

REPORT & ACCOUNTS 2019



WELCOME

REPORT & ACCOUNTS 2019 GRUPO VISABEIRA

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GRUPO
VISABEIRA

1



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Chairman of the Board of Directors

Fernando Campos Nunes

Growth was the main characteristic of 2019. Growth, such as we forecast a year ago: "we invest in strengthening the bases for a sustainable growth during the next decade"... "with the consolidation of business in countries where we are present and, at the same time, with strong growth and expansion in more countries in Europe, which is admittedly the management's priority." During 2019, the Grupo reached a new historic high by exceeding 910 million euros of consolidated turnover, which represented an important growth of more than 22%, compared to 2018, with the increase in the European market exceeding 33%. EBITDA also recorded a historic performance, standing at 165 million euros, representing a growth of more than 16%.

The *Visabeira* team, fundamental to achieve this success has also grown. We are now more than 12 thousand people committed to building a piece of the future every day. By highlighting a 9,5% growth here, this shows the maximization of efficiency and optimization of resources achieved by all, indicates productivity gains and demonstrates the skills, competence and motivation with which the whole team has achieved a remarkable performance level with a very assertive focus on the company's goals. I am very proud to state that, besides the success measured in figures; I was very moved to realize that many products and services merited recognition by many international organizations, distinguishing us with awards demonstrating the reputation of our brand. We received more than fifty important distinctions which, throughout 2019, enriched our valuable heritage that also tells our story over the years.

I am pleased to highlight that during 2019 we strengthened our presence in the European markets, which already represent 88% of our turnover, with significant growth and we have expanded operations and have

strengthened the confidence of the main telecommunications and electricity operators in Europe. Within the industrial area, it is important to mention the focus on foreign markets and the investment program on innovation, with the expansion, capacity increase and technological upgrade of our plants. This is a strong reality in which we have expanded markets and reinforce the connection of our products to large international brands.

This great challenge of the Grupo's globalization is clear in the safe path we have chosen which during this year was consolidated with a new maximum of 71% of the turnover, regarding foreign markets. Our growing ambition is based on boosting competitiveness and innovation; therefore we are focused on our facilities strategically located in Europe, due to the proximity and effectiveness in responding to emerging trends.

During 2020 we will strengthen this growth and will focus on increasing the geographical scope of our operation, for which we consider it a positive move opening some companies to international investors.

In 2020 we will celebrate our 40th anniversary. During these 40 years our dynamics and growing ambition has guided us to the leading position. However, we want to reinforce a brand which has earned the confidence of the markets for its ability to overcome challenges and to offer products and services which are competitive, innovative, attractive and reliable. At the base of everything is as always an attitude of entrepreneurship, creativity, quality and demanding rigour.

This is a structure which aims at responsible competitiveness and, combined with the commitment to sustainability, is an essential pillar of our strategy, in which we assume an active commitment towards our products, services, our employees as well as towards the environment.

Today, we are stronger, more modern and

better prepared to face future challenges. We have consolidated a brand, hundreds of companies, thousands of products and services, which currently represent our main asset, and of which we are very proud. However, we are going to celebrate this 40th anniversary at a time when humanity is facing a major disaster, which arose unexpectedly and which brought us new and difficult challenges. Today, we still do not know how the situation will evolve nor which will be the actual impact on people and on the society. But our confidence and resilience do not decrease and we are sure of one thing: it is another challenge that we will overcome; we have endured for four decades, the country has stood for nine centuries and the world, as we know it, has endured several millennia, and next year we will celebrate the fifth decade of the Grupo and, as always, we will be ready to overcome new challenges and obstacles, creating opportunities and maintaining a successful path.

In 2020, we will also evolve as far as the company's governance model is concerned, and we will create the General and Supervisory Board, aiming at a greater and clearer separation between executive and supervisory functions, reinforcing the autonomy and participation of independent participants at the supervisory level. Finally, I would like to thank all our partners, suppliers, employees, customers, shareholders, entities and institutions, who are part of our success and with whom we will move towards a better future. Always with unwavering commitment as a vision for the future, we are focused on rigour and excellence, promoting an increasingly stronger and global group, capable of overcoming ongoing challenges. Our first goal is that our products and services are recognised and valued all over the world and we aim to exceed people's needs and expectations.

71%
of the turnover
generated from
external markets

910 million euros
of turnover
as a result of an
increase of 22%




Fernando Campos Nunes
Chairman of the Board of Directors



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.



Creativity_
Innovation_
Dynamism_
Competitiveness
Ambition_

Vision Mission Values

**To improve the everyday lives
of thousands of people,
all over the world.**

MISSION VALUES

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 transdisciplinarity that defines us, we manufacture 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.

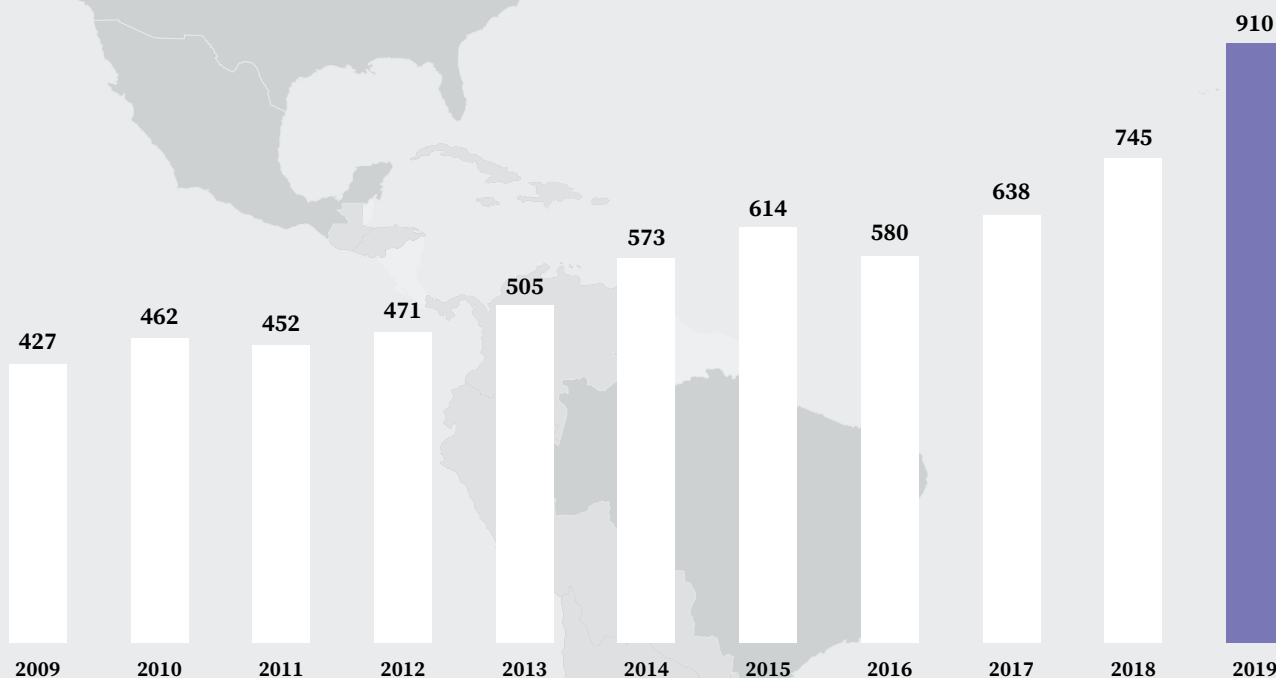
The values we assume as defining elements of the Visabeira brand are common to all the professionals and the different areas of the organisation, proving to be decisive for the Grupo's evolution and its continued success.

