa II Project	Replacement cost method	0	5,117,139
Agrovisa (Xinavane land)		47,072	47,071
TOTAL		311,148,821	435,837,861

Investment properties in use are measured at fair value, calculated using the *discounted* cash flow and properties under development or intended for valuation are measured at fair value, calculated using the DCF method, the comparative method or the cost method. In cases where fair value cannot be reliably determined, investment properties are kept at cost.

According to the DCF method, the fair value of the property is estimated based on the current amount of cash flows that the property is expected to generate in the future, based on financial projections concerning the business under development or to be developed (rental). Cash flows are discounted at a discount rate that reflects the time value of money, as well as the risks associated with cash flows.

The comparative method refers to the values of similar properties and intends to estimate the presumed value of sale.

The cost method considers that the value of the asset is the sum of the cost of acquisition of the land, construction, projects, licensing, financial charges, marketing fees and estimated profit of the project.

In the case of investment properties not generating income, the estimated costs for the construction and development of the project were discounted.

The valuations were carried out by accredited independent appraisers (PricewaterhouseCoopers Assessoria de Gestão, Lda, Figueira Center Imobiliária, Lda, J. Curvelo, JF, Lda, REC - Real Estate Consulting, Lda and JF - Consultores Associados, Lda) with the qualification and experience needed in property valuations. The appraisal models used are consistent with the principles set out in IFRS 13.

In 2020, no changes were made to the investment property valuation methods. Investment properties include a set of land acquired several years ago for development in relation to the Grupo's real estate business, but, in the current financial context, they are held for future appreciation.

In the determination of the fair value of investment property, the highest and best use is considered.

The classification of certain land as investment properties, and not as Inventories or Tangible Assets, depends on the use that the Executive Board of Directors predicts for the assets as the one that maximizes its recoverable value for the Grupo.

PARQUE DESPORTIVO DE AVEIRO PROJECT

Project located at the eastern end of the city of Aveiro, next to the Municipal Stadium of Aveiro, occupying an area of about 165 hectares, is located in a particularly privileged area in terms of access, either to the city, or the A25 and the A17.

Comprehensive project that consolidates tourism, housing, services, sports, leisure and entertainment in a unique environment, mainly for the sophistication and quality of its green areas ruled by streams and water surface, its wide parks and gardens that will create a unique and permanent experience in touch with nature.

This project will have a construction area of around 320,000 m² comprising trade, housing, services, sports and leisure / tourism facilities, such as the 18-hole golf course, 5-star hotel, horse riding center and tennis complex.

Its fair value was determined using the DFC method, summarised as follows:

Polo		Construction area (m²)	Appraiser Value 2020	Appraiser Value 2019
Polo 2	Horse riding facilities	31,448	12,702,000	7,572,852
Polo 3	Ludo Parque	48,246	9,316,000	10,031,700
Polo 5	Central	74,750	14,986,000	13,678,897
Polo 6	South Central	71,175	9,803,000	14,827,336
Polo 7	Golf Resort	68,478	25,334,000	30,599,400
	Hotel	24,000		
TOTAL		318,097	72,141,000	76,710,185

In addition to the discount rate, the sale price, the construction price and the estimated sales schedule of the project are the variables that most influence the value of the appraisal, so the sensitivity analysis to these variables resulted in the following values:

- A 5% increase in building prices would reduce the value of the valuation to 65.3 million euros. These changes in the construction prices, combined with the changes shown in the sensitivity analysis conducted on the discount rate, result in a minimum value of 62.6 million euros (+ 5% in construction prices plus 1 p.p. in the discount rate) and with a maximum amount of 82.2 million euros (-5% in building prices and 1 p.p. in the discount rate).
- A reduction of -5 p.p. in the sales prices, foreseen in the evaluation, would result in an amount of 60.8 million euros and a 5 p.p. increase of these same sales prices would result in an amount of 82.5 million combined with an increase of 1 p.p. discount rate would be 80.1 million euros. The growth of 5 p.p. in sales prices combined with the reduction of the discount rate by 1 p.p. would increase the appraisal value to 87.1 million euros.
- 10% advance of sales in all years considered in the appraisal, adding another year of trading to the project against the base scenario, would reduce the amount of the appraisal to 67.1 million euros. This variation in the project's trading, combined with the changes shown in the sensitivity analysis of the discount rate, result in a minimum amount of 63.4 million euros (10% advances in the sales, plus 1 year trading plus 1 p.p. in discount rate) and a maximum amount of 77.3 million euros (5% in advance of the sales and less 1 p.p. in the discount rate).
- With regard to the discount rate sensitivity analysis, a decrease of -1 pp in the discount rate, provided for in the valuation, would translate into a valuation value of 79.9 million euros and an increase of 1 pp in that same discount rate would be an appraised value of 65.4 million euros.

MONTEBELO RESORT GOLF PROJECT

The Golfe Montebelo Resort project aims at addressing deficiencies and enhancing the features of the 27-hole Golf Course, in operation for many years. Besides enhancing and revitalising the area of Golf, it will enable its promotion and the recognition of the area as an urban location, connected to the city, creating a prestigious sport-tourism hub in one single unit.

There are about 168,421 m² of construction, comprising houses (68,913 m²), apartments (70,506 m²) and a five-star hotel (29,003 m²). The intervention will target 3 different areas: the first addresses the real estate network, which is small and does not clash with the second area, the Resort. The project also includes a common area for services, equipment and commerce. The appraisal values were the following:

	Area	2020	2019
Land for houses	68.913 m ²	26,580,000	45,880,000
Land for apartment buildings	70.506 m ²	29,840,000	15,840,000
Land for hotel	29.003 m ²	1,090,000	1,880,000
Additions by construction of infrastructures		884,614	884,614
TOTAL	168.422 m²	58,394,614	64,484,614

In addition to the discount rate, the sale price, the construction price and the estimated sales schedule of the project are the variables that most influence the value of the appraisal, so the sensitivity analysis to these variables resulted in the following values:

- A reduction of -5 p.p. in the sales prices, foreseen in the evaluation, would result in an amount of 54.0 million euros and a 5 p.p. increase of these same sales prices would result in an amount of 62.4 million combined with an increase of 1p.p. discount rate would be 60.2 million euros. The growth of 5 p.p. in sales prices combined with the reduction of the discount rate by 1 p.p. would increase the appraisal value to 65.4 million euros.
- 10% advance of sales in all years considered in the appraisal, adding another year of trading to the project against the base scenario, would reduce the amount of the appraisal to 55.4 million euros. This variation in the project's trading, combined with the changes shown in the sensitivity analysis of the discount rate, result in a minimum amount of 53.0 million euros (10% advances in the sales, plus 1 year trading plus 1 p.p. in discount rate) and a maximum amount of 68.4 million euros (5% in advance of the sales and less 1 p.p. in the discount rate).
- With regard to the discount rate sensitivity analysis, a decrease of -1 pp in the discount rate, provided for in the valuation, would translate into a valuation value of 65.1 million euros and an increase of 1 pp in that same discount rate would be an appraised value of 52.1 million euros.

REAL ESTATE PROJECT IN MAPUTO

The Real Estate Project in Maputo is a land occupied by the former FACIM in downtown Maputo, with a total area of about 82,389 m². The land has a "master plan" project approved by the Municipality of Maputo in October 2018, for a real estate development with an above-ground construction area of 456,456 m², which include residential, offices, commerce and tourism areas.

URBEIRA PROJECT

A real estate project was approved, with feasibility for a built-up area of 137.421 m², comprising housing, commerce and services for the plot of land called "Urbeira", a property with a size of approximately 279.860 m², located south-west of the city of Viseu, only 3 km away from the city centre.

Its fair value was determined using the comparative method, with an average price of 242 euros per m², considering the construction area.

VISTA ALEGRE ATLANTIS BUILDINGS

These are real estate (land and buildings) not used in the ordinary course of the Grupo's business, being in their current state or after a valuation process, for sale.

The fair value of investment properties was determined based on market evidence. With regard to leased investment properties, lease contracts of limited duration are in force, typically with a duration of five years and automatically renewable for periods of one year unless they are terminated.

The fair value was determined by J. Curvelo as follows:

Vista Alegre Atlantis Buildings	Fair value (in euros)	Appraisal method	Appraiser	Location	Assumptions	Intervals (average in euros)
Pine forest	930,000	Cost method	J. Curvelo	Alcobaça	price per m ²	€ 25.09
L. Barão Quintela	6,480,000	Comparative method	J. Curvelo	Lisbon	price per m ²	€ 1,717.18
Real Estate	2,664,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 187.77
Rural plots of land	19,300	Comparative method	J. Curvelo	Ílhavo	price per m ²	€ 1.90
Vale do Ílhavo Plots of Land	135,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 67.50
R. Neves Ferreira	377,000	Comparative method	J. Curvelo	Lisbon	price per m ²	€ 523.61
RAN Plots of Land	130,000	Comparative method	J. Curvelo	Ílhavo	price per m ²	€ 2.20
Urbanização I	1,447,500	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 147.73
Urbanização II:						
Bairro Allotment and annex plots	5,070,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 137.38
Murteira Allotment	946,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 30.02
Rua Fáb. VA Allotment VA	1,390,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 122.42
TOTAL	19,588,800					

QUINTA DOS AREAIS PROJECT

Property with 51,633 m² located about 500 meters from the Hospital São Teotónio de Viseu that borders at west with Primeira Circular Sul de Viseu. It has a real estate project with a construction feasibility project of 61,375 m² divided by housing, commerce and services. Its fair value was determined using the comparative method, with an average price of 315 euros per m², considering the construction area.