A DECADE IN NUMBERS

A DECADE IN NUMBERS

TURNOVER

910 M€

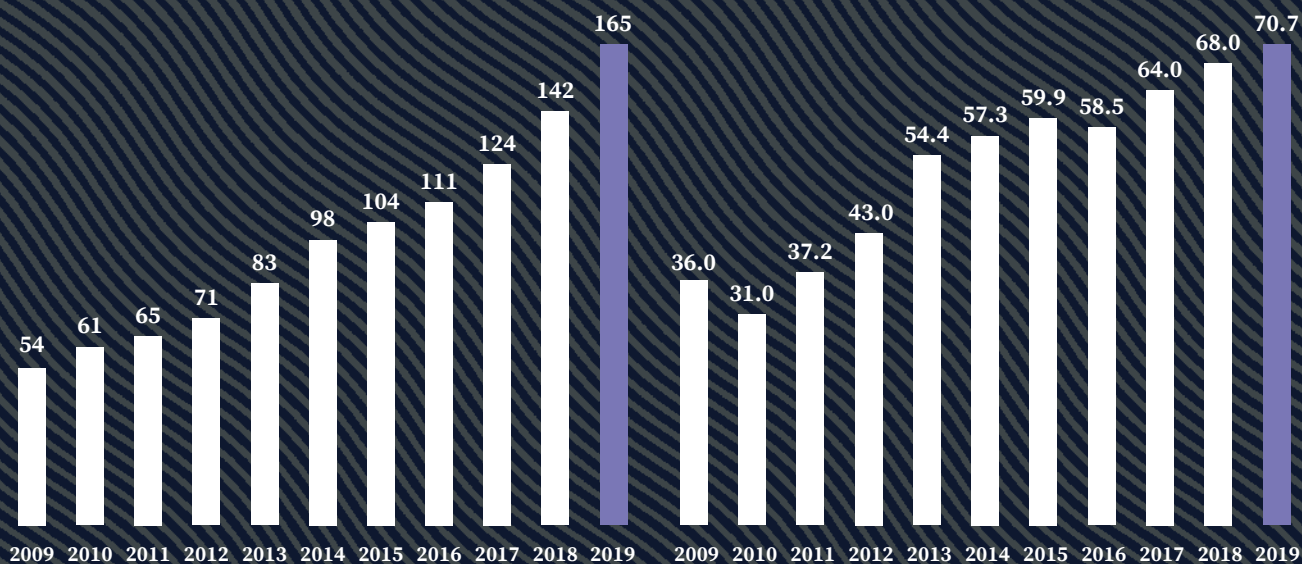


EBITDA

165 M€

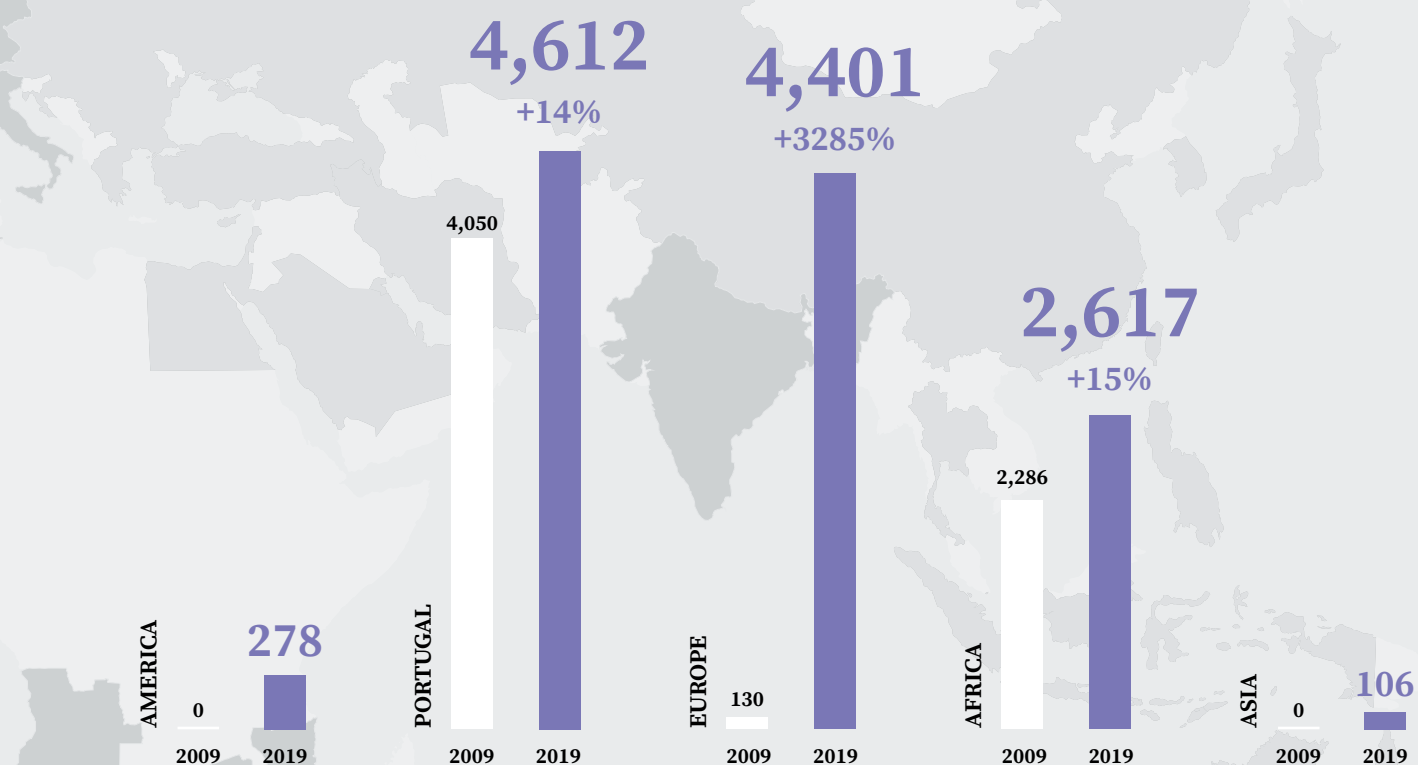
FOREIGN MARKETS

70.7%



EMPLOYEES

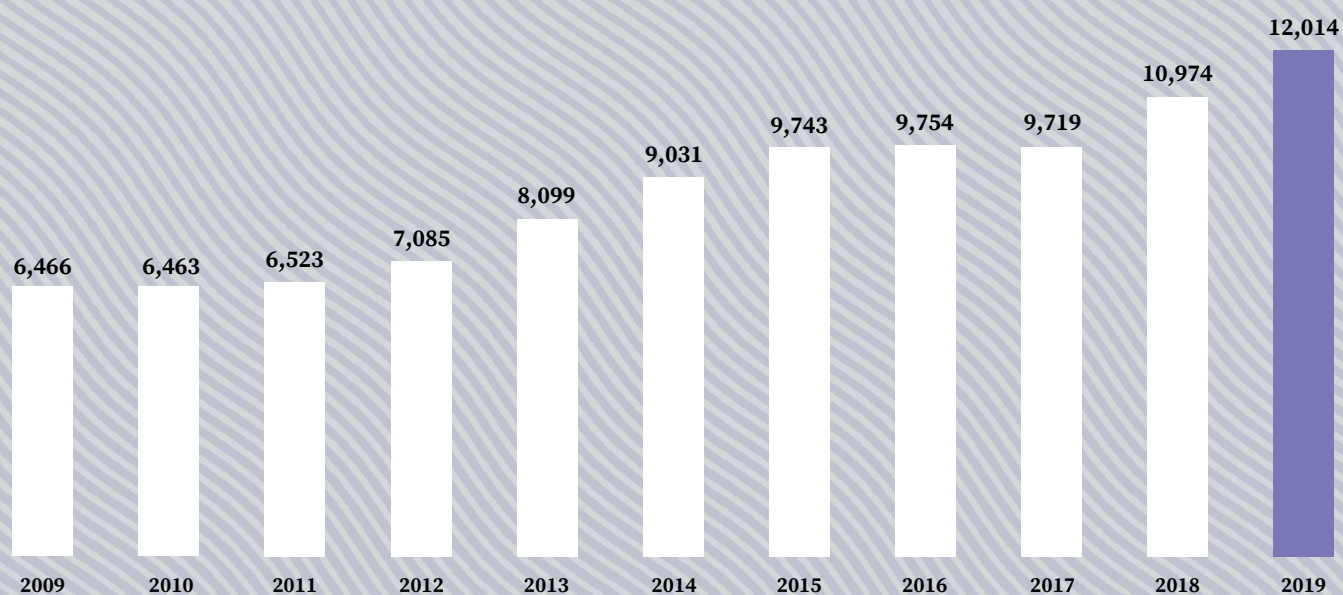
GEOGRAPHICAL DISTRIBUTION



AVERAGE NUMBER OF EMPLOYEES

TOTAL WORLDWIDE

12,014



16

**Presence
international
with companies**

119

**Countries
with products
and services**

Grupo Visabeira is present in 16 countries, including France, Germany, Belgium, Spain, Denmark, Italy, United Kingdom, Angola and Mozambique, marketing services and products for 103 nations.

AMERICA

- BRAZIL
- MEXICO
- U.S.A.



EUROPE

BELGIUM
DENMARK
FRANCE
GERMANY
ITALY
PORTUGAL
SPAIN
SWEDEN
UNITED KINGDOM

AFRICA

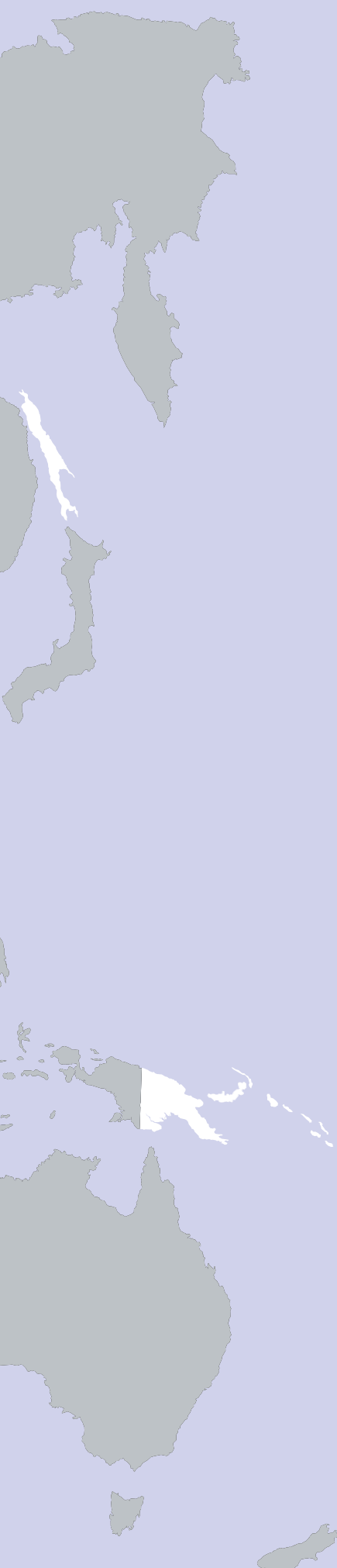
ANGOLA
MOZAMBIQUE
MOROCCO

ASIA

INDIA

COMPANIES





EUROPE

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

AFRICA

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
Hong Kong
Indonesia
Iran
Iraq
Israel
Japan
Kazakhstan
Kuwait
Lebanon
Macao
Malaysia
Oman
Philippines
Qatar
Saudi Arabia
Singapore
South Korea
Sri Lanka
Taiwan
Thailand
Vietnam

AMERICA

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

OCEANIA

Australia
New Zealand

PRODUCTS / SERVICES

MAIN BUSINESSES

<<< INDUSTRY

CERAMICS AND GLASSWARE
KITCHENS
BIOFUELS,
THERMAL ENERGY
AND NATURAL RESOURCES

MAIN BUSINESSES

>>>

GLOBAL

TELECOMMUNICATIONS
ENERGY
TECHNOLOGY
CONSTRUCTION



>>> TOURISM,
REAL ESTATE
AND SERVICES

HOTELS
RESTAURANTS
SHOPPING CENTRE
REAL ESTATE
SERVICES



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 matrix that has catapulted success in a process of growth and continuous improvement that is recognized both by the market and by the main players in multiple activities.

In 2019, the Group reached historic highs in the main indicators and carried out strong growth on the international side, with a particular impact on the European market. The results achieved confirm the aptness of the course outlined and allow us to face the challenges that we have anticipated with renewed optimism and confidence in order to conquer new markets and new geographies that are emerging as future paths. This is a future that we are building daily with the dynamic and committed attitude that is the makes Grupo Visabeira stand out and, as always, supported by a rigorous process of planning, control and evaluation, sustaining strategic decisions and daily management. This is the DNA of the Group ensuring continuous optimization of available resources and the maximization of the competences and capacities of the entire team, permanently oriented towards results.

GLOBAL

MAIN BUSINESSES

<<<

PERFORMING INNOVATION

TELECOMMUNICATIONS ENERGY TECHNOLOGY CONSTRUCTION

VISABEIRA GLOBAL



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 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

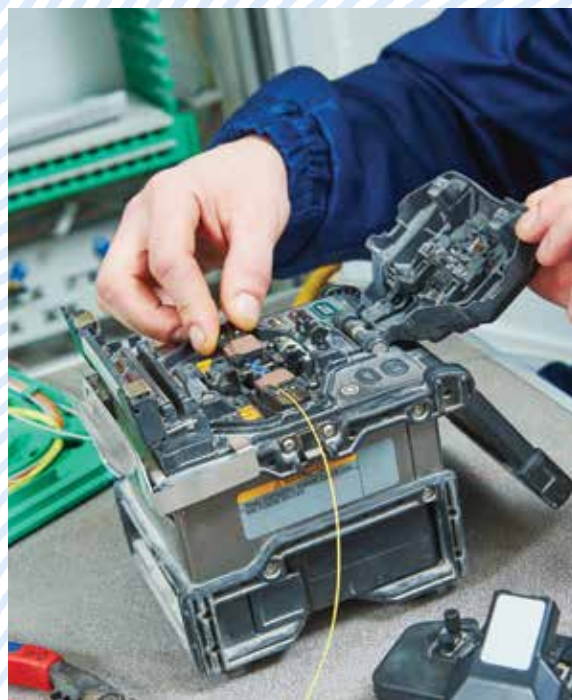
- Engineering solutions and services, information and communication systems, mobility, innovation and georeferencing;
- Integration of solutions;
- Maintenance and technical service.

Performing Construction

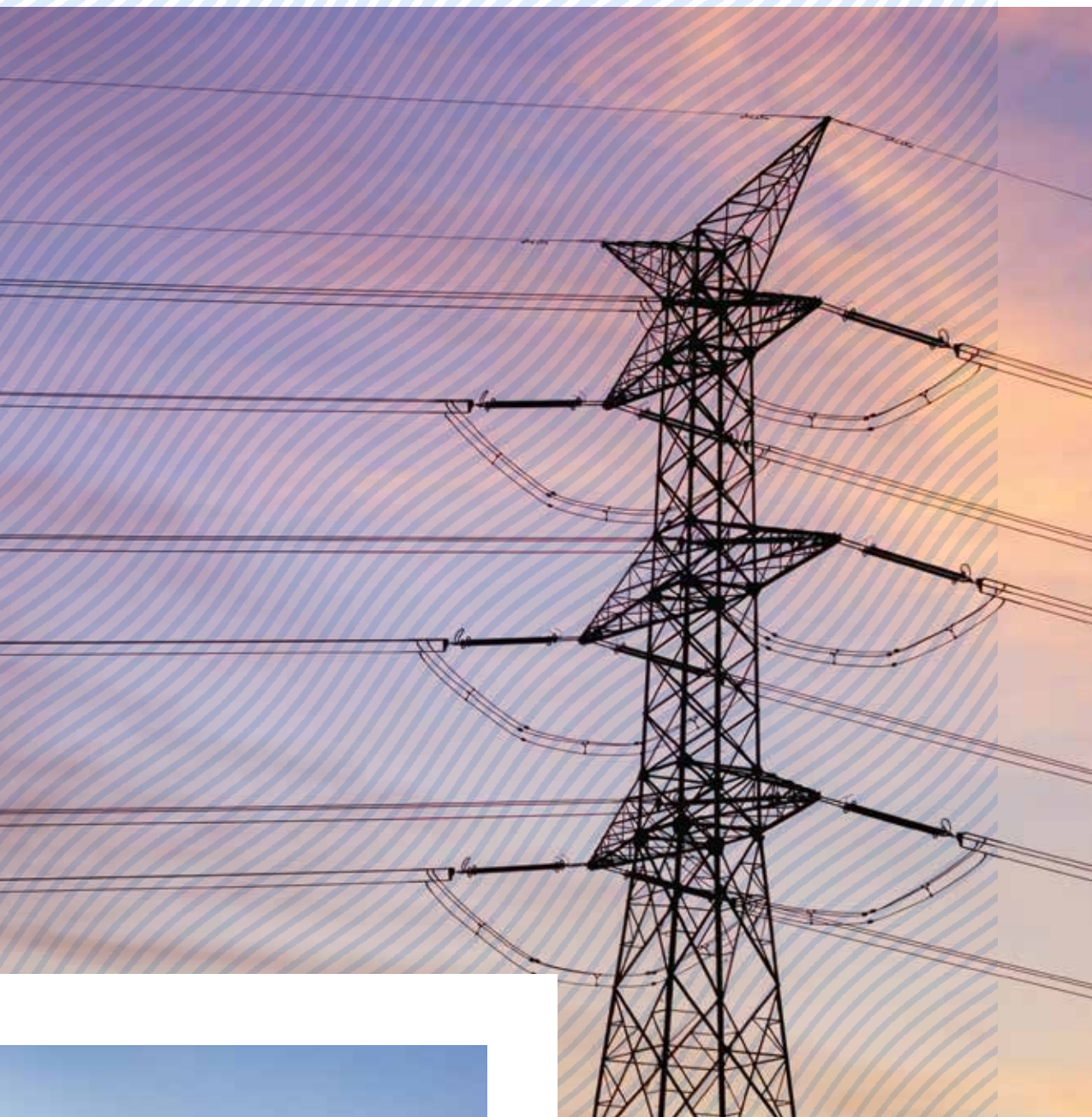
- Construction and civil engineering;
- Design, construction, refurbishment and maintenance of buildings and infrastructures.

Telecommunications

CONSTRUCTEL
VIATEL
MJ QUINN
PDT
MODAL
GATEL
TVCABO ANGOLA
TVCABO MOÇAMBIQUE
TELEVISA
COMATEL



GLOBAL



VISABEIRA INFRASTRUTURAS
CONSTRUCTEL ENERGIE
IEME
ELECTROTEC
SELFENERGY

Energy

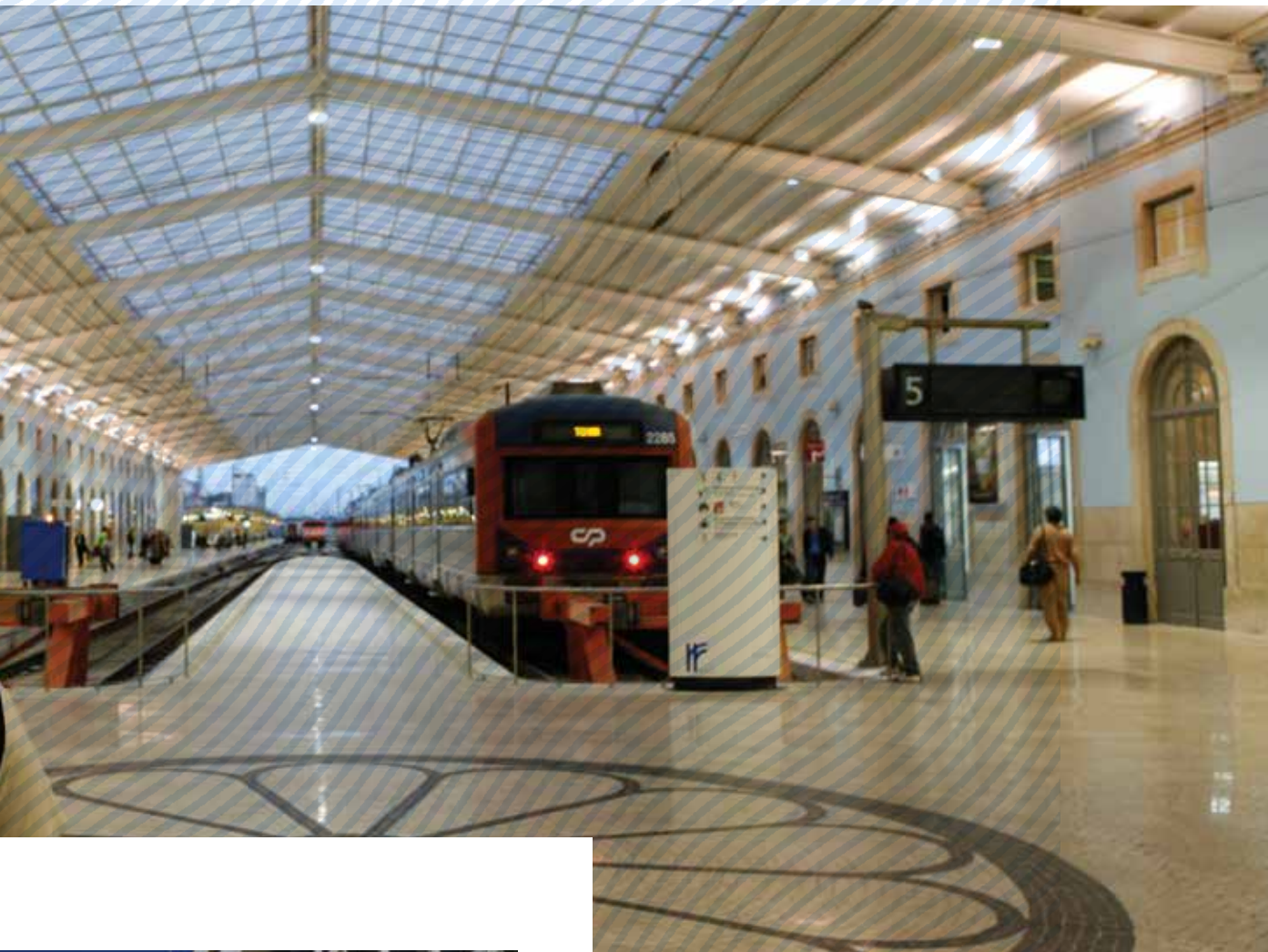
Technology



AEROPROTECHNICK
REAL LIFE TECHNOLOGIES



GLOBAL



EDIVISA
VISACASA
SOGITEL

Construccion

INDUSTRY



PERFORMING INDUSTRY

CERAMICS GLASSWARE KITCHENS BIOFUELS AND THERMAL ENERGY

VISABEIRA INDÚSTRIA

<<<

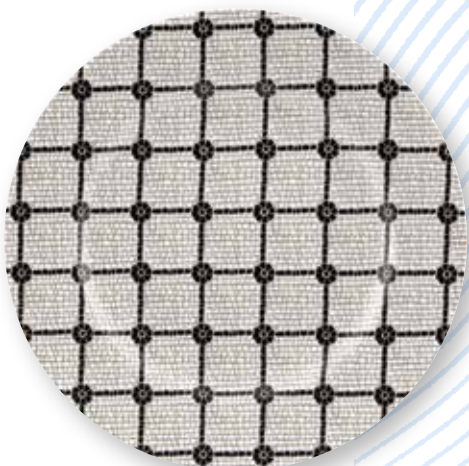
Performing Industry

- 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 customisable 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



VISTA ALEGRE



Glassware

Kitchens

MOB
ÁLAMO



GRANBEIRA

Natural resources



INDUSTRY

PINEWELLS
AMBITERMO



Biofuels
and thermal
energy

TOURISM REAL ESTATE SERVICES



PERFORMING TOURISM,
REAL ESTATE AND SERVICES

HOTELS RESTAURANTS LEISURE SHOPPING CENTER REAL ESTATE SERVICES

TOURISM, REAL ESTATE AND SERVICES



Performing Tourism

- Operation of hotel units (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 and meetings, 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 spaces, parks and other complementary areas;
- Management and Services.

Performing Services

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

Hotels



Portugal

MONTEBELO AGUIEIRA LAKE RESORT & SPA

MONTEBELO VISEU CONGRESS HOTEL

MONTEBELO VISTA ALEGRE ÍLHAVO HOTEL

MONTEBELO LISBON DOWNTOWN

PARADOR CASA DA ÍNSUA

HOTEL PALÁCIO DOS MELOS

HOTEL PRÍNCIPE PERFEITO





TOURISM, REAL ESTATE AND SERVICES



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



ZAMBEZE RESTAURANTE
FORNO DA MIMI & RODÍZIO REAL
CERVEJARIA ANTÁRTIDA
RODÍZIO DO GELO
SQUISITO RISTORANTE ITALIANO





TOURISM, REAL ESTATE AND SERVICES

PALÁCIO DO GELO SHOPPING



Shopping
center

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





FUNDAÇÃO VISABEIRA
BENETRÓNICA
VISAUTO
MERCURY
AUTOVISA

Services

TOURISM, REAL ESTATE AND SERVICES

Awards and distinctions

In 2019, another vast group of companies and brands of Grupo Visabeira received several awards and distinctions both in Portugal and abroad, which greatly honour magnificent past achievement in operating in the most diverse of areas and that honours the whole team that strives to do its best every day.

At Visabeira Global, among the distinctions awarded, we highlight **Constructel Dinamarca** was considered by TDC - Tele Danmark Communications as "the service provider with the best project performance indicators" regarding the implementation of the optical fibre network in that Scandinavian country; and, the company was once again considered by Huawei as "the best technological partner in network engineering", at a convention held in Prague. **Constructel UK** was awarded for its performance in the United Kingdom by the DIT - Department for International Trade (British State) with the DIT Business Award.

In Portugal, **Viatel's** store at Palácio do Gelo was awarded by Meo as the best store in the "tv service" segment nationwide, and it received the award for "best tv seller" during 2018.

In Mozambique, **TVCabo Moçambique** received for the fifth consecutive year the Diamond Award, awarded by PMR África for the quality in the provision of internet services. It is recalled that this Diamond level is the top of the 4 tiers of this PMR Africa award, therefore above Gold, Silver and Bronze. The tv+net+voice operator with this "best internet service" award has already won 8 awards for its quality excellence. TVCabo Moçambique received as well the award for the company with the highest growth in turnover in the area of communications under the "100 largest companies in Mozambique" ranking. Regarding this ranking: **Televisa** and **Sogitel** were awarded on what the return on equity is considered within the scope of the 100 largest companies; **Turvisa** was awarded as the company with the highest turnover in the area of accommodation and restaurants, and finally **Grupo Visabeira** received a special mention for being the group with the largest number of companies in the ranking of the 100 largest companies.

Regarding Industry, during 2019, **Vista Alegre** and **Bordallo Pinheiro**, added forty more prizes to the extremely rich history of thousands of trophies that they have been winning for almost 2 centuries, with honourable distinctions, mainly at the international level. This year, it is important to mention the following: German Brand Awards Winner - category excellent brands; German Brand Awards Special Mention - category excellent brands: Brand Innovation of the Year; Lit Design Awards Winner; Lit Design Awards Honorable Mention; German Design Awards Winner 2020; German Design Awards Special Mention; Tableware International Awards of Excellence Winner; A'Design Award Gold Winner; German Innovation Award Gold; German Innovation Award Winner; Good Design Chicago Winner; Architecture Masterprize Honorable Mention; European Product Design Award Gold; European Product Design Award Silver; European Product Design Award Bronze; Iconic Awards Innovative Interior Winner, among others. At ISH, the world's largest bathroom equipment, construction and energy fair, which was held in Germany, the innovation and design of a ceramic slate produced by Vista Alegre was distinguished. It was the first to be launched in the market; it is self-sustainable for the discharge control function, without using batteries or electricity, using "hydroboost" technology and "no touch" activation only by approach. In Portugal, the brand received, for example, first prize for the "Cidade das Flores" store front in Funchal. It was selected again for the design and production of the crystal microphone, an iconic piece that rewards the winner of the 53rd edition of the Song Festival. The brand was also chosen, for the 10th consecutive year, as Super Brand, and Vista Alegre was considered one of 33 brands awarded with the "brand of excellence" seal among more than 1.300 pre-selected brands. Still regarding the industry sector, Mob received an award for the 11th time in the 13th edition, with the Mobis Award - best national kitchen manufacturer. **Mob's** kitchens and cabinets, which equipped several projects, were also awarded: as it was the case of the real estate prize, for Villa Nature in Vilamoura and UIP Pine Clife also in the Algarve; as well as the international initiative Architizer Prize, which awarded the Lisbon Wood.





The **Bang Bang Agency**, overflowed its creativity and collected dozens of national and international awards, among highlight the "German Brand Award 2019" Gold Award (the most important design award worldwide); 1st place in the "Excellence in Brand and Creation", and the "German Design Award - Winner", as well as 14 awards in the "Prémios Lusófonos de Criatividade" (3 Gold; 3 Silver; 8 Bronze). Awarding the 1st place "Excellence in Brand Strategy and Creation - Brand Communication - Print" to the Vista Alegre gift catalogue, created by Bang Bang, the German Brand Awards recognised that "the elaborated production of the catalogue reflects the artistic design of an incredibly aesthetic way" "...a marketing tool as striking as it is beautiful and exclusive expressing the core of the Vista Alegre brand in a fascinating way".