LAND HELD FOR CAPITAL APPRECIATION

They refer to 14 lots, 12 of which are located in Viseu, 11 located in Quinta do Bosque next to Hotel Montebelo, a predominantly residential area, one in Aveiro and another in Guimarães, near Guimarães railway station. These are lots already developed, with all the necessary infrastructures, and with a total construction area of 54,406 m² for land with an overall area of 12,854 m². The fair value of these properties was determined using the comparative method, with an average price of 352 euros per m², considering the construction area.

PROJECT FOR QUINTA DO BOSQUE

The so-called Project for "Quinta do Bosque", which is divided into two lots, has 31,915 m² of construction area, is located in the city, next to Hotel Montebelo, in a predominantly residential area. It is intended to be used for the construction of a trade and services building to increase the offer in the central region of Portugal. Its fair value was determined using the DCF method, with an average price of 464 euros per m², considering the construction area.

SANTA LUZIA PROJECT

The property called "Terreno Santa Luzia," with an implementation area of 27,978 m² and a built-up area of 38,519 m², is unquestionably, considering its excellent location, one of the best real estate offers in the city, mainly due to its proximity to the city's urban structuring roads and to the large commercial and service area that includes the Palácio do Gelo Shopping, the new CUF Hospital and the Centro Escolar Viseu Estrela. Its fair value was determined using the comparative method, with an average price of 344 euros per m², considering the construction area.

CONDOMÍNIO DE BELO HORIZONTE DEVELOPMENT (MOZAMBIQUE)

The land of the future project Condomínio do Belo Horizonte, located in Matola, on the outskirts of Maputo, is in a residential area, which mostly comprises medium-/ high-quality houses.

The land of the project Condomínio do Belo Horizonte is in a well-established residential area, comprising medium-/high-quality houses, and is subdivided into 69 plots with a total area of 67,667 m². Its fair value, determined by a specialised independent entity, after obtaining a building permit on the 16th December 2013, is 8,1 million euros.

MOZAMBIQUE COMMERCIAL SPACE PROJECT

There are two commercial stores, with areas of 468,78 m² and 600 m², which are not used in the usual business activity of the Grupo, that are leased to third parties. The fair value of these two stores was determined using the DFC method with an average price per m² of 2,633.68 euros and 4,373.46, respectively, considering the construction area.

Regarding these investment properties, there are short-term lease agreements, which are automatically renewable for periods one or two years, if it hasn't been terminated. The determination of the fair value of these investment properties was supported by market evidence using the Yield Method.

INVESTMENT PROPERTIES PROVIDED AS COLLATERAL AND CONTRACTUAL RESPONSIBILITIES

On the 31st of December 2019, only Palácio do Gelo was given as guarantee for bank loans. On the 31st of December 2020, this situation no longer existed.

On the 31st December 2020 and on the 31st of December 2019, there are no contractual obligations to purchase, build or develop investment properties. Likewise, there are no restrictions on the ability to carry out investment properties or on the income from disposal.

AMOUNTS RECOGNISED IN THE INCOME STATEMENT

In addition to the changes in fair value identified above and presented in the line "Change in fair value of investment properties", investment properties did not generate income in the period and the corresponding direct expenses were of intangible value.

25. Intangible assets

	Development projects and software	Other intangible assets	Tangible assets in progress	Total
Opening balance on the 1st of January 2019	1,661,882	99,409,383	287,775	101,359,041
Increases	0	728,547	144,761	873,308
Disposals / Transfers	-429,231	1,254,406	-103,261	721,914
Changes to the group of companies	0	14,183	0	14,183
Exchange rate effect	64,078	-3,638,198	3,326	-3,570,794
Impairment	0	-194,191	0	-194,191
Amortization for the year	-1,019,040	-3,869,921	0	-4,888,961
Closing balance on the 31st of December 2019	277,689	93,704,208	332,601	94,314,500
On the 31st of December 2019				
Acquisition cost	6,598,065	102,274,988	332,602	109,205,655
Accumulated amortizations	6,320,375	8,376,588	0	14,696,964
Impairment losses	0	194,191	0	194,191
Intangible assets	277,690	93,704,208	332,602	94,314,500
Opening balance on the 1st of January 2020	277,690	93,704,208	332,602	94,314,500
Increases	2,088,711	1,217,473	327	3,306,511
Disposals / Transfers	1,005,263	446,238	78,188	1,529,689
Changes to the group of companies	15,033	12,640,057	0	12,655,091
Exchange rate effect	-76,212	-2,661,586	-43,333	-2,781,132
Amortization for the year	-1,063,413	-5,129,763	0	-6,193,177
Closing balance on the 31st of December 2020	2,247,072	100,216,627	367,783	102,831,482
On the 31st of December 2020				
Acquisition cost	8,956,803	113,975,124	367,783	123,299,710
Accumulated amortizations	6,709,731	13,564,306	0	20,274,036
Impairment losses	0	194,191	0	194,191
Intangible Assets	2,247,072	100,216,627	367,783	102,831,482

The increase in intangible assets is justified by the entry of JF Edwards into the consolidation group of companies. The amount of the intangible asset results from the *Order Backlog* calculation of 12.5 million euros, which will be amortized over a period of 3 years, thus reflecting the expected duration for realizing contracts in the portfolio, considered in the calculation.

In addition, the investment in development projects and computer programs in the amount of 5 million euros consists in the acquisition of Beon software licenses - which integrates a set of integrated innovative, flexible and technological solutions, based on hardware and software components adaptable to the business needs of each customer -, as well as of the development of specific modules for companies recently acquired by Grupo Constructel (note 41).

In the line item "Other intangible assets," we should highlight the value of the Vista Alegre brand name (around 80 million euros), as attributed by an independent specialised entity at the time of the acquisition of the Grupo Vista Alegre Atlantis.

For the purpose of impairment testing, the brand value was assessed using a DCF method, based on business plans of the UGC in the porcelain, crystal and glass, earthenware and stoneware segment, approved by the Executive Board of Directors of the Grupo, with the following assumptions: discount rate of 5.4%, projections to 2025 with a sales growth rate of 4.1%; growth in perpetuity of 1.5%.

26. Inventories

	Raw Material	Goods	Finished products	Products and work in progress	Total
31st of December 2019					
Costs	29,750,839	20,744,660	77,415,899	9,226,858	137,138,256
Adjust	-2,872,963	-2,627,049	-19,643,759	-957,754	-26,101,525
Inventories valued at either the acquisition cost or realisation value, whichever is lower	26,877,876	18,117,611	57,772,139	8,269,104	111,036,731
31st of December 2020					
Cost	31,862,581	19,120,790	86,558,647	3,139,549	140,681,567
Adjust	-2,842,866	-2,010,828	-19,955,533	-1,705,742	-26,514,969
Inventories valued at either the acquisition cost or realisation value, whichever is lower	29,019,715	17,109,962	66,603,114	1,433,808	114,166,598

We should highlight the contribution of the sub-holding Visabeira Turismo, Imobiliária e Serviços to this line item (Note 10.a).

With the entry of FIMMO into the group of companies, there was an increase in Finished Products of 5.7 million euros.

27. Customers

	2020	2019
Customers - current account	134,974,250	133,070,440
Customers - doubtful debts	11,690,105	10,919,255
	146,664,480	143,989,694
Debtor allowances	-14,090,283	-14,471,889
TOTAL	132,574,197	129,517,805

The carrying amounts presented are net of accumulated impairment losses for doubtful debts, which were estimated by the Grupo in accordance with its experience and based on its assessment of the economic environment. The Executive Board of Directors believes that the carrying value of accounts receivable is close to its fair value. The companies in Grupo Visabeira that operate as infrastructures and telecommunications service providers sell to entities of recognised financial probity. This group includes entities such as local telecommunications operators, generally directly held by the Government of each country, replacing credit risk with political risk. Some examples of this are TMCEL, EDM – Eletricidade de

Moçambique, Angola Telecom, Orange, Belgacom, British Telecom, Deutsche Telekom, PT, Nos, EDP and natural gas concessionaires.

The maturity of the amounts receivable is detailed as follows:

Customers - current account	Not yet over- due	Months after the maturity date				TOTAL
		< 6	6 – 12	12 – 18	> 18	
2020	65,802,032	29,419,601	7,761,747	6,771,390	25,219,480	134,974,250
2019	70,337,486	26,439,496	4,989,919	4,549,766	26,753,773	133,070,440

Of the balance older than 18 months, around 70% refers to balances receivable from companies in Angola and Mozambique, which, as mentioned above, are almost entirely companies of recognized financial standing and held by the Governments of each country.

The Executive Board of Directors finds the debt adjustment appropriate, and its evolution is detailed as follows:

	Opening balance	Increases / Decreases	Final balance
Debtor allowances	14,471,889	-381,606	14,090,283

28. State and other public entities

	Asset		Liabilities	
	2020	2019	2020	2019
Income tax	1,914,499	6,105,685	0	0
Total - Income tax	1,914,499	6,105,685	0	0
Third-party income tax withholding	0	0	2,692,974	964,590
Value-added tax	0	0	10,925,800	8,434,319
Social Security Contributions	0	0	6,540,830	7,059,159
Total - State and other public entities	0	2,219,558	20,159,605	16,458,069

The values of Liabilities, State and other public entities are included in other accounts payable (Note 37.1).

29. Other accounts receivable and other assets

29.1. Other receivables

	2020	2019
NON-CURRENT		
Other debtors	2,000,000	0
Total non-current	2,000,000	0
CURRENT		
Shareholders	685,035	287,668
Other debtors	19,960,256	9,875,841
Advances from suppliers	5,231,846	2,379,714
Outstanding balances from suppliers	446,019	1,965,761
Subsidiary companies	1,248,514	5,372,568
Total current	27,571,669	19,881,551
TOTAL	29,571,669	19,881,551

In 2020, following the process initiated for the acquisition of the participation in EIP Serviços (note 7), the Grupo lent to the company 2 million euros for treasury management.