Regarding the Tourism sector, **Palácio do Gelo Shopping** was distinguished for the second consecutive year with the "Prémio Cinco Estrelas Regiões" (2019), in the "Shopping Centres" category. **Parador Casa da Ínsua** was selected to be part of the Michelin Guide Portugal and Spain 2019, an international reference in 32 countries that authenticated the "recognition of the quality of the establishment and its team" ... "seeking excellence and perfection in their daily lives at the service of their customers". The **Zambeze Restaurante**, in Lisbon, was also awarded, once again, with a "Garfo" at the "Lisboa à Prova" and the "Garfo" at the Gala dos Prémios da Lusofonia which recognized "the outstanding work of the Zambeze restaurant, which elevates the Portuguese culture to a higher level" associating the gastronomic art of traditional Portuguese and Mozambican flavours. In 2019, **Casa da Ínsua Wine brand** also added

two dozen more medals to its long history of awards, of which we mention some. GOLD: International Wine Awards, Spain (4 medals); International Portugal Wine Trophy; *Concurso Vinhos Engarrafados 2019 CVRDÃO*; *VI Concurso do Crédito Agrícola*; SILVER: Decanter – London; International Wine Awards, Spain; International Wine Challenge, London; BRONZE: International Wine Challenge. Was also Commended, at the International Wine Challenge, London (3 awards).

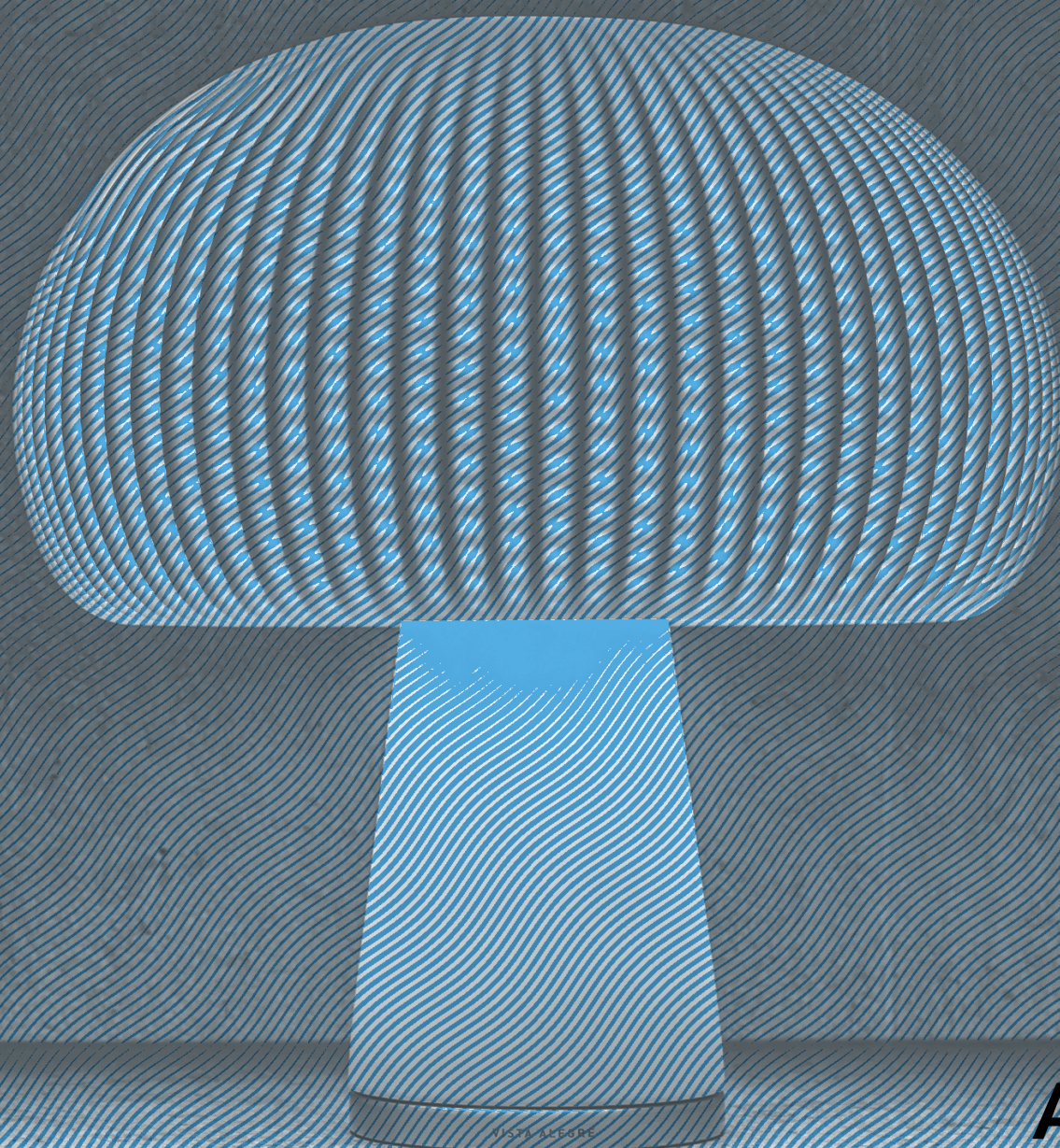
Within the scope of **Visabeira Turismo**, and at an individual capacity, the "best accommodation director" category of the "Prémio Xenios 2019 – Excelência na Hotelaria" was awarded to Montebelo Viseu Congress Hotel, in line with a history of winners that, over the past few years, have been honouring the Visabeira Turismo brand: best general director; best young director; best F&B director and best commercial director.

Still in an individual capacity, once again the Grupo's shared services legal services office was distinguished internationally: for the first time in the list of the 100 most influential and innovative teams of lawyers "in house" for the relevant work developed in the Portuguese legal sector, as well as the "In-House Counsel of the Year" award in the Construction, Projects and Infrastructure sector, in the Iberian Peninsula. This distinction was awarded in the 3rd edition of the "Gold Awards" organized by Iberian Lawyer and LC Publishing Group.

Finally, the founder and Chairman of the Board of Directors of **Grupo Visabeira**, Fernando Nunes, was awarded the "Prémio Mérito e Excelência" at the Litoral Awards gala, recognizing the merit of a four-decade career in favour of regional, national and international expansion.

2019 IN RETRO SPECT

2



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Chairman of the Executive Committee

Nuno Miguel Rodrigues Terras Marques

In 2019, we took important steps towards the Grupo's path in light of future challenges within different areas of business. We achieved this by reinforcing sustainable growth and improving profitability, as demonstrated by the 22% turnover growth, reaching 910 million euros in 2019, together with 16% growth in EBITDA, amounting to 165 million euros.

This performance is based, as always, on an entrepreneurial attitude, which together with creativity, quality and accuracy, aims at responsible competitiveness, combined with the commitment towards sustainability, that we undertake with everyone.

As a result, nowadays Grupo Visabeira guarantees the presence of its companies in 16 countries and exports products to some hundred countries. It is important to mention that 71% of the Grupo's turnover is generated in foreign markets, with particular emphasis on our consolidated presence in the European market. Within this context, Europe already represents 88% of the Grupo's total consolidated turnover.

By sector, Visabeira Global recorded a turnover of 673 million euros and an EBITDA of 100 million euros. Thus, it stands, as in recent years, as the most important business area in the Grupo Visabeira. Visabeira Global reinforced its presence in the sectors in which it excels and reinforced its position as one of the main players in providing engineering services for telecommunications and energy networks in Europe, through its subsidiary Constructel. Visabeira Global reinforced its presence in the sectors in which it excels and reinforced its position as one of the main players in providing engineering services for telecommunications and energy networks in Europe, through its subsidiary Constructel. In 2019, we focused on the organic growth of

our European operations, strengthening our presence in the different markets, reinforcing our ability to perform as well, taking operational indicators and quality of service into account, which are Visabeira's brand image. It should be noted that in regards to the telecommunications and energy business in Portugal, France, the United Kingdom, Belgium, Denmark, Italy and Germany, this year we grew more than 117 million euros in turnover, compared to 2018, which is to say, an increase of about 27%. In Africa, despite the difficult economic context negatively marked by strong currency devaluations, namely in Angola, TVCabo operations in 2019 will continue to grow in a sustained manner in their markets, with special emphasis on the number of services and customers.

Visabeira Indústria grew by more than 19% in 2019, reaching 167 million euros, which represents a 19% contribution to the consolidated turnover of Grupo Visabeira. EBITDA exceeded 32 million euros, recording an increase of about 27%, compared with 2018. For Visabeira Indústria 2019 showed the first evidence of the effectiveness of our strategy of strong investment in modernization and innovation of manufacturing units. In the ceramic and glassware segment, Vista Alegre and Bordallo Pinheiro completed most of the ongoing investment projects, aimed at expanding factory production capacity, maximizing the automation of its productive processes, with gains in the productive efficiency and added value.

The results of this investment policy have started to pay off, and Grupo Vista Alegre, during this first year has increased its turnover by 21%, reaching 120 million euros, along with a substantial improvement in all

economic indicators and the consolidation of its position in the sector, as the 6th largest ceramic group in the world, in terms of size. In this century-old brand, it is also important to underscore the successful completion of a 10% capital increase in 2019, due to the new corporate investors (72% of which are international).

Visabeira Turismo, Imobiliária e Serviços recorded a turnover of 71 million euros (including Grupo Visabeira S.A.), which represents about 8% of the Grupo's total turnover. In this sector, the EBITDA recorded was 33.3 million euros in 2019 against 26.6 million euros in 2018, an increase of over 25%. In the tourism sector, 2019 as a whole was also a positive year due to trends for improvement in the main economic and operational indicators of our facilities.

In short, we believe that our success stems mainly from our strong dynamics in terms of everyday operations and from the motivation and professionalism of our teams, within a framework that prioritizes very close monitoring, favouring the optimization of resources.

For all these reasons, the entire team is committed to maintain the course of growth that we have been strengthening. Our confidence in this solid and sustained growth is supported by the contracts we have in our portfolio, which include our entire business activities' sectors, amounting to more than 3 billion euros, already awarded for the coming years. In the sector of engineering services for Telecommunications and Energy network infrastructures, projects under way amount to 2.4 billion euros, committed to the main European operators in the telecommunications, electricity and gas sectors in Europe. In regards to the Industry sector, the contracted turnover is over 300 million euros, with a strong component based on Grupo Vista Alegre factories. In the construction and tourism sector,

More than 3 billion euros, already guaranteed for the coming years

Grupo Visabeira ensures a business portfolio of 150 million euros, to which is added 150 million from the businesses in Africa.

Despite the period of great uncertainty that we have been experiencing throughout the world, since the beginning of 2020, we are convinced that this business portfolio, especially supported by such important services, which are essential for all sectors, such as telecommunications and energy will help us achieve our goals. Grupo Visabeira will show its resilience, fulfilling its decisive role within economic and social dynamics, creating the necessary conditions to ensure employment as well as value creation, which is essential for economic growth.

Grupo Visabeira is made up of people, working for people. We would like to extend our appreciation to each of our employees, customers, suppliers, financial partners, other entities and shareholders, who have contributed to this company's success, each in his/her own way.

Finally, we would like to reiterate our commitment which is very focused on aiming to create a stronger, balanced and better prepared Grupo for increasingly challenging goals, forcing everyone to reach increasingly demanding levels of professionalism, skill and dynamics.

**The European
market already
represents
more than**

88%

**of total
turnover**

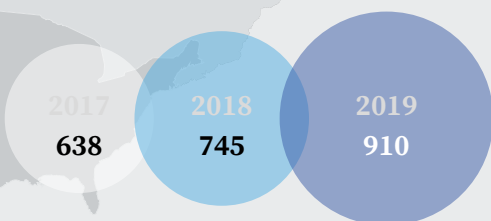


Nuno Teves Magalhães

2019 IN NUMBERS

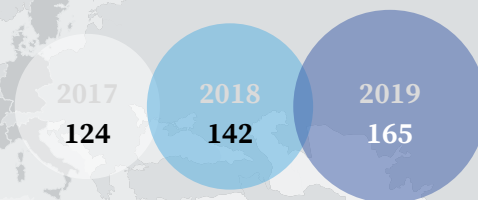
TURNOVER

910 M€



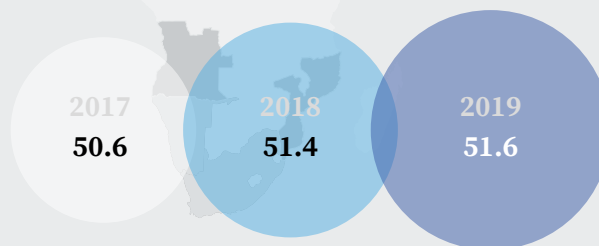
EBITDA

165 M€



NET INCOME

51.6 M€

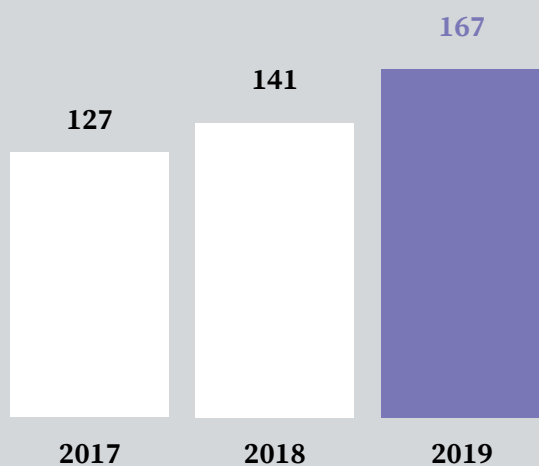


**GRUPO
VISABEIRA**

VISABEIRA INDÚSTRIA

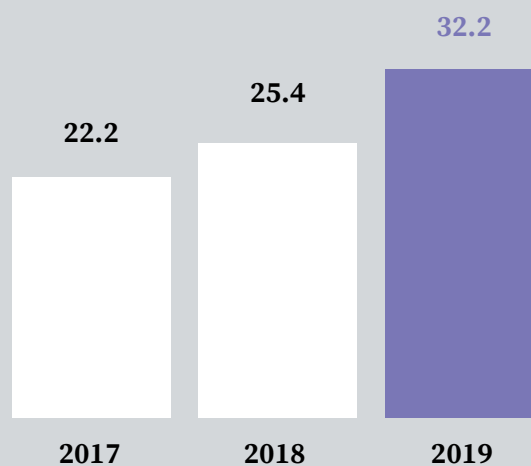
TURNOVER

167 M€



EBITDA

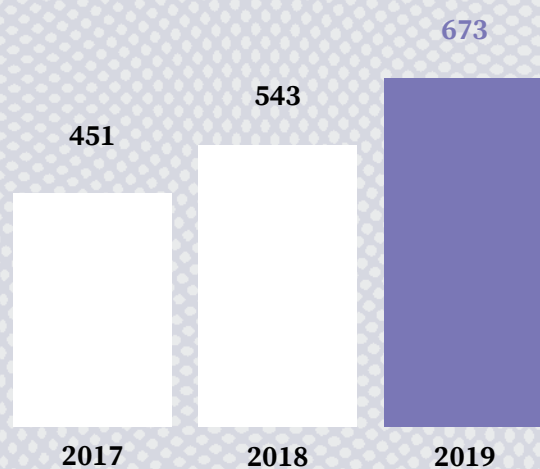
32.2 M€



VISABEIRA GLOBAL

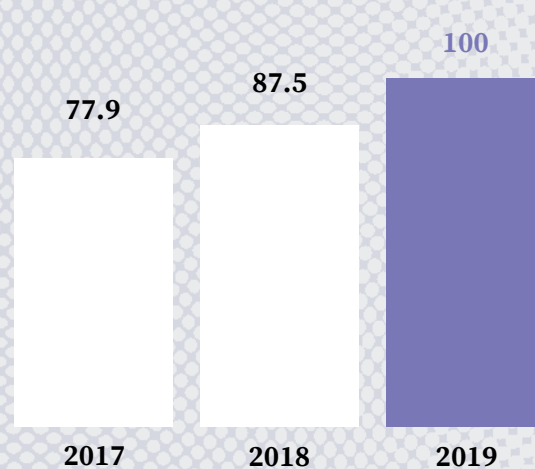
TURNOVER

673 M€



EBITDA

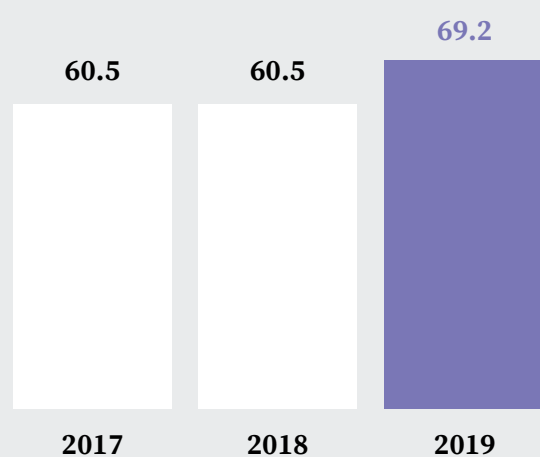
100 M€



VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS

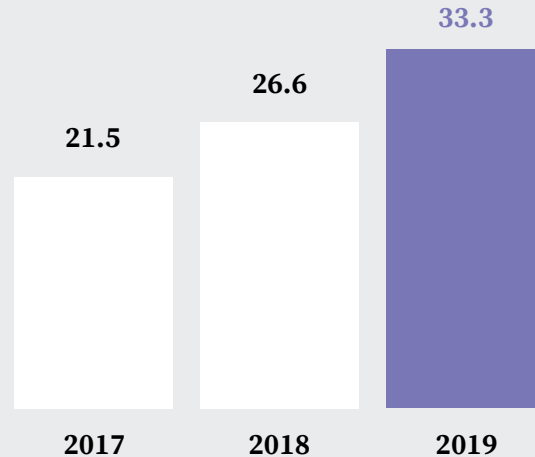
TURNOVER

69.2 M€



EBITDA

33.3 M€



** Does not include the company Grupo Visabeira S.A.

GRUPO VISABEIRA

99,45%

Fernando Campos Nunes
(NCFGEST, S.A.)

0.55%

Other shareholders

VISABEIRA GLOBAL 100%

EUROPE

Portugal

Constructel Europe	100.00%
Viatel	99.29%
PDT	99.29%
Visabeira	60.00%
Edivisa	100.00%
Real Life Technologies	65.00%
Naturenergia	100.00%
Visacasa	100.00%
Iutel	99.24%
Field Force Atlântico	100.00%
Aeroprotechnik	51.00%
Beiragás	23.55% a)

France

Constructel	99.28%
Constructel Energie	94.88%
Escotel	99.28%
Gatel	99.28%
SCI Constructel	99.28%

UK

MJ Quinn	99.28%
Quinn Constructel	99.28%

Belgium

Constructel Modal	79.43%
Modal Installation	79.43%
Cabling Station	79.43%
Constructel Bélgica	99.28%

Italy

Ieme	99.28%
Constructel Itália	99.64%

Germany

Constructel GmbH	99.46%
Constructel Bau	99.46%

Denmark

Constructel Dinamarca	99.29%
Toft Hansen	99.29%

Sweden

Constructel Sweden	99.73%
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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	96.34%
Selfenergy	79.60%
Real Life Academy	65.70%
Real Life Moçambique	65.70%
Electrotec	49.00% a)

ASIA

India

Birla Visabeira	49.00% a)
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VISABEIRA INDÚSTRIA

100%

EUROPE

Portugal

Vista Alegre Atlantis SA	85.60%
Ria Stone	85.60%
Pinewells	100.00%
Ambitermo	51.00%
Cerutil	85.60%
Mob	97.77%
Bordalo Pinheiro	73.74%
Granbeira	98.75%
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%

France

Vista Alegre France	85.60%
Mob Cuisines	97.77%

Spain

Vista Alegre Atlantis Spain	85.60%
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UK

Vista Alegre UK	85.60%
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AFRICA

Angola

Alamo	100.00%
Visaconstroi	99.95%

Mozambique

Celmoque	100.00%
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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USA

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%
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VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS

100%

EUROPE

Portugal

Movida	99.96%
Empreendimentos 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	98.65%
Gesvisa	99.87%
Parque Desportivo de Aveiro	54.57%
Doutibelo	20.00% a)
Sem Amarras	20.00% a)
Gevisar	30.00% a) b)

Spain

Visabeira Espanha	61.00%
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AFRICA

Angola

Visauto	100.00%
Angovisa	70.00%
Mercury	100.00%
Catari Angola	50.00%
Visabeira Angola	99.90%
Ambitermo Angola	99.00%

Mozambique

Turvisa	100.00%
Martifer Visabeira	50.00%
Mercury	100.00%
Imovisa	49.00%
Combustiveis do Songo	99.00%
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	40.00% a)

a) Consolidation process through the equity method.
b) Participation held directly by Grupo Visabeira.

GRUPO VISABEIRA

Board of Directors

Chairman

Fernando Campos Nunes

Vice-Chairman

Nuno Miguel Rodrigues Terras Marques

Members

João Manuel Pisco de Castro

Alexandra da Conceição Lopes

António José Monteiro Borges

António Jorge Xavier da Costa

Executive Committee

Chairman

Nuno Miguel Rodrigues Terras Marques

Members

João Manuel Pisco de Castro

Alexandra da Conceição Lopes

António José Monteiro Borges

António Jorge Xavier da Costa

Audit Board

Chairman

Alberto Henrique de Figueiredo Lopes

Members

Ricardo Jorge Pinto Dias

João Carlos Monteiro de Macedo

ROC

Rui Manuel da Cunha Vieira

On behalf of Ernst & Young,
Audit & Associados - SROC, SA

General Meeting

Chairman

Leopoldo de Sousa Camarinha

Secretary

Marta Albuquerque Santos

**Fernando
Campos Nunes**
Chairman of the Board
of Directors



**Nuno Miguel Rodrigues
Terras Marques**
Vice-Chairman of the Board
of Directors and Chairman
of the Executive Committee



**João Manuel
Pisco de Castro**
Member of the Board
of Directors and Member
of the Executive Committee



**Alexandra da
Conceição Lopes**
Member of the Board
of Directors and Member
of the Executive Committee



**António José
Monteiro Borges**
Member of the Board
of Directors and Member
of the Executive Committee



**António Jorge
Xavier da Costa**
Member of the Board
of Directors and Member
of the Executive Committee



VISABEIRA GLOBAL SGPS, S.A.

Board of Directors

Chairman

João Manuel Pisco de Castro

Vice-Chairman

Nuno Miguel Rodrigues Terras Marques

Members

António José Monteiro Borges
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

Executive Committee

Chairman

Nuno Miguel Rodrigues Terras Marques

Vice-Chairman

Luís Filipe Monteiro Marques

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

ROC

Rui Manuel da Cunha Vieira
or Sandra Sousa Amorim
On behalf of Ernst & Young,
Audit & Associados - SROC, SA
Pedro Jorge Monteiro da Silva e Paiva
Substitute

General Meeting

Chairman

Leopoldo de Sousa Camarinha

Secretary

Marta Albuquerque Santos

João Manuel Pisco de Castro

Chairman of the Board
of Directors

**Nuno Miguel Rodrigues
Terras Marques**

Vice-Chairman of the Board
of Directors and Chairman
of the Executive Committee

**António José
Monteiro Borges**

Member of the Board
of Directors and Vice-Chairman
of the Executive Committee

**Luís Filipe
Monteiro Marques**

Member of the Board
of Directors and Member
of the Executive Committee

**Jorge Manuel Ferreira
Guimarães Sousa**

Member of the Board
of Directors and Member
of the Executive Committee

**António Carlos Ferreira
Rocha Perpétua**

Member of the Board
of Directors and Member
of the Executive Committee

**Alexandra da
Conceição Lopes**

Member of the Board
of Directors and Member
of the Executive Committee

**José Paulo Gomes
Tomás da Costa**

Member of the Board
of Directors and Member
of the Executive Committee

**Fernando Tenreiro
Marques**

Member of the Board
of Directors and Member
of the Executive Committee



VISABEIRA INDÚSTRIA SGPS, S.A.

Board of Directors

Chairman

Nuno Miguel Rodrigues Terras Marques

Members

João Manuel Pisco de Castro

Alexandra da Conceição Lopes

Paulo Alexandre Rodrigues Ferraz

ROC

Rui Manuel da Cunha Vieira
or Sandra Sousa Amorim
On behalf of Ernst & Young,
Audit & Associados - SROC, SA
Pedro Jorge Monteiro da Silva e Paiva
Substitute

General Meeting

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Leopoldo de Sousa Camarinha

Secretary

Marta Albuquerque Santos

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Terras Marques**
Chairman of the
Board of Directors



**João Manuel
Pisco de Castro**
Member of the
Board of Directors



**Alexandra da
Conceição Lopes**
Member of the
Board of Directors



**Paulo Alexandre
Rodrigues Ferraz**
Member of the
Board of Directors



VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS SGPS, S.A.