29.2. Other Assets

	2020	2019
CURRENT		
Deferred expenses	16,986,652	19,320,009
TOTAL	16,986,652	19,320,009

30. Cash and cash equivalents

	2020	2019
Bank deposits	146,414,356	60,157,246
Term deposits	4,191,907	5,860,957
Cash	1,270,915	586,738
Treasury investments	2,960,675	3,211,066
TOTAL	154,837,853	69,816,007

The amounts presented in cash and cash equivalents are immediately available to implement (which is to say, they correspond to investments maturing in less than 3 months that can be available immediately without significant loss of value), with the exception of the amount of 32.7 million euros (2019: 25.3 thousand euros) which was given as a guarantee or are captive under financing contracts.

31. Share capital and Share issue premiums

During 2020, the Grupo Visabeira's share capital was increased, which resulted in an increase of 282,917 new shares.

The authorised share capital is represented by 23,308,043 bearer shares, with a nominal value of five euros and the amount paid up is 116,540,215 euros.

On the 31st of December 2020, the majority shareholder Fernando Campos Nunes held, directly and indirectly, 98.57% of Grupo Visabeira (2019: 99,45%), with 22.974.443 shares.

Issuance premiums correspond to revenue obtained from the issuance or capital increases. In accordance with Portuguese commercial law, the amounts included in this caption follow what is established in the " Legal reserve", which is to say, the amounts are not distributable, except in case of liquidation o the company, however it can be used to absorb losses, after all other reserves have been exhausted, and for incorporation into the capital.

32. Earnings per share

	2020	2019
Basic		
Net income of the year for the purpose of calculation	24,252,965	47,481,112
Weighted average number of shares for the purpose of calculation	23,048,702	23,025,126
Basic earnings per share	1.052	2.062
Diluted		
Net income of the year for the purpose of calculation	24,252,965	47,481,112
Weighted average number of shares for the purpose of calculation	23,048,702	23,025,126
Diluted earnings per share	1.052	2.062

33. Retained earnings and other reserves

	2020	2019
Retained earnings	139,313,833	166,216,788
Financial investments – Swaps	42,867	74,355
Reserves	130,069,996	132,100,268
Fair value reserve of financial assets	-1,843,194	-2,094,363
Foreign currency translation reserves	-174,749,326	-113,005,743
TOTAL	92,834,177	183,291,305

Under Portuguese law, the amount of distributable reserves is determined based on the individual financial statements of Grupo Visabeira, SA, presented in accordance with the International Financial Reporting Standards, as adopted by the European Union (IFRS-EU).

Portuguese commercial law establishes that 5% of net profits must be transferred to a legal reserve until it represents at least 20% of the share capital. This reserve is not distributable and can only be integrated into the share capital or used to absorb losses after all other reserves are exhausted. The balance of retained earnings is not fully available for distribution, as it included gains resulting from increases in the fair value of investment properties.

The caption reserves corresponds essentially to the revaluation, contractual reserves and legal reserves set up in each subsidiary. According to the approval of the General Shareholders Meeting held on the 31st of December 2020, it was decided to distribute free reserves amounting to 47.4 million euros, which were used to settle a shareholder's outstanding balance. Based on the information available on this date, no dividend distribution to shareholders is expected to 2021.

The Fair Value Reserve of financial assets essentially corresponds to the devaluation of shares recorded at fair value through Other Comprehensive Income (see note 7.1).

34. Non-controlling interests

	% Non-controlling interests		Book value		Attributed results		Main shareholders
	2020	2019	2020	2019	2020	2019	
VISABEIRA GLOBAL							
TVCabo Angola, Lda	50.00%	50.00%	34,763,862	65,569,144	-6,226,175	-1,983,323	Angola Telecom (50%)
TVCabo Moçambique, Lda	50.00%	50.00%	20,979,940	29,480,403	-755,096	1,013,491	TMCEL (50%)
Televisa, Lda	50.00%	50.00%	622,412	1,047,928	-182,498	1,852,846	TMCEL (50%)
Cabling	-	20.00%	0	272,767	0	6,594	-
Visabeira, Lda	-	40.00%	0	4,453,535	0	590,432	-
Modal	-	20.00%	0	258,061	0	150	-
VISABEIRA INDÚSTRIA							
Vista Alegre Atlantis, SGPS, SA	14.40%	14.40%	19,390,553	19,621,714	-336,948	1,300,699	Free Float (14.40%)
Ambitermo, SA	49.00%	49.00%	3,630,354	3,575,090	55,265	176,536	Raquel Mateus Gomes da Silva (44%); Hidrax (5%)
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS							
PDA, SA	45.00%	45.00%	18,652,355	20,600,464	-1,948,109	85,147	Município de Aveiro (25%)
Constellation, SA	42.86%		15,233,183		7,218,714		Fundo de Pensões do Banco de Moçambique (23%); Seguradora Internacional de Moçambique (20%)
Others			-144,693	1,820,518	-74,785	1,115,112	-
TOTAL			113,127,966	146,699,623	-2,249,634	4,157,685	

It is important to highlight the increase in the value of Constellation's non-controlling interests as a result of the acquisition in 2020. Also noteworthy is the decrease in non-controlling interests of TV Cabo Angola and TV Cabo Moçambique, justified by the exchange rate update.

The financial information of these companies is as follows:

	TV Cabo Angola	TV Cabo Moçambique	Televisa	Vista Alegre	Ambitermo	PDA	Constellation
Net assets							
Tangible / intangible fixed assets	151,065,797	75,328,479	854,550	135,677,618	4,021,449	0	0
Investment properties	0	0	0	0	0	72,141,000	50,444,395
Other Assets	18,876,988	794,432	20,835,858	76,294,551	5,773,778	114,653	2,416,291
Cash and cash equivalents	4,966,104	2,693,700	320,222	17,501,153	3,819,303	2,757	302
Bank loans	-14,805,964	-4,268,617	-1,970,684	-97,928,000	-1,573,652	-19,907,375	-1,755,163
Other liabilities	-80,626,660	-30,481,617	-18,774,031	-65,149,744	-4,977,771	-11,486,136	-12,468,301
Total net assets	79,476,265	44,066,376	1,265,916	66,395,578	7,063,108	40,864,899	38,637,524

35. Debt

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Commercial paper	58,930,000	125,580,000	184,510,000	47,004,975	194,625,660	241,630,634
Bank loans	89,589,920	196,444,359	286,034,279	61,970,106	151,275,226	213,245,332
Bond loans	23,779,860	226,648,617	250,428,477	9,300,401	244,437,959	253,738,360
Repayable subsidies	803,355	13,420,785	14,224,141	2,403,042	7,041,311	9,444,354
TOTAL	173,103,135	562,093,762	735,196,896	120,678,524	597,380,157	718,058,680

The loans contracted, namely commercial paper programmes, bond loans and mutual funds generally include, in addition to the usual terms and conditions, *cross default*, *pari passu* and *negative pledge*, clauses on ownership by the Grupo or the majority shareholder.

During the period 2020, the evolution of indebtedness can be represented as follows:

	Bank loans
Opening balance on the 1st of January 2020	718,058,680
Transactions with cash impact:	
Investing activities	
Receipts of refundable subsidies	5,748,137
Financing activities	
Receipts of loans	339,876,819
Amortisation and repayment of loans	-254,187,568
	91,437,387
Transactions without cash impact:	
Exchange rate variation	-7,491,410
Recognition of amortised cost	354,251
Changes to the scope of consolidation	-67,162,012
	-74,299,171
Closing balance on the 31st of December 2020	735,196,896

Issuing commercial paper, although maturing in a period inferior to or equal to one year, is covered by medium and long term programs which ensure their automatic renewal throughout the program period. Thus, commercial paper issues are presented as due in the medium and long term, unless the program ends within a period of less than 12 months.

The loans contracted, namely commercial paper programmes, bond loans and mutual funds generally include, in addition to the usual terms and conditions, *cross default*, *pari passu* and *negative pledge*, clauses on ownership by the Grupo or the majority shareholder.

Financing operations that are subject to covenants related to levels of financial autonomy and indebtedness ratios, determined based on the consolidated financial statements of the Grupo and some of the subsidiaries, were negotiated under normal market conditions. On the 31st of December 2020, no creditor could demand the early repayment of any financing granted to the Grupo as a result of a non-compliance of covenants.

On the date of the statement of financial position, the Grupo's average debt maturity was 3 years (2019: 3.7 years).

35.1 Commercial paper

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Grupo Visabeira, SA	48,150,000	72,200,000	120,350,000	37,700,000	82,850,000	120,550,000
Viatel, SA	3,980,000	11,230,000	15,210,000	1,780,000	8,860,000	10,640,000
Visabeira Global, SGPS, SA	4,300,000	38,150,000	42,450,000	1,550,000	34,450,000	36,000,000
Movida, SA	0	0	0	5,000,000	66,800,000	71,800,000
Pinewells, SA	1,000,000	1,000,000	2,000,000	1,000,000	2,000,000	3,000,000
Visabeira Indústria, SGPS, SA	1,500,000	3,000,000	4,500,000	0	0	0
Amortised cost and fair value	0	0	0	-25,025	-334,340	-359,366
TOTAL	58,930,000	125,580,000	184,510,000	47,004,975	194,625,660	241,630,634

35.2 Bank loans

Bank loans have the following geographic division:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
BANK OVERDRAFTS						
AUTHORISED	8,731,526	0	8,731,526	4,320,075	0	4,320,075
Portugal	3,657,865	0	3,657,865	3,418,839	0	3,418,839
Africa	394,655	0	394,655	587,375	0	587,375
Europe	4,679,006	0	4,679,006	313,862	0	313,862
LOANS OBTAINED	80,858,394	196,444,359	277,302,753	57,650,031	151,275,226	208,925,257
Portugal	66,421,802	151,877,980	218,299,781	46,405,371	124,455,871	170,861,242
Africa	8,000,127	15,414,958	23,415,084	9,399,175	23,872,892	33,272,066
Europe	3,502,950	25,305,027	28,807,977	1,845,485	2,946,464	4,791,949
America	2,933,515	3,846,394	6,779,910	0	0	0
TOTAL	89,589,920	196,444,359	286,034,279	61,970,106	151,275,226	213,245,332

The interest rate varies by country, company, type, guarantees and term of financing. In Europe the lowest rates show a margin of 0% in some liquidity support lines signed within the pandemic framework, and the maximum rate of 4.5%. In the United States the rates vary from a rate indexed to Libor USD 1 month with a *spread* of 2.35% to a fixed rate of 4.76%. In Angola, the most representative financing is expressed in US dollars and is subject to a Libor USD interest rate plus a *spread* of 2.9%. In Mozambique, financing is contracted in local currency, mostly indexed to the Prime Rate of the financial system, with spreads between -3% and 0.5%.