Board of Directors

Chairman

João Manuel Pisco de Castro

Members

Jorge Manuel Esteves Costa

Alexandra da Conceição Lopes

Cristina Isabel Sousa Lopes

José Eduardo Arimateia Antunes

Paulo Alexandre Rodrigues Ferraz

Executive Committee

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Paulo Alexandre Rodrigues Ferraz

ROC

Rui Manuel da Cunha Vieira

or Sandra Sousa Amorim

On behalf of Ernst & Young,
Audit & Associados - SROC, SAPedro Jorge Monteiro da Silva e Paiva
Substitute

General Meeting

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Pisco de Castro**
Chairman of the
Board of Directors



**Jorge Manuel
Esteves Costa**
Member of the Board
of Directors and Chairman
of the Executive Committee



**Cristina Isabel
Sousa Lopes**
Member of the Board
of Directors and Member
of the Executive Committee



**Paulo Alexandre
Rodrigues Ferraz**
Member of the Board
of Directors and Member
of the Executive Committee



**Alexandra da
Conceição Lopes**
Member of the Board
of Directors and Member
of the Executive Committee



**José Eduardo
Arimateia Antunes**
Member of the Board
of Directors and Member
of the Executive Committee



GRUPO VISABEIRA

Grupo Visabeira's Head Office located at Palácio do Gelo Shopping, in Viseu.



Analysis of consolidated results

Macroeconomic background

Firstly, it is important to note that the following text, inserted in this chapter, was written before the worldwide spread of the Covid-19 pandemic. It was the company's decision to maintain this text as it contains relevant information on what the initial future perspectives were regarding the macroeconomic environment for 2020. The impact of this pandemic was described in the subsequent events item.

During 2009, the scenario of growing commercial tension, Brexit, the decrease in private demand and investments hampered by uncertainty, led the forecast of world growth to be set at 2.9%, thus becoming the lowest growth level of the world economy, since the Great Recession in 2008 and almost half a point below the average of the last 5 years. The OECD is deeply concerned about the fact that this slowdown might not be due to a "cyclical shock", but rather to structural changes that governments continue to implement, namely regarding climate change and automation as well as the fact that "trade policy and geopolitics are separating from the multilateral order of the 1990."

This slowdown is becoming worrisome. In regards to large economies, it will be especially stressful in the Eurozone (which grew almost 2% in 2018, and will record a growth of 1.2% in 2019 and 1.1% in 2020), which has mainly been affected by its two main industrial hubs, Germany and Italy - "to a large extent as a result of the greater dependence on international trade" -, and in the USA, which will record an increase from around 3% in 2018, to 2.3% in 2019 and 2% in 2020, despite positive overall consumption.

The growth of the European Union (EU) economy is expected to have reached 1.1% in 2019, with a forecast of 1.2% for 2020 (according to the European Central Bank - ECB). Trying to revive the economy, the ECB announced two stimulus measures in September, namely the 0.5% reduction in interest rates charged to banks and the announcement of the resumption of the purchase of Euro zone bonds at a rate of 20 thousand million dollars a month from November 2019. Inflation will have reached 1.2%. As already mentioned, the Euro zone was mainly affected by its two main industrial hubs, Germany and Italy. In July 2019, it was announced that industrial production had dropped 2% in the euro area compared to the same month in 2018. Compared to July 2018, Estonia (-5.4%), Germany (-5.3%), Romania (-5.2%) and Portugal (-3.4%) were the countries with the biggest slowdowns in industrial production, with Hungary (8.7%), Denmark and Lithuania (5.1 % each) recording the greatest recovery.

Germany, with a 0.1% slowdown in GDP, opened the door to a potential recession after a decade of virtually uninterrupted growth. The slowdown in foreign trade is seen as a trigger for

this situation. Thus, the largest European economy is affected by the trade war between the USA and China, and by Brexit (the planning uncertainty due to the indecisiveness around the United Kingdom's exit from the European Union leads investments to retract, damaging both the European and Britain's economy. Brexit negatively affects European value chains, making trade in Europe more expensive and economic relations with the rest of the world more attractive.

In Portugal, according to the Banco de Portugal (BdP) forecast, the Portuguese economy reached a 2% growth in 2019 (2.4% in 2018). Portugal continued expanding in 2019 for the sixth consecutive year, but at a slower pace than in recent years. The reason for the slowdown in relation to 2018 lies in "the lower contribution of exports, in a context of weaker growth in world trade and external demand", points out the BdP. This scenario can be explained by the fact that the economies which represent the main markets for Portuguese exporting companies, such as Spain or Germany, have registered a strong slowdown. Private consumption is expected to have grown 2.3% in 2019, a more moderate evolution than during the previous year (3.1%), reflecting the evolution of current consumption and expenditures for durable goods.

For the year as a whole, the Portuguese economy is expected to have financing capacity, measured by the current and capital account balance, equivalent to 0.5% of GDP, a value lower than the one in the previous year (1.4% of the GDP). Such evolution reflects the deterioration in the balance of goods and services. Employment continued to grow but at a slower pace (expected to increase by 0.9%, which is to say 1.4 pp less than during the previous year), while the unemployment rate will record a slight reduction to 6.4% (7% in 2018), extending the downward trend observed since 2013, states the BdP. The trend in terms of wages accelerated, within a context of reduced resources available on the labour market.

Inflation, as measured by the change rate in the harmonised index of consumer prices (HICP) is expected to reach 0.4% in 2019, compared with 1.2% during the previous year.

Banco de Portugal, in its October 2019 report, identified four major risks for the development of the Portuguese economy during the coming years. Firstly, the possibility of a more pronounced slowdown in economic activity in the main markets for Portuguese exports. Moreover, also with a negative effect on exports, the bank fears a scenario of intensified protectionist trends in terms of international trade.

Grupo Visabeira

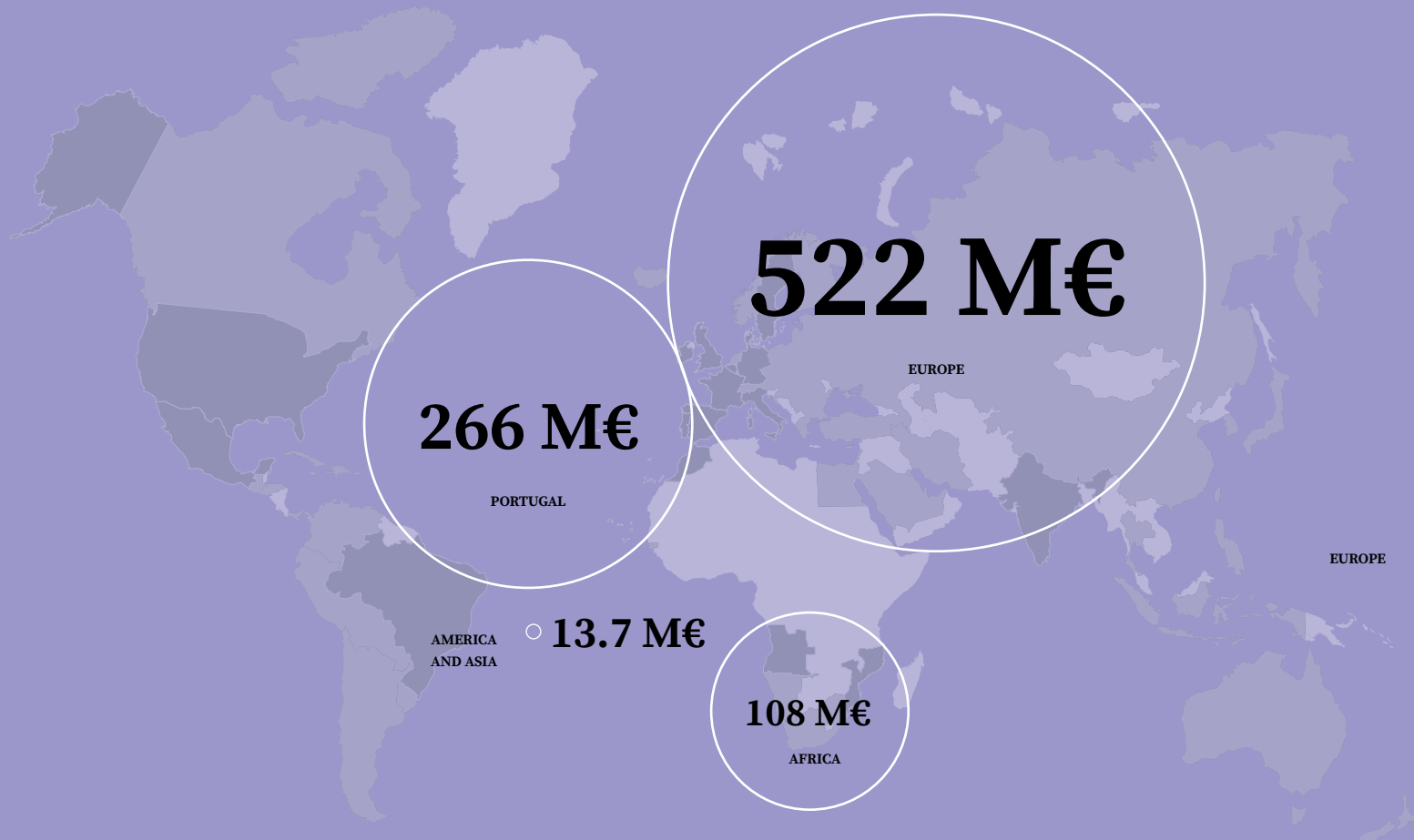
910 M€

Turnover

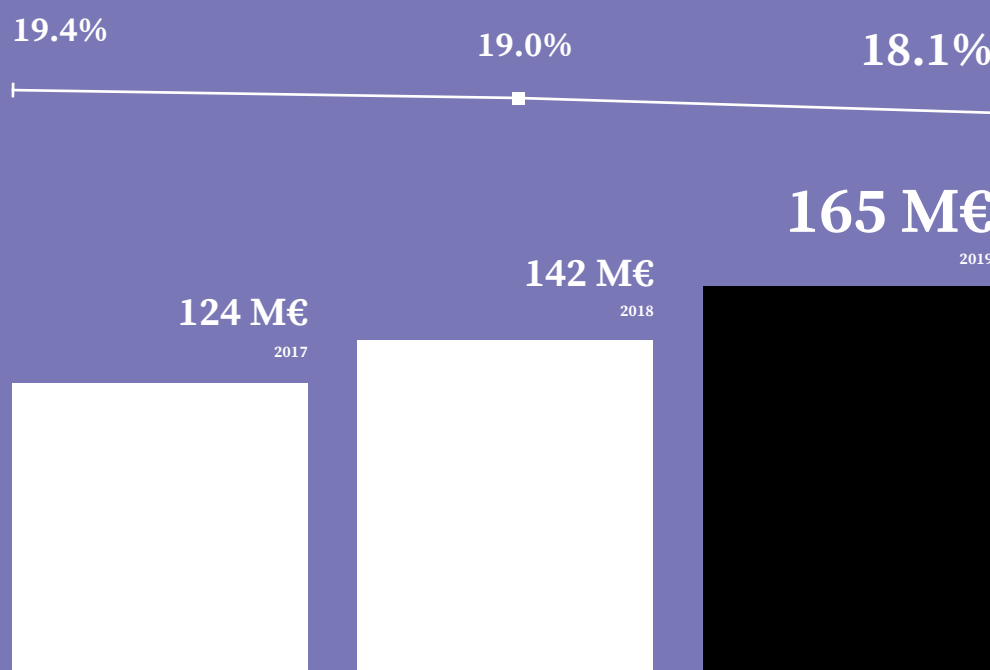
Consolidated Indicators	2019	2018	Var YoY
Turnover	910	745	22%
EBITDA	165	142	16%
EBITDA Margin	18.1%	19.0%	-0,9 pp
Recurring operating income *	102.0	99.7	2%
Operating margin	11.2%	13.4%	-2,2 pp
net income	51.6	51.4	0%
Net investment	75.5	89.3	-15%
Debt	775	707	10%
Inventories	111	110	1%
Fixed assets (including investment property and goodwill)	1,371	1,115	23%

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

TURNOVER



EBITDA AND MARGIN



Results

Grupo Visabeira achieved a consolidated turnover of 910 million euros during the financial year 2019, representing a 22.1% growth over the previous year, and with an EBITDA of 165 million euros, which results in a 16.5% growth compared to the same period last year. Once again the Grupo's companies reached historic highs. Following this growth, the operating result reached 102 million euros, higher than in 2018, where it stood at 99.7 million euros, resulting in a growth of 2.2%. With a net profit of 516 millions euros.

Visabeira continues to grow in foreign markets, reaching 71% of turnover in international markets in 2019, which resulted in a growth of 3 p.p. compared to the same period. 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.

As a result, the European market remains as the most important. The volume of non-domestic business in Europe increased by 33%, reaching 522 million euros in 2019. The European market countries with the greatest significance in the consolidated turnover of the Grupo Visabeira are France (48.8%), the United Kingdom (25.1%), Belgium (6.3%) and Italy (5.2%).

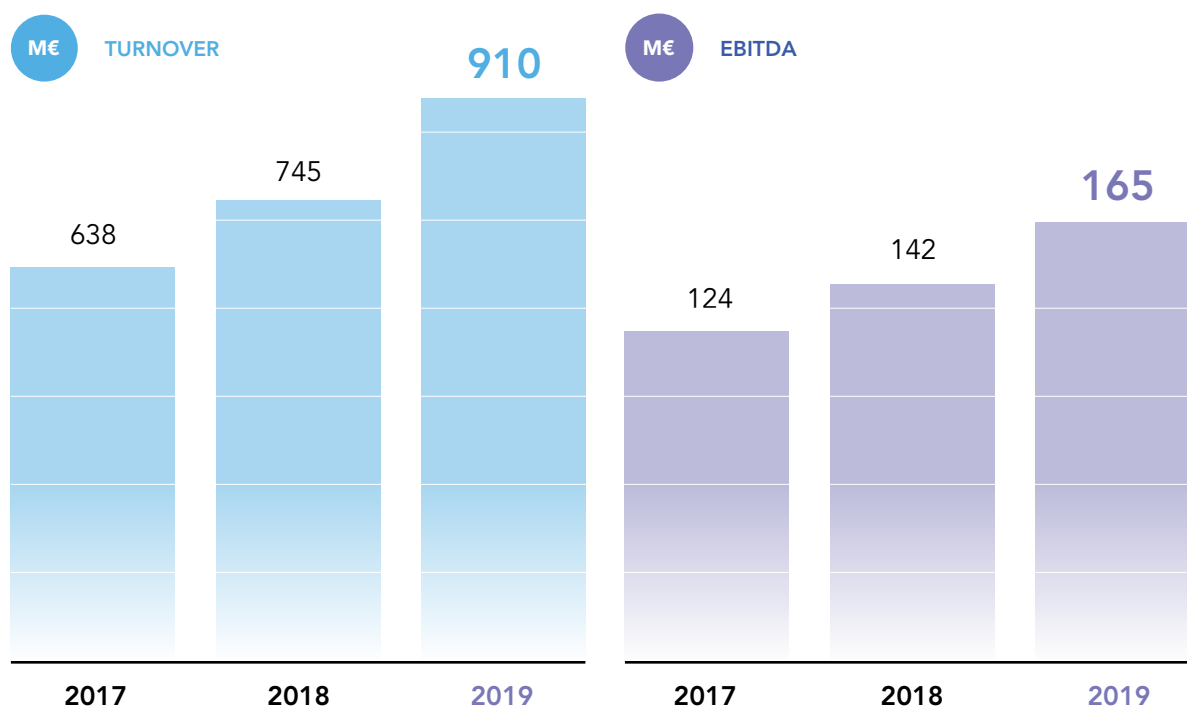
Constructel, in order to continue strengthening its presence in new countries in the European market, in early 2019 purchased the company *Toft Hansen*, a company operating in the telecommunications sector in Denmark, whose expertise and works' quality are well acknowledged. In 2019, this company contributed to the Grupo Visabeira's consolidated turnover with 2.6 million euros, with 715 thousand euros for EBITDA, as well as 500 thousand euros for the net profit. Regarding the African market, in 2019, Angola and Mozambique accounted for 108 million euros of the total turnover of the *Grupo Visabeira*, having the business activity in Angola been affected by the the strong currency devaluation of the kwanza against the euro. If the

currency devaluation had not occurred, the turnover would have reached 921 million euros, which would represent a 22.2% growth compared to the previous year.

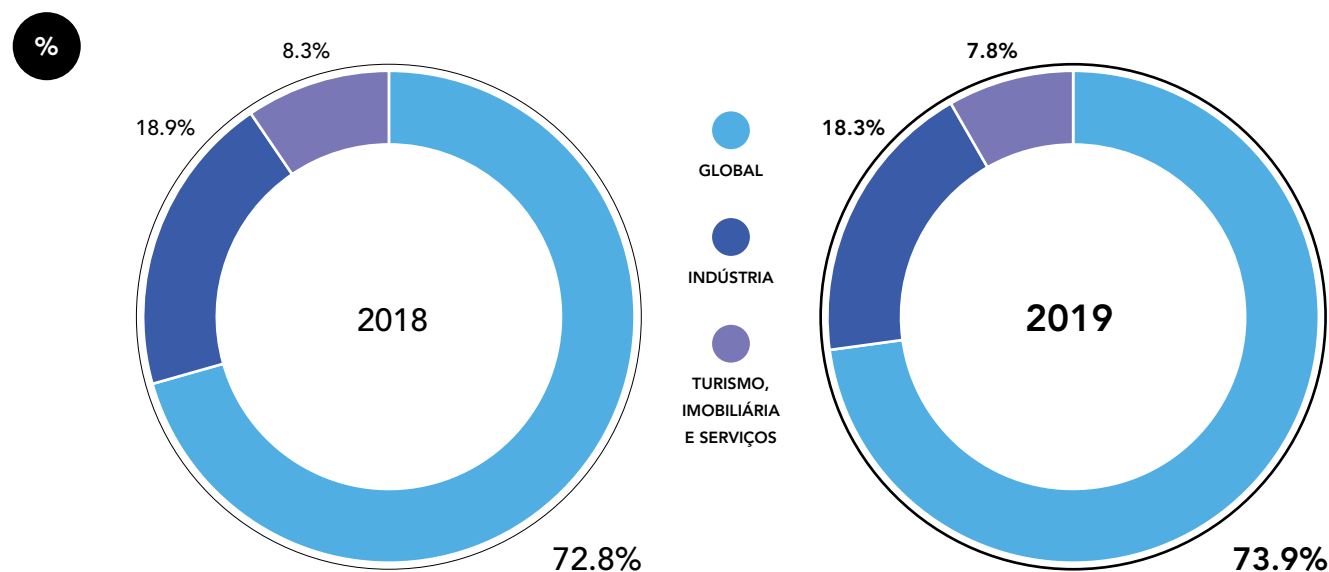
Visabeira Global recorded a turnover of 673 million euros and an EBITDA of 100 million euros. Thus, as it has been verified in recent years, it remains as the most important business area of the Grupo Visabeira, representing 72.9% of the turnover, and 60.9% of the EBITDA. Regarding the same period last year, the 23.9% growth in turnover and 14.7% 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 167 million euros, representing an increase of 18.6% compared to 2018, contributing with 18.3% to the consolidated turnover of the *Grupo Visabeira*. EBITDA reached 32.2 million euros, resulting in a 19.5% growth compared to 2018. The EBITDA margin evolved positively, from 18.1% in 2018 to 19.4%. It's important to highlight *Vista Alegre* which reached 120 million euros turnover in 2019, representing a growth of around 21.3% compared to the same period of the previous year, with the net profit continuing to evolve positively, with a growth of 8.6% compared to 2018, reaching 7.9 million euros.

Visabeira Turismo, Imobiliária e Serviços recorded a turnover of 71 million euros (including Grupo Visabeira S.A.), which represents approximately 7.8% of the Grupo's total turnover. EBITDA in this area stood at 33.3 million euros in 2019 against 26.6 million euros in 2018, which represents an increase of 25.2%.

GRUPO VISABEIRA



TURNOVER BY BUSINESS AREA



AVERAGE ANNUAL GROWTH

	2009 / 2019	2018 / 2019
Aggregate turnover – 1,050 million euros	7%	35%
Consolidated turnover of 910 million euros	8%	22%
Foreign markets 71%	3.5 pp	0.3 pp
EBITDA 165 million euros	12%	16%
EBITDA Margin 18.1%	0,5 pp	-0,9 pp
Productivity – 33 million euros	1%	9%
Average number of employees – 12.014	6%	9%

Balance

During 2019, the Grupo's assets increased to 1.938 million euros, compared to 1.695 million euros in 2018. It's important to stress the continuous strategic investment in the Visabeira Global's area, for the expansion of the international activity, namely with the purchase of the company Toft Hansen, a company operating in the telecommunications sector in Denmark, whose expertise and works' quality are well acknowledged. During 2019, the non-current assets represented more than 75% of the total assets.

During the year, the investment in the tangible fixed assets was 68 million euros, with emphasis on the Grupo Vista Alegre investments of approximately 23.9 million euros, aimed at expanding and remodelling Ria Stone's installations, as well as the purchase and installation of new kilns for the crystal and porcelain segments. Also noteworthy are the investments in Angola and Mozambique, by TVCabo Angola and TVCabo Mozambique, with 10.6 million euros and 3.4 million euros, respectively. These investments aimed at the expansion of the network coverage of those operators. It is important to mention the financial investment for the purchase of Toft Hansen, a company which provides telecommunications services. This purchase enabled the

Grupo to strengthen its position in the Danish market. Investment properties stood at 436 million euros, which represents a decrease of 9.4 million euros as a result of the increased value of Palácio do Gelo Shopping and the sale of the Hospital Building.

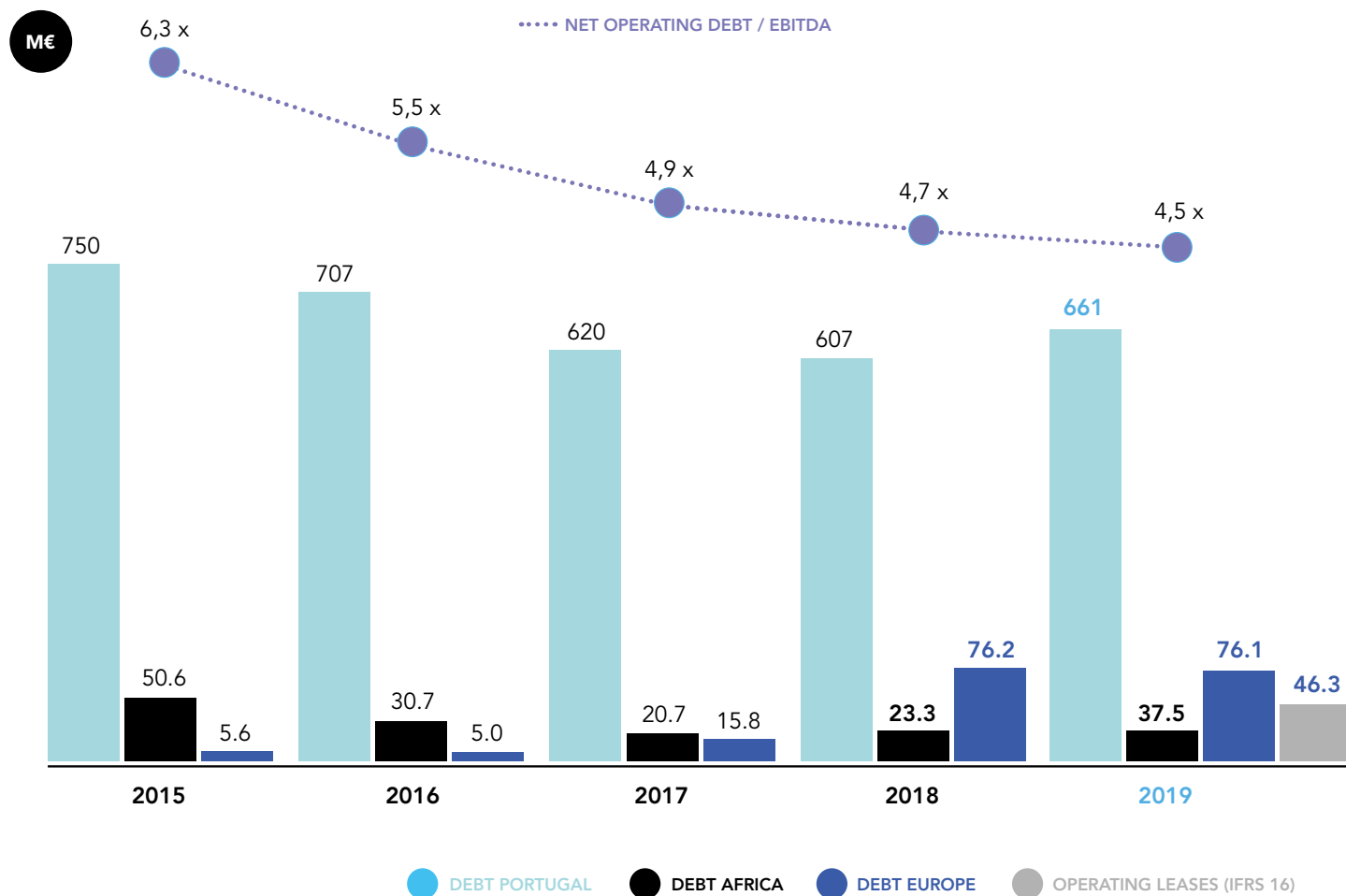
During 2019, Grupo Visabeira also disposed of 2.7 million shares it held in Pharol. The sale of these shares, combined with the devaluation of its price during 2019, contributed to a decrease of approximately 1.2 million euros in the financial assets recorded at fair value through comprehensive income. The Grupo's equity, including minority interests, improved 17.7% in 2019, being penalized by foreign exchange conversion reserves, which had a negative impact of around 16.6 million euros, largely justified by the kwanza devaluation. Thus, the financial autonomy ratio stood at 25.3%.