35.3 Bond loans

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Grupo Visabeira, SA	23,404,160	107,595,840	131,000,000	5,818,236	143,071,765	148,890,001
Constructel - Constructions et Télécommunications, SARL	0	55,000,000	55,000,000	0	55,000,000	55,000,000
Visabeira Moçambique, SA	407,250	2,307,750	2,715,000	3,550,000	0	3,550,000
Visabeira Global, SGPS, SA	0	15,200,000	15,200,000	0	0	0
Vista Alegre Atlantis, SGPS, SA	0	50,000,000	50,000,000	0	50,000,000	50,000,000
Amortised cost and fair value	-31,550	-3,454,973	-3,486,523	-67,835	-3,633,806	-3,701,640
TOTAL	23,779,860	226,648,617	250,428,477	9,300,401	244,437,959	253,738,360

The bond loans includes a syndicated issue for Grupo Visabeira maturing on 22/01/2021; 22/01/2024; 15/07/2024; 22/07/2025; 22/02/2026; 23/03/2026 and 22/01/2025; for Constructel amounting to 55 million euros maturing on 27/09/2024; and a guaranteed bond loan from Vista Alegre amounting to 50 million euros issued in two instalments: i) an instalment issued in MARF (Mercado Alternativo de Renta Fija) in the amount of 45 million euros, raised by several institutional investors, starting on 21/10/2024 for 5 bullet years and ii) a second instalment in the amount of 5 million euros starting on 21/10/2019 and maturing on 21/10/2024 with constant annual liquidation of capital subscribed by BPI. In 2020, a new EO of Visabeira Global SGPS of 15.2 million Euros was issued, maturing on 22/07/2025 at Montepio bank.

In general, these issues include the covenants that are common in this type of financing namely paris passu, cross default, negative pledge and ownership.

35.4 Debt maturity and contracted currency

	Portugal	Europe	Africa	USA	TOTAL
2021	153,185,631	8,181,957	8,802,032	2,933,515	173,103,135
2022	107,903,489	5,303,645	5,955,187	2,113,485	121,275,806
2023	119,685,971	5,150,630	5,057,613	866,455	130,760,668
2024	153,826,759	59,148,392	4,487,940	866,455	218,329,546
2025 and subsequent years	79,593,348	9,912,425	2,221,969	0	91,727,742
TOTAL	614,195,198	87,697,049	26,524,740	6,779,910	735,196,897

The amount of short-term debt incorporates around 21.7 million euros related to current accounts guaranteed and authorized overdrafts, and the amount of 20.78 million euros related to bond loan operations in which there is an agreement between the counterparties for the refinancing, and 58.93 million euros of commercial paper, of which 49.3 million euros of revolving debt placed with institutional investors. The short-term residual debt will amount to 63.3 million euros, representing about 8% of the consolidated debt.

In this context, the Grupo agreed to refinancing the bond instalment maturing in January 2021 in the amount of 36 million euros in bilateral financing operations.

Grupo estimates that there is a need to refinance part of the short-term residual debt, a process which is carried out together with current and potential new funders.

36. Suppliers

	2020	2019
Suppliers - current account	154,229,505	151,248,609
Suppliers - securities payable	0	15,290
TOTAL	154,229,505	151,263,899

37. Other accounts payable and other liabilities

37.1 Other accounts payable

	2020	2019
NON-CURRENT		
Investment subsidies	113,999,978	10,191,372
Debt related to purchasing subsidiaries - Contingent remuneration	25,831,567	9,515,035
Selling option related to the purchasing of subsidiaries	7,580,838	0
Debt related to purchasing subsidiaries	12,500,000	0
Others	12,689,242	9,219,995
Total non-current	70,001,624	28,926,401
CURRENT		
Factoring	18,780,672	23,001,893
Discount on export shipments	9,815,951	14,055,213
Express Bill	8,041,245	1,712,542
Confirming	43,367,236	40,973,275
Investment suppliers	2,922,305	13,514,231
Investment grants	1,266,664	1,132,375
Advances on account of sales	347,857	350,153
Associated and subsidiary companies	1,009,291	607,087
Debt related to purchase of subsidiaries - Contingent remuneration	7,309,063	3,162,120
Selling option related to the acquisition of subsidiaries	2,500,000	0
Post-employment benefits	316,048	97,293
Customer creditors balances	100,649	58,931
State and other public entities (except income tax)	20,159,605	16,458,069
Personnel	7,531,423	8,072,619
Others	35,436,390	31,871,913
Total current	158,904,398	155,067,712
TOTAL	228,906,022	183,994,114

The increase in the non-current balance of deferred payments for purchasing subsidiaries results from contractual obligations with non-controlling interests in the result of contingent remuneration and put option agreements granted.

Liabilities regarding repurchase options from the holdings of Visabeira Global SGPS, SA and Visabeira Indústria, SGPS, SA under "Others", which amounted to 17.9 million euros on the 31st December 2019, approximately 0.8 million euros were paid in the first quarter of 2021, with a rescheduling of around 5.2 million euros for 2022 and following years.

This is also accounted for under Others relating to deferred payment of subsidiaries in the amount of 12.5M€ with amortizations in 2022/2023 and 2024, contracted with IBERIS BLUETECH FUND, FCR, EUVECA.

37.2. Other liabilities

	2020	2019
CURRENT		
Remunerations payable	16,684,825	15,985,014
Work in progress not invoiced by suppliers.	68,848,576	51,644,322
Derivative financial investments (See Note 41)	31,488	24,776
TOTAL	85,564,889	67,654,112

In 2020, the value of "Ongoing works not billed by suppliers" is essentially related to the telecommunications business, and its increase is related to the increase in turnover.

38. Lease liabilities

With the implementation of IFRS 16, replacing IAS 17, the lessee must measure the "Liability for leases" at the present value of the lease payments which are due on that date.

Non-Current lease liabilities	84,972,131
Current lease liabilities	18,008,985
Closing balance on the 31st of December 2019	102,981,116
Changes to the perimeter	-25,911,034
Increases	39,731,909
Debt amortization	-26,520,473
Closing balance on the 31st of December 2020	90,281,518

As of the 31st of December 2020, lease liability is divided among:

NON-CURRENT	
Financial institution	16,754,463
Other creditors	46174140
Total non-current	62,928,602
CURRENT	
Financial institution	9,856,584
Other creditors	17496331
Total current	27,352,915
TOTAL	90,281,518

38.1. Maturity of lease liabilities

	Portugal	Europe	Africa	Total
2021	9,606,274	15,148,451	615,365	25,370,090
2022	11,434,345	11,313,683	401,175	23,149,203
2023	9,231,137	8,676,573	287,714	18,195,424
2024	4,881,744	5,880,755	101,271	10,863,770
2025 and followings	11,086,721	1,078,937	537,373	12,703,031
TOTAL	46,240,221	42,098,399	1,942,898	90,281,518

39. Financial Risks

Grupo Visabeira's control matrix always prioritises its exposure to a diverse set of risks arising from its different business areas and, therefore, undertakes the management of credit risk and the protection of its treasury as a priority, recognizing, within this context, the importance of credit insurance as an essential instrument, both in the domestic and foreign market.

In this context, the importance of adopting an active management of the different financial risks has always been assumed, in order to minimize its potential negative impacts on the company's cash flow, profit and value. For this reason, always aware of the paramount importance of this issue, Grupo Visabeira promotes an accurate and proactive management of these risks, aiming at applying the most appropriate coverage measures for each situation.

Within this context, the Grupo is fully aware that the success of its operations critically depends on the mitigation and control of any risks that can significantly affect all of its assets (equipment, service quality, information, facilities) and seeks to avoid, thereby jeopardizing its strategic objectives.

Market risk

INTEREST RATE RISK

Grupo Visabeira's exposure to interest rate risk arises mainly from loans obtained, since financial investments are usually short-term investments and loans granted to its subsidiaries are mostly remunerated at a fixed rate. Consequently, impacts arising from changes in interest rates do not materially affect the accounts.

The balance of the consolidated financial debt of the Grupo Visabeira by the end of December 2020 was contracted, for the most part, at the indexed interest rate, and the main indexing factor was the Euribor rate at the different maturities for domestic financing, and the Libor rate for loans in dollars, mostly granted to foreign companies. Aiming at reducing the risk of interest rate fluctuation, in 2018, the Grupo issued a fixed rate bond loan to the amount of 55 million euros.

On the date of the statements of financial position, Grupo Visabeira has open positions classified as hedging instruments associated with this index for 1.6 million euros, contracted in 2015 with a mark-to-market value of -31.5 thousand euros, as follows:

Company	Description	Nominal value	Operation type	Average maturity	Economic target
Naturenergia, SA	Swap Euribor 3M	1,624,221	Interest Rate Swap	8 years	Eliminate the risk of variation of the interest rate on financing

The fair value of all these derivative financial instruments is reflected in the statement of financial position, as follows:

Company		Book value 2020	Book value 2019
Naturenergia, SA	Swap Euribor (3M€)	-31,488	-24,776
TOTAL		-31,488	-24,776

Having started the year with a value of -0.379%, the 2-month Euribor by the end of the year settled at -0.545%. With Euribor at very low levels and with a stable short-term trend, Grupo Visabeira estimates that the impacts arising from changes in this index will not have a significant impact on its accounts in the short term.

EXCHANGE RATE RISK

Grupo Visabeira, within its various areas of activity, is exposed to exchange rate and transaction risks. Exposure to transaction risk refers to potential changes in the value of outstanding obligations due to changes in exchange rates between the start date and settlement date and are reflected in profit-and-loss for the period. Exposure to foreign exchange risk results from the translation into national currency of the financial statements of its subsidiaries, whose assets and liabilities are denominated in currencies other than the reporting currency of the consolidated accounts - Euro - and are reflected in equity, under exchange conversion reserves.

The Grupo holds assets and liabilities denominated in US dollars in different countries and subsidiaries, which allows partially hedging exchange rate risk vis-à-vis that currency. In foreign markets, particularly Angola and Mozambique, local companies import goods and services from the European market in euros, billing customers in kwanzas and meticals, respectively. These markets usually present a devaluation trend against the "strong" currencies, the Euro and the US Dollar. In Mozambique, during the previous year, there was a devaluation of 21.84% of the metical against the US dollar and 33.56% of the metical against the euro. The European currency has become the benchmark for the Angolan market since the beginning of 2017 due to restrictions that affected the corresponding banks. The Angolan government initiated in 2018 a process leading to a devaluation of the currency, eliminating the peg against the dollar, through auctions limited in volume and exchange rate, controlled by the BNA, under the Macroeconomic Stabilization Program. In 2019, an Extraordinary Session of the Monetary Policy Committee of the BNA took place, which introduced new objectives in the context of the reform that had been carried out. The National Bank of Angola decided, at the end of that year, for the implementation of a floating exchange rate regime in which the exchange rate is freely defined by the market, i.e., according to the demand and supply of foreign currency. Throughout 2020, the BNA continued the process of liberalizing the foreign exchange market, having updated and clarified the rules and procedures for making payments on the foreign exchange transactions of invisible currents, goods and capital and continued to witness a depreciation in the currency that registered a devaluation of around 47.63% against the EUR at the end of the year and around 34.71% against the US dollar, when compared to the same period of the previous year. Consolidated financial results include a currency impact from Angola of 5.1 million euros. The expression of the adjustment to the exchange rate level, especially in the last three years already reflects, to a large extent, the corrections that were imposed, which, although there is still a difference of around 25% compared to the level that is practised in the informal market. Thus, a further devaluation of the currency may still be recorded in 2021, but it should not have the same expression as that already occurred.

M.J. QUINN, a company purchased in 2018 and operating in the United Kingdom within the telecommunications infrastructures sector for British Telecom. The company trades in British Pounds, so it is not exposed to relevant transaction risks. Integrating the company in the consolidated accounts is subject to the exchange rate fluctuation of the British Pound against the Euro - transpose risk. Future dividends will also be exposed to said exchange rate fluctuation. The British Pound started the year at 1.17547 Euros and ended the year at 1.10531 Euros.

CREDIT RISK

Credit risk is an important and complex activity that is present in the everyday life of most companies of Grupo Visabeira, whatever the nature of their business. Risk assessments imply credit decisions, at times, based on incomplete information, within a scenario of uncertainty and constant change. Considering the business itself, the business areas in which it operates, or the risk of the region and country, the classification and assessment of the credit risk of a given customer is usually summarised in a credit record, which includes available and relevant information such as the customer's nature, management capacity, assets, history, financial information, credit guarantees and payment terms and others that will inform an opinion on a given credit transaction. The assessment of credit risk reflects the multiplicity, quality and origin of the information available to the credit analyst.

Grupo Visabeira maintains the policy underwriting in Portugal, Germany, Spain, the United States of America, Brazil and France, delegating in first instance the analysis of credit granting in professionals specialised in the collection and recovery of debts, receiving from the credit insurer an assessment of the exposure - credit limit - adjusted to the creditworthiness of each customer. Thus, management can be primarily focused on operational issues. Covering this risk allows for compensation of 90% of unpaid customer credits. The last few years have been marked by an increase in restrictions on granting credit in general, with credit limits having been subject to significant unfavourable reviews. In view of this scenario, and in order to respond to credit risk coverage needs - for which the limits granted under the base policies are insufficient - Grupo Visabeira contracted additional coverage to support exports, allowing for an increase in the partial coverage of its risks, complementing, up to double, the amount granted in the base policy in the OECD markets. At the same time, it is the organization's purpose to obtain coverage for risks that have no value attributed in the aforementioned base policy, through non-recourse factoring. The added constraints in the external hedging of loans entail a greater precision and stricter requirements in assessing applications for internal credit.

Also relevant is the amount received as advance payment or payments in cash, which, in the year under review, represented a volume of about 7% of turnover, with a special contribution from the cable TV and Internet distribution, tourism, restaurants and leisure businesses. Loans granted to external entities, which also act as suppliers of the Grupo, had, in 2020, a weight of 0.6%.

Companies in the Grupo Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, which accounted for about 52% of consolidated turnover in 2020. This group includes entities such as local telecommunications operators, generally directly held by the Government of each country, replacing credit risk with political risk. Examples of most prestigious operators in the Grupo's portfolio: Orange (France Telecom); British Telecom; Proximus (Belgacom); Deutsche Telekom; MEO – Serviços de Comunicações e Multimédia; NOS Comunicações; EDP Distribuição; GRDF – Distribution de Gaz Naturel en France; ERDF – Electricite Reseau Distribution France; EDM – Eletricidade de Moçambique; TDC A/S; Huawei Technologies Denmark Aps; Hidroelectrica de Cahora Bassa; Vodacom Moçambique; and natural gas concessionaires, among others.

LIQUIDITY RISK

Grupo Visabeira manages liquidity risk in such a way as to ensure the financing of assets by maturity date and at appropriate rates and the timely settlement of its financial commitments, while maintaining appropriate cash balances and short-term credit lines, which allow for the proper management of cash to meet short-term financial commitments. The maturity of the debt is disclosed in Note 35.4.

In order to minimize the impacts caused by the Covid-19 pandemic, several countries throughout the year launched some measures aimed at supporting and reducing the direct impacts that this outbreak could cause on companies and their employees. Measures such as simplified layoff, capital and/or interest moratorium on current loans, as well as new lines of support for the economy with more accessible financial conditions were some of the actions carried out and which companies could access. As a result of the application of the legal moratorium, which allowed for introducing a grace period for capital and interest to service the debt of some operations in progress, liabilities were deferred in the amount of 15 million euros, in loans obtained and 9.3 million euros in treasury support lines such as confirming. In 2020, support lines to the economy launched by different governments were contracted, in the amount of 37 million euros. Agreements were also made for the rescheduling of 14 million euros in bilateral operations and several new lines to increase liquidity were contracted, which reached around 32 million euros.

Grupo reinforced its strategy of diversifying funding sources. In December 2020, the registration of the € 50 million commercial paper program in the Mercado Alternativo de Renta Fija (MARF) in Spain was renewed, with active issues growing from €15 million in 2019 to € 41.8 million in 2020, reinforcing the strategy of progressively reducing dependence on national banks. Grupo also contracted syndicated bond issues with the national banks, in the amount of 28.9% maturing in 2025, in addition to several other refinancing operations.

The new investments made in industrial companies were financed with maturities between six and seven years.

During 2021, taking into account that the amount of the debt, presented in the statement of financial position on the 31st of December 2020 as payable in the short term, incorporates 23.5 million euros in terms of secured current accounts and authorized overdrafts, as well as 49.3 million euros of revolving debt with corporate investors, we believe that the short term debt that may be subject to refinancing will amount to 107 million euros, representing about 13% of the consolidated debt. Under the same assumption, if cash and cash equivalents are taken into account (although around 11.5 million euros may be subject to the restrictions currently maintained in transferring foreign currency from Angola and Mozambique), the residual short-term net debt that may be subject to refinancing will be fully covered by the value of the Cash and cash equivalents, which can also be addressed with the operational flows released during the year.

Grupo Visabeira, through its policy of concentrated management, ensures that the cash holdings as well as the investments of all the Grupo's companies are managed by a global and centralized organization, especially working for this purpose. Thus, allowing to reduce liquidity risks, as well as avoiding exposure to variations that may affect the companies' profit.

The Grupo has financing lines approved under the Portugal 2020 program and with financial institutions amounting to 18 million euros. The Grupo will seek to obtain specific funding for the remaining investments planned for 2020. Moreover, the purpose is to negotiate as well the partial revolving of some short term commitments, whose renewal we consider to be a strong favourable forecast, as it focuses on partner entities with whom there are long relationships. Grupo also has lines of support to the current cash in the form of factoring, payment to suppliers and discount of documentary collection to the amount of 50 million euros, available at the end of 2020. The use of factoring, on the other hand, allows for a reduction in the average receivable terms with the inherent anticipation of receipts and, at the same time, facilitates better cash management. This policy ensures as well that the working capital necessary to finance the operating cycle, which is fundamental to a sustained economic and financial growth. On 31st December 2020, amounts paid in advance by customers in this format stood at 13.4 million euros. The Grupo has additionally contracted short-term current accounts to meet occasional cash needs.

It should also be noted that the Grupo's cash and cash equivalents amounted to 154.9 million euros, mostly concentrated in European countries, which in itself represents an important source of liquidity.

The short-term debt of Grupo Visabeira is rated "B" by ARC Ratings, which means that the Grupo currently has a strong capacity to meet its financial commitments. ARC Rating also assigned a rating for the medium and long term, classifying the capacity to fulfil short-, medium- and long-term financial commitments with BB+, having changed the Outlook from negative to stable.

The general liquidity ratio in the consolidated accounts was 0.9 in 2020, which demonstrates the adequacy of the financing of current assets by current liabilities. Taking into account that current liabilities include support lines for commercial activity amounting to 78 million euros and which are of a revolving nature, the liquidity ratio is at 1.0.

GRUPO VISABEIRA'S CAPITAL MANAGEMENT

For purposes of Grupo Visabeira's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the parent company's shareholders.

The main purpose of the Grupo's capital management is to maximize shareholder value. Grupo Visabeira manages its capital structure and makes changes based on economic changes and financial covenant requirements. To optimize its capital structure, Grupo has several mechanisms such as the distribution of dividends, return of capital or issuance of new shares. Grupo monitors its capital using the Gearing ratio as a reference, which is net debt divided by total capital plus net debt. Grupo includes in its debt: loans, lease liabilities and operating debt less cash and short-term deposits.

	2020	2019
Total bank loans (Note 35)	735,196,896	718,058,680
Total lease liability (Note 38)	94,506,535	102,981,116
Factoring (Note 37.1)	18,698,535	23,001,893
Confirming (Note 37.1)	55,337,466	40,973,275
Discount of documentary collection (Note 37.1)	9,889,816	14,055,213
Express Bill (Note 37.1)	1,040,171	1,712,542
Cash and cash equivalents (Note 30)	-154,837,853	-69,816,007
NET DEBT	759,831,563	830,966,712
Total Equity	369,794,761	489,610,135
CAPITAL AND NET DEBT	1,129,626,324	1,320,576,847
GEARING RATIO	67%	63%

To achieve this purpose, the Grupo's capital management, among other things, aims to ensure compliance with financial clauses associated with the loans. There were no financial agreements non-compliance of any loan during the current period.

No changes were made to capital management purposes, policies or processes during 2020 and 2019.

OTHER DISCLOSURES ON FINANCIAL INSTRUMENTS

As defined by IFRS 9, the carrying value of each of the categories provided is broken down as follows:

	2020	2019
Financial assets recorded at amortized cost		
Customers	132,574,197	129,517,805
State and other public entities	1,914,499	6,105,685
Other receivables	29,571,669	19,881,551
Cash and cash equivalents	154,837,853	69,816,007
Other financial investments recorded at fair value through other comprehensive income		
Listed shares	1,243,887	1,231,757
Other financial instruments measured at fair value through profit or loss		
Listed shares	332,812	531,955
Cash flow hedging derivatives recorded at fair value	31,488	24,776
Financial liability at amortized cost		
Long-term debt	565,093,762	597,380,157
Short-term debt	170,103,135	120,678,524
Suppliers	149,512,047	151,263,899
Other accounts payable	229,398,463	183,994,114

MEASUREMENT AT FAIR VALUE

The following table presents the fair value hierarchy of the assets and liabilities held by the Grupo, as of the 31st of December 2020 and 2019:

Assets measured at fair value - 2020				
	Total	Level 1	Level 2	Level 3
ASSETS MEASURED AT FAIR VALUE				
Investment properties	311,148,821			311,148,821
Listed shares	1,576,698	1,576,698		
ASSETS MEASURED AT FAIR VALUE				
Financial instruments - Swaps	31,488		31,488	
Assets measured at fair value - 2019				
	Total	Level 1	Level 2	Level 3
ASSETS MEASURED AT FAIR VALUE				
Investment properties	435,837,861			435,837,861
Listed shares	1,763,712	1,763,712		
ASSETS MEASURED AT FAIR VALUE				
Financial instruments - Swaps	24,776		24,776	

No transfers between levels 1 and 2 were made in the financial years 2020 and 2019.

The fair value of loans paid to banks is considered close to their book value, given the recent renegotiation of the most significant loans and the market rates applied.

40. Contingencies

A) PROCEEDINGS WITH PROBABLE LOSSES

On the 31st of December 2020 and 31st December 2019, continue several legal claims and other tax contingencies filed against various companies in the Grupo, which are classified as proceedings with probable losses, in accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets. Based on the opinion of internal and external legal advisers, the Grupo recorded provisions (note 41) for these legal claims and tax contingencies in order to face the likely outflow of resources.

B) PROCEEDINGS WITH POSSIBLE LOSSES

On the 31st of December 2020 and 2019, there were several legal claims and other tax contingencies filed against certain companies in the Grupo, for which the possibility of future cash disbursement was considered possible, according to information from lawyers and advisers following these proceedings, and for this reason, no provisions were recorded. The detail and nature of those proceedings are as follows:

	2020	2019
Civil liability	272,000	269,896
Other contingencies	14,687,033	23,052,174
TOTAL	14,959,033	23,322,070

No significant losses are expected to result from these proceedings.

41. Provisions for other risks and expenses

	2020	Increases / Decreases	2019
Provisions			
Retirement Pensions Vista Alegre	1,138,586	-55,744	1,194,330
Other retirement pensions	1,717,221	476,345	1,240,876
Others	3,001,284	-1,807,284	4,808,568
TOTAL	5,857,091	-1,386,683	7,243,775

41.1 Retirement Pensions

Grupo Vista Alegre has a number of defined benefit pension plans in place, some of which are managed by the Pension Funds specially constituted and managed by the actuarial society (Futuro- Sociedade Gestora de Fundos de Pensões, S.A.) and others are borne by the Grupo itself ("Plano de benefícios definido – sem Fundo").

There are two funds managed by Futuro - Sociedade Gestora de Fundos de Pensões, SA:

- One ("Ex-Atlantis" [Former Atlantis]), called Adesão Coletiva Atlantis, has an indeterminate duration. All employees of Vista Alegre Atlantis, SA, from Ex - Atlantis – Cristais de Alcobaça, S.A, working for the Subsidiary's until the 31st December 2013, and who meet the requirements of eligibility provided for in the Pension Plan, which is to say all participants who are 65 years old, and who have worked at least ten years for the subsidiary, are entitled to a supplementary old-age pension calculated in accordance with the Pension Plan. This fund is financed by the Viva Pension Fund.
- Other ("Former Vista Alegre" and "Vista Alegre Grupo"), called the Fundo de Pensões Grupo Vista Alegre, also of indefinite duration, which includes the employees of Vista Alegre Atlantis SA, from the former Fábrica de Porcelana da Vista Alegre, S.A. and from Vista Alegre Grupo-Vista Alegre Participações SA. who have signed an individual employment agreement before the 20th December 1976 and that are covered by the Collective Agreement for the Ceramic Industry. Grupo Vista Alegre pension plan is financed by the Grupo Vista Alegre Pension Fund.

The responsibilities of the Grupo on the 31st December 2020 and 2019 are the following:

	2020	2019
Liabilities - Provisions for retirement pensions		
Retirement benefits - Benefit plan managed by Grupo VAA	-1,138,586	-1,194,330
Asset - Accrued income		
Retirement benefits - Defined benefit plan with constituted fund	8,294	186,530

On the 31st of December 2020 and 2019, the Grupo Vista Alegre maintains a recognized provision (included in the "unfunded" component), which refers to the responsibilities with a pension supplement of a former administrator of the Grupo Vista Alegre, based on actuarial calculation made by the entity Futuro, Sociedade Gestora de Fundos de Pensões, SA, in the amount of approximately 727 thousand euros and 736 thousand euros, respectively. On December 2014, the Supreme Court condemned VAA – Vista Alegre Atlantis SGPS, S.A. to pay a complementation of the life retirement pension to a former director, in the total annual amount of 230,923.38 euros, to pay in 12 monthly instalments in the amount of 19,243.62 euros each, updatable annually according to the official inflation index, having already been paid until the 31st of December 2018 the amounts due until February 2018, in accordance with the settlement concluded between the parties.

From February 2018 (date from which the former administrator became retired), considering the analysis and position of the Grupo Vista Alegre legal advisors, the amount of the complementation of the retirement pension assigned to the former administrator was reduced (from 20.8 thousand euros to 7.5 thousand euros) under certain legal provisions, in particular the provision which prohibits commercial companies the award of pensions to a director higher than the high remuneration of the administrator with executive functions.

Thus, during 2018 and 2019 the former director delivered an executive application related to the payment of the difference between the amount that the Vista Alegre Atlantis SGPS, S.A. was ordered to pay and the amount effectively paid from February 2018, while the company has presented an appeal to court decision. A security deposit of approximately EUR 292,000 is also being established to deal with the above-mentioned process.

The provision constituted on 31st December 2020 approximately to the amount of 727 thousand euros (during 2020 financial year, a 42 thousand euros provision was strengthened), is the best estimate of the Company's Executive Board of Directors with respect to future expenditures with the complementation of the retirement pension to that former director.

The table below summarises the composition of net pension costs for the years ended on the 31st of December 2020 and 2019 recognised in the consolidated income statement as staff costs:

	2020	2019
Operating costs		
Defined benefit plan managed by the Grupo VAA and active personnel	-1,743	-9,400
Defined benefit plan with a fund set up	-32,278	-32,421
Operating income		
Defined benefit plan with a fund set up	17,588	29,135
Net Amount	-16,432	-12,686

DEFINED BENEFIT PLAN MANAGED BY GRUPO VAA AND ACTIVE STAFF

Obligations arising from these plans are directly met by the Grupo and they are currently estimated, on the date of closure of accounts, by a specialised entity (Futuro Grupo Montepio).

Operations of the Grupo VAA during the financial year:

	2020	2019
Balance on the 1st January	1,194,330	1,359,715
Costs with interest + actuarial gains/losses + increase in provisions + corrections on exerc Previous	6,513	-142,812
Retirement benefits paid	-62,257	-22,573
Balance on the 31st January	1,138,586	1,194,330

Defined benefit plan with a fund set up

Liabilities resulting from these plans are covered by an autonomous pension fund managed by a specialised entity (Futuro Grupo Montepio).

Amounts recognised in the balance sheet of the Grupo VAA:

	2020	Variation	2019
Present value of bonds	-1,901,344	426,068	-2,327,411
Market value of the fund	1,909,638	-604,304	2,513,941
Assets recognized in the balance sheet	8,294	-178,236	186,530

41.2 Other pensions

According to the General Law in France, an estimate is made of the amount payable to employees when they reach retirement age.

However, to date, companies have not been forced to make any payment.

	2020	Increases / Decreases	2019
Company			
Constructel	882,525	352,859	529,666
Gatel	62,009	11,304	50,705
Escotel	772,687	112,182	660,505
TOTAL	1,717,221	476,345	1,240,876

41.3 Others

The provision appearing in the line item "Other" is intended primarily to cover liabilities estimated based on the information obtained from lawyers and arising from proceedings related to contracts, labour and taxes, in which Grupo companies are involved.

42. Guarantees provided

	2020	2019
Guarantees provided		
Actual guarantees	232,628,058	377,564,426
Financial guarantees	23,650,228	22,542,319
Technical guarantees / good workmanship	39,214,131	18,326,490
TOTAL	295,492,417	418,433,235

In 2020, real guarantees represent a value of 233 million euros and relate to guarantees provided under leasing contracts (26.9 million euros) and loans (128 million euros), especially for Visabeira Global, and there are guarantees of 20 million euros for TVCabo Angola and around 64 million euros for anticipation of receivables from customers.

The bond loan issued by Vista Alegre Atlantis, GPS, SA in the amount of 50 million euros is guaranteed by pledge of Ria Stone shares, pledge of bank account and guarantee of relevant subsidiaries.

Due to the sale of Movida, during 2020, there was a large decrease in the real guarantees provided, justified by the change in the aforementioned group.

On the 31st of December 2020, the technical and financial guarantees provided to third parties as bank guarantees and bond insurance, namely to customers whose works are in charge of different companies that make up the Constructel Visabeira's group of companies, detailed by currency, are presented as follows:

	2020
Guarantees provided	
EUR	41,645,952
AOA	1,793,428
USD	17,840,870
MZN	756,671
ZAR	594,208
DKK	125,490
AED	107,740

On the 31st of December 2020, the details of the guarantees provided by company are detailed as follows:

	2020
Guarantees provided	
JF Edwards CC (USA)	16,904,660
Edivisa (PT)	11,463,071
Grupo Visabeira (PT)	9,541,177
Visabeira infraestruturas (PT)	6,037,743
Grupo Vista Alegre (PT)	4,032,023
VAA - Empreendimentos Turísticos (PT)	1,978,081
Constructel Bélgica (BE)	1,925,809
TV Cabo Angola (AO)	1,789,727
Empreendimentos Turísticos Montebelo (PT)	1,470,309
Visabeira Global (PT)	1,189,406
Other	6,532,351
TOTAL	45,959,699

43. Related parties

	Years	Sales to related parties	Purchases from related parties	Other income	Interest paid	Interest earned	Amounts receivable from related parties	Amounts payable to related parties
Associated companies and other capital holdings	2020	827,093	582,705	0	0	56,933	23,410,253	5,653,483
	2019	488,944	1,043,049	4,069,000	14,148	0	17,171,920	2,477,999
Shareholders	2020	1,895,804	1,573,236	0	0	91,667	5,472,981	8,711,696
	2019	270,003	149,279	0	0	2,571,003	2,592,182	4,013,644

During 2020, following the process initiated for the purchase of the Grupo EIP, SA set of assets (Note 7), the Grupo lent EIP a sum of 2 million euros for treasury management, disclosed in other non-current assets.

In December 2020, Grupo Visabeira sold its shares held in the company Movida to its shareholder NCFGest, SA (see Note 8) and acquired 244,256 shares, with a unit value of one hundred euros each, corresponding to 100% of the capital of FIMMO – Fundo Esp. Inv. Imob. Fechado. The balances with the shareholders can be divided into two different types, one concerning balances relating to the Special Taxation Regime of Group of Companies, since the shareholder NCFGest, SA, became in 2020 the consolidating entity, while another part concerns the debt owed by entities in the African market, related to the acquisition of materials from NCFGest, SA, included in its operation as a trader.

44. Subsequent events

The first quarter of 2021 continues to be very marked by the negative effects of the Covid-19 pandemic, which keeps the countries where the Grupo operates under measures and restrictions imposed by different governments.

Therefore, the Grupo has been taking the necessary measures to adjust to the markets and the health situation of the countries in which it operates.

OPERATIONAL ACTIVITY

In the Telecommunications Network, Energy and Gas Engineering Services segment, the grupo's core area, the impacts will not be significant and the recovery will be faster. Grupo Visabeira is the preferred partner of the incumbent operators in the different countries it operates in, with multi-year contracts that guarantee activity even in scenarios of greater instability. It should be noted that European operators have reinforced investment plans in order to respond to growing communication needs and new demands arising from the current pandemic crisis and the growth of home working.

As published on the market on the 5th of February 2021, the worsening of pandemic conditions in the country, together with suspension of retail trade activities of Grupo Vista Alegre and the closure of its stores, also determined the implementation of preventive and response measures. The use of lay-off, namely in the retail channel, was one of the measures adopted.

Vista Alegre has already secured new supply contracts totalling more than 20 million euros for the second, third and fourth quarters of 2021. These values are added to the existing and dynamic order portfolio of its vast distribution network, which has shown a great deal of activity. Europe is the main destination for these new supplies, with emphasis on France, Germany and the Scandinavian countries, but it should also be noted that a significant part (25%) goes to the Asian continent.

The reduction in sales, due to the fact that the network of the stores owned in Portugal was closed between January and April 2021, and a strong global slowdown in sales to the Hotels and Restaurants channel, had an impact on results during the first quarter. In these channels, Grupo expects to experience recovery at the beginning of the second quarter.

These new supply contracts, together with the normal order portfolio, represent an important basis for the Grupo to be able to maintain an activity with good occupancy levels.

The hotel and restaurant sectors were particularly affected by the social distancing measures taken by the Government; in fact, the six hotels that the Grupo owns in Portugal have been completely closed since January, as well as all restaurants, using lay-off measures. In this sector, even in the scenario of reducing the measures associated with the pandemic crisis reported by the Government: social distancing restrictions and the risk of contamination will remain for some time, delaying the recovery of the necessary confidence for recovery of this sector. The impact on the consolidated accounts should not, however, be very relevant as this sector contributes with only 2% of the consolidated turnover;

INVESTMENTS

Worthy of mention is the approval of the revitalization plan of EIP, SA, on the 6th of April 2021, which continues the business carve out process in Portugal for EIP Serviços, a company which during 2021 will become part of Constructel Visabeira, on account of the financial investments already made by this company in 2020.

TREASURY AND REFINANCING

The Grupo believes that the financing contracts which had been signed, as well as the experience with the financial institutions with which it has a partnership, with no history of non-compliance, allow the Grupo to manage any additional needs for funds to maintain its activity during this period of uncertainty.

Therefore, at this date, there is no significant change in the pace of production and profitability that could affect the liquidity level of operations in the different markets and in the Grupo as a whole. However, several actions to safeguard this level of liquidity have been, are and will continue to be implemented in the different companies, business activities and markets of the Grupo.

Regarding compliance with contractual conditions in terms of financial ratios resulting from the bond loan contracted by Vista Alegre (Note 35.3), the Grupo has been carrying out preparatory work aimed at requesting an adaptation and adjustment to the aforementioned financial ratios for the impacts resulting from the current crisis, and the Executive Board of Directors believes that such changes will be implemented.

Furthermore, on what the holding company is concerned, there are also contractual conditions related to financial ratios, which the Grupo will continue to monitor, and depending on the evolution of the adverse effects of the pandemic, will assess the need to adapt.

At the date of this report, the Grupo's Executive Board of Directors believes that it has adequate resources to maintain its activities and that the use of the assumption of continuity of operations in the preparation of these financial statements remains adequate.

There were no other events subsequent to the date of the Statement of Financial Position and up to the date of the accounts issuing that could have a material impact on the financial statements.


Viseu, 11th of June 2021

The Certified Accountant



Member CC # 77089

The Executive Board of Directors



Ottawa



Assessment and certification documents

Dili



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Certificação Legal das Contas

RELATO SOBRE A AUDITORIA DAS DEMONSTRAÇÕES FINANCEIRAS CONSOLIDADAS

Opinião

Auditámos as demonstrações financeiras consolidadas anexas de Grupo Visabeira, S.A. (o Grupo), que compreendem a Demonstração Consolidada da Posição Financeira em 31 de dezembro de 2020 (que evidencia um total de 1.847.502.955 euros e um total de capital próprio de 369.794.761 euros, incluindo um resultado líquido de 22.003.332 euros), a Demonstração Consolidada dos Resultados por Naturezas, a Demonstração Consolidada do Rendimento Integral, a Demonstração Consolidada das Alterações no Capital Próprio e a Demonstração Consolidada dos Fluxos de Caixa relativas ao ano findo naquela data, e as notas às demonstrações financeiras consolidadas que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada de Grupo Visabeira, S.A. em 31 de dezembro de 2020 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data, de acordo com as Normas Internacionais de Relato Financeiro (IFRS), tal como adotadas na União Europeia.

Bases para a opinião

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISA) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção "Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas" abaixo. Somos independentes das entidades que compõem o Grupo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Ênfase

Na Nota 44 das notas às demonstrações financeiras, o Conselho de Administração Executivo divulga as principais incertezas e desenvolvimentos resultantes da pandemia Covid-19 (Coronavírus), estimados para o Grupo Visabeira, S.A. e suas subsidiárias, com base na informação disponível à data, salientando-se o potencial efeito desta situação no cumprimento dos rácios financeiros contratualizados pelo Grupo. A nossa opinião não é modificada em relação a esta matéria.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras consolidadas

O órgão de gestão é responsável pela:

- ▶ preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa do Grupo de acordo com as Normas Internacionais de Relato Financeiro (IFRS), tal como adotadas na União Europeia;
- ▶ elaboração do Relatório Consolidado de Gestão nos termos legais e regulamentares;
- ▶ criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorções materiais devido a fraude ou a erro;
- ▶ adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- ▶ avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira da Entidade.



Grupo Visabeira, S.A.
Certificação Legal das Contas
31 de dezembro de 2020

Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança mas não é uma garantia de que uma auditoria executada de acordo com as ISA detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISA, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- ▶ identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- ▶ obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;
- ▶ avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- ▶ concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades;
- ▶ avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e os acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- ▶ obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos os responsáveis finais pela nossa opinião de auditoria; e
- ▶ comunicamos com os encarregados da governação, incluindo o órgão de fiscalização, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificado durante a auditoria.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do Relatório Consolidado de Gestão com as demonstrações financeiras consolidadas.



Grupo Visabeira, S.A.
Certificação Legal das Contas
31 de dezembro de 2020

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o Relatório Consolidado de Gestão

Dando cumprimento ao artigo 451, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o Relatório Consolidado de Gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras consolidadas auditadas e, tendo em conta o conhecimento e a apreciação sobre o Grupo, não identificámos incorreções materiais.

Porto, 9 de julho de 2021

Ernst & Young Audit & Associados - SROC, S.A.
Sociedade de Revisores Oficiais de Contas
Representada por:

A handwritten signature in dark ink, appearing to read 'Rui Manuel da Cunha Vieira', is written over a light blue horizontal line.

Rui Manuel da Cunha Vieira - ROC n.º 1154
Registado na CMVM com o n.º 20160766



RELATÓRIO E PARECER DA COMISSÃO PARA AS MATÉRIAS FINANCEIRAS CONTAS CONSOLIDADAS

Senhores Acionistas

Em cumprimento do disposto na alínea g) do art.º 420º, conjugado com o nº 1 do art.º 508-D do Código das Sociedades Comerciais, compete-nos emitir o Relatório anual sobre a nossa ação fiscalizadora e dar Parecer sobre o Relatório de Gestão das contas consolidadas, apresentados pelo Conselho de Administração Executivo do GRUPO VISABEIRA SA, referente ao exercício findo em 31 de dezembro de 2020.

No decurso do exercício acompanhámos a atividade da Entidade tendo efetuado os seguintes procedimentos:

- Verificámos, com a extensão considerada necessária, os registos contabilísticos e documentos que lhes servem de suporte.
- Verificámos, quando julgámos conveniente, da forma que julgámos adequada, a existência de bens ou valores pertencentes à Entidade ou por ela recebidos em garantia, depósito ou outro título.
- Verificámos que a definição do perímetro de consolidação e as demais operações de consolidação efetuadas estão de harmonia com o estabelecido nas normas de consolidação aplicáveis.
- Apreciamos os Relatórios e Pareceres emitidos pelos órgãos de fiscalização das empresas integradas no perímetro de consolidação.
- Verificámos a adequabilidade dos documentos de prestação das contas consolidados.
- Verificámos que as políticas contabilísticas e os critérios valorimétricos adotados nas contas consolidadas, as quais são preparadas de acordo com as Normas Internacionais de Relato Financeiro, tal como adotadas na União Europeia, conduzem a uma adequada apresentação do património e dos resultados do Grupo do qual a Entidade é a empresa-mãe.
- Confirmámos que o Relatório de Gestão das contas consolidadas, a Demonstração Consolidada de Resultados, a Demonstração Consolidada do Rendimento Integral, a Demonstração da Posição Financeira Consolidada, a Demonstração Consolidada das Alterações do Capital Próprio, a Demonstração Consolidada dos Fluxos de Caixa e as notas às Demonstrações Financeiras Consolidadas, satisfazem os requisitos legais aplicáveis e refletem a posição dos registos contabilísticos no final do exercício.

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Cap. Social 115 125 630,00€ | NIPC e Mat.C.R.C.Viseu 502 263 628



- Averiguámos a observância pelo cumprimento da lei e dos contratos de sociedade.
- Cumprimos as demais atribuições constantes da lei.

No decurso dos atos de verificação e validação, que efetuámos com vista ao cumprimento das nossas obrigações de fiscalização, obtivemos do Conselho de Administração Executivo e de outros responsáveis, as informações e esclarecimentos que consideramos necessários.

Acompanhámos os trabalhos dos auditores responsáveis pela revisão legal das contas e realizámos as reuniões consideradas necessárias para a obtenção das informações relevantes tendo em vista a Certificação Legal das Contas Consolidadas, sem reservas e com uma ênfase, correspondente à divulgação pelo Conselho de Administração Executivo sobre aos efeitos da pandemia Covid-19 (Coronavírus) no cumprimento dos rácios financeiros contratualizados pelo Grupo e com a qual concordamos.

Face ao exposto somos de parecer que:


- (a) O Relatório de Gestão das contas consolidadas, do exercício findo em 31 de dezembro de 2020, satisfazem os requisitos legais, previstos no Código das Sociedades Comerciais;
- (b) a Demonstração Consolidada de Resultados, a Demonstração Consolidada do Rendimento Integral, a Demonstração da Posição Financeira Consolidada, a Demonstração Consolidada das Alterações do Capital Próprio, a Demonstração Consolidada dos Fluxos de Caixa e as notas às Demonstrações Financeiras Consolidadas, satisfazem os requisitos legais e contabilísticos aplicáveis.

Viseu, 9 de julho de 2021

A Comissão para as Matérias Financeiras


Alberto Henrique de Figueiredo Lopes, Presidente


João Carlos Monteiro de Macedo


António Jorge Xavier da Costa

Grupo Visabeira, SA

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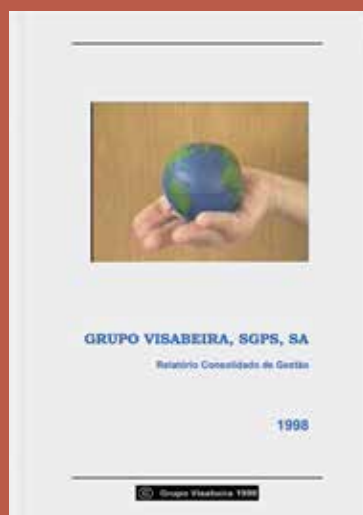


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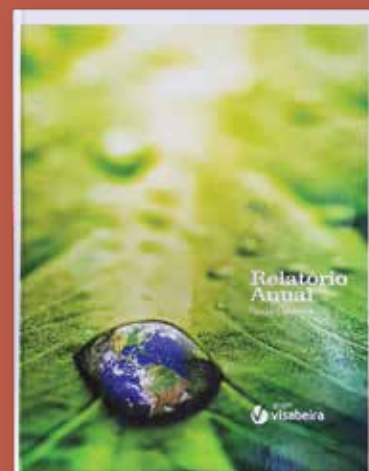
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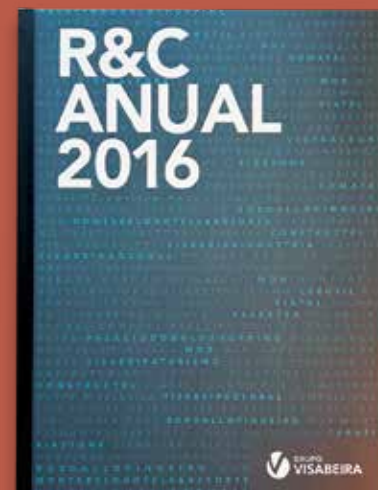
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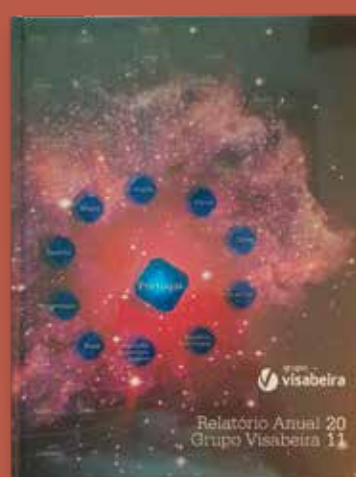
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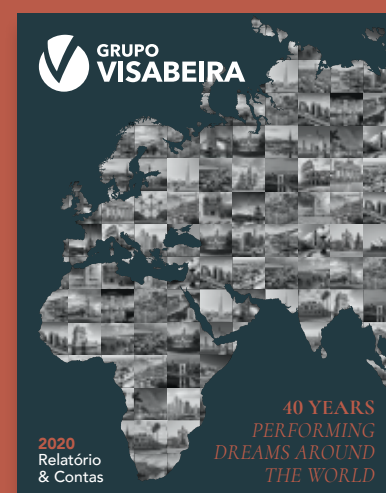
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2020



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