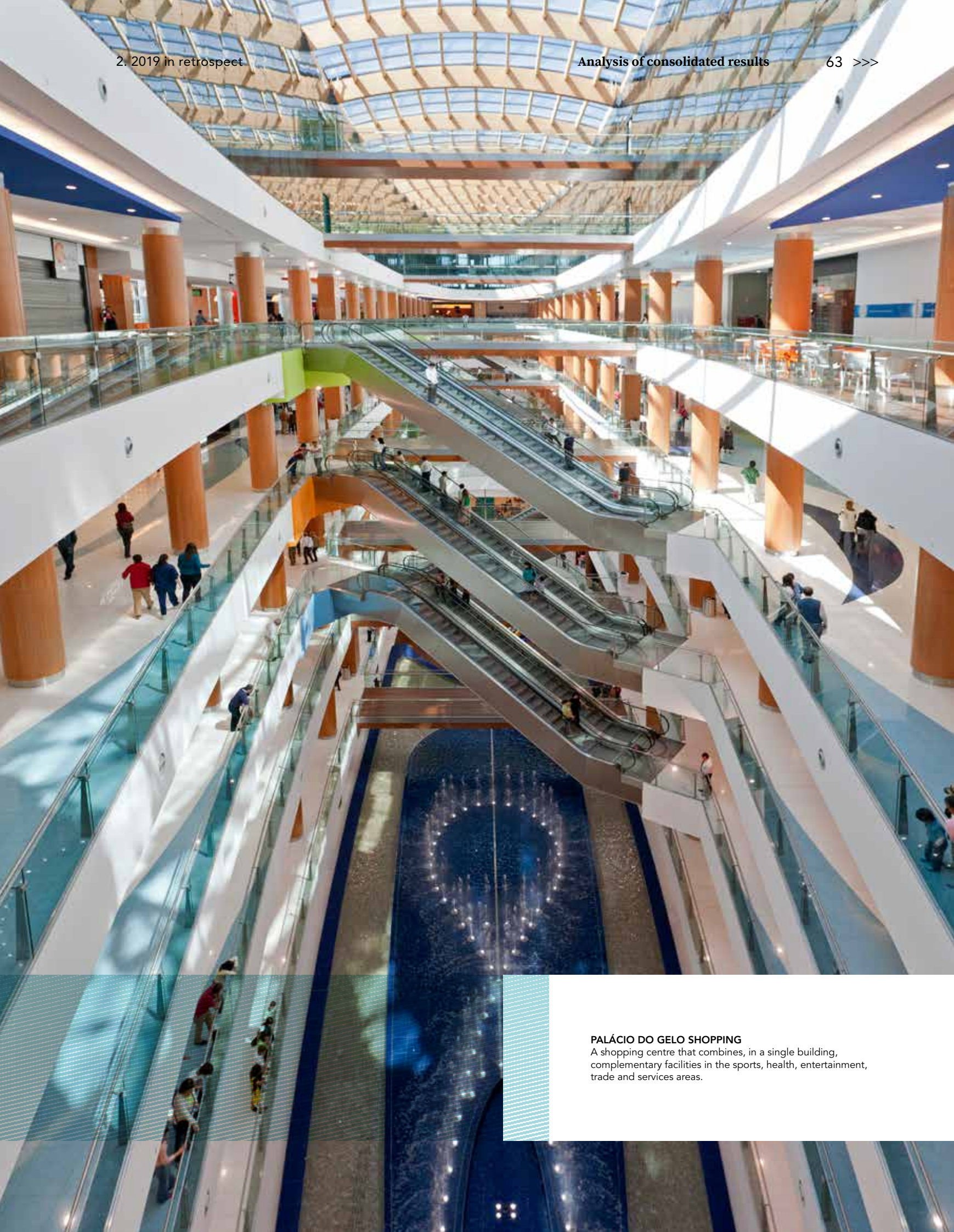
Despite the increase of the financial debt amounting to 67.8 million euros, partly due to a bond loan by Vista Alegre during 2019, it's important to stress the ratio of the Net Operating Debt / EBITDA which was fixed in the 4.5x, a decrease of 0.2x compared to 2018.

CONSOLIDATED AMOUNTS

M€	2019	2018
Total Debt (Leasing + Financing)	775	707
Operating leases	46.3	-
Cash and cash equivalents	-69.8	-41.1
Available-for-sale financial assets	-7.3	-2.5
Total net operating debt	744	663
EBITDA	165	142
Net operating debt / EBITDA	4,5 x	4,7 x

NET OPERATING DEBT / EBITDA



**PALÁCIO DO GELO SHOPPING**

A shopping centre that combines, in a single building, complementary facilities in the sports, health, entertainment, trade and services areas.

Investments

Investments in Portugal during 2019 amounted to 36 million euros, of which 6% were made in the sub-holding Visabeira Global, 72% in the sub-holding *Visabeira Indústria* and 22% in the sub-holding *Visabeira Turismo, Imobiliária e Serviços*. During this year, the most relevant investments in the sub-holding *Visabeira Global* were carried out by *Viatel* and *Visabeira*. The investments carried out by these two companies represent around 62% in Portugal, and they mainly concern equipment and assets suited to the needs of each company and the respective activities.

Regarding the investment of *Visabeira Indústria*, *Vista Alegre* stands out with an investment of 23.9 million euros, representing 93% of the investment carried out in the industry sector. The amount was mainly used in the modernization and expansion of the *Vista Alegre*, *Bordallo Pinheiro*, *Cerutil* and *Ria Stone's* facilities.

The following investments stand out, by segment:

- Table Stoneware: 4 million euros
- Earthenware: 7 million euros
- Crystal: 7 million euros
- Porcelain: 6 million euros

These investments' purpose mainly aims at increasing the production capacity and the operational efficiency, reducing the costs, and reinforcing *Vista Alegre's* position as the owner of the most technologically advanced factories in the ceramic, crystal and glass sectors.

Regarding *Visabeira Turismo, Imobiliária e Serviços*, the main investments were carried out by *Tourist Enterprises Montebelo*, amounting to 5.3 million euros, for the renovation and improvement works of different areas, as well as for the new hotel and restaurant areas, some already in operation (*Montebelo Lisbon Downtown Apartments*, on Rua da Prata) and others opening soon.

Regarding VAA - *Empreendimentos Turísticos*, as during the previous year, the investment regards the expansion of the hotel in the *Aldeamento VAA (Bairro Operário [Workers' Neighbourhood])*.

PORTUGAL

€

	Amount	Investment
Visabeira Global		
Viatel	699,787	Vehicles and equipment
Visabeira	623,665	Vehicles and equipment
Edivisa	525,952	Equipment
Real Life	126,927	Vehicles and software
Visabeira Indústria		
Vista Alegre Atlantis	23,902,530	Expansion, remodelling and equipment
Ambitermo	1,072,298	Expansion and equipment
Pinewells	660,455	Remodelling and equipment
Visabeira Turismo, Imobiliária e Serviços		
Empreendimentos Montebelo	5,325,344	Facility refurbishment and upgrading New hotels
VAA Empreendimentos Turísticos	868,233	Aldeamento VAA (Bairro Operário [Workers Neighbourhood])
Tropo Squisito	834,011	Tropo Squisito Ristorante
Movida	547,123	Remodelling and equipment
Other companies	698,219	
TOTAL	35,884,545	

Investments in foreign markets were mainly carried out in the main countries where Grupo Visabeira operates, namely in France, representing 34% (10.9 million euros), Angola, representing 34% (10.8 million euros) and Mozambique, representing 26% (8.3 million euros).

In the French market, the investment was carried out essentially by Constructel, with around 8.7 million euros (88% of the investment in France), which aimed mainly at purchasing vehicles and equipment necessary for the company to carry out their business activity.

All other companies based in France carried as well investments aiming at purchasing vehicles and equipment essential for the companies to carry out their business activity. In Belgium, the investment amounted to 0.6 million euros, in which, as in France, it was used to purchase vehicles and equipment essential for the companies to carry out their business activity.

In the Angolan market, it is important to highlight TVCabo Angola with an investment of 10.6 million euros (about 98%). Within this context, it is important to highlight the investment on the network construction and equipment. The company, following its strategy, focused on the expansion of its geographical area of intervention, invested in the construction of a network within the most developed urban areas namely Luanda, the major growth area, as well as Huambo, Lubango, Lobito and Benguela.

In the Mozambican market, the most relevant investments were made by TVCabo, Milibangalala and Turvisa, with 3.4 million euros, 3.0 million euros and 1.3 million euros, respectively.

Regarding TVCabo's investment in Mozambique, it's important to mention the construction of the network for the expansion in the areas of Beira, Nampula, Tete and Pemba. Turvisa invested in the expansion and renovation of the existing hotels in the country, in order to consolidate their market position.

In the German market, Constructel GmbH and Constructel BAU, as other companies in the European markets, invested in the purchase of vehicles and equipment essential for the companies to carry out their business activity.

Financial investments

During 2019, Grupo Visabeira, aiming at reinforcing the growth in its strategic markets, as well as the geographical expansion of its activity, through its subsidiary Constructel Denmark purchased 100% of the shareholding of the company Toft Hansen ApS, in Denmark. The latter is a company operating in the telecommunications sector in Denmark, whose expertise and works' quality are well acknowledged.

INTERNATIONAL

€	Amount	Investment
Mozambique		
TVCABO	3,423,005	Network construction and expansion
Milibangalala	2,956,794	Montebelo Milibangalala Bay Resort
Turvisa	1,345,221	Expansion, remodelling and restoration in several hotels
Others	592,850	
Angola		
TVCABO Angola	10,579,393	Network construction and expansion
Comatel	165,021	Equipment
Others	55,740	
France		
Constructel	8,729,143	Vehicles and equipment
Constructel Energie	935,635	Vehicles and equipment
Escotel	781,343	Vehicles and equipment
Gatel	433,040	Vehicles and equipment
SCI Constructel	12,666	Equipment
Belgium		
Constructel Bélgica	291,840	Vehicles and equipment
Constructel Modal	180,957	Equipment
Modal	101,707	Equipments
Cabling Station	25,180	Equipment
Germany		
Constructel GmbH	465,763	Vehicles and equipment
Constructel Bau	34,199	Vehicles and equipment
Other countries		
	1,024,301	
TOTAL	32,133,797	

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 Risks

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 2019 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 2.2 million euros, contracted in 2015 with a mark-to-market value of -25 thousand euros, as follows:

Company	Description	Amount covered	Operation type	Average maturity	Economic target
Naturenergia, SA	Swap Euribor 3M	1,750,494	Interest Rate Swap	8 years	Eliminate interest rate risk in financing

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

Company		Book value 2018	Book value 2017
Naturenergia, SA	Swap Euribor 3M	-24,776	-29,881
TOTAL		-24,776	-29,881

In October 2008, the 3-month Euribor rate started to drop, as a result of successive cuts to the reference rate by the European Central Bank, in response to the international financial crisis, which has led to a downward trend in recent years, reaching negative values in 2015. This downward trend continued until 2019, having started the year at

-0.310%, and settling at -0.383% at the end of the year. 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 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. However, in Mozambique, during the previous year, there was a slight appreciation of 0.24% of the metical against the US dollar and 2.09% of the metical against the euro. In Angola, the official exchange rate set by the National Bank of Angola for the Kwanza remained unchanged from the first quarter of 2016 to the end of 2017. The European currency became the reference for the Angolan market, since the beginning of 2017, under the new exchange floating regime. 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 from October 2019, 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. In 2019, the Angolan currency accumulated a depreciation of 53.20% against the Euro and 56.26% against the Dollar. Consolidated financial results include a currency impact from Angola of 21,7 million euros. The expression of the adjustment to the exchange rate level, especially in the last two 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 2020, but it should not have the same expression as that already occurred. The Angolan economy was classified in 2017 and 2018 as hyperinflationated, so it is necessary to restate the value of the assets of Angolan companies.

On the other hand, there is 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 1.118 Euros and ended the year at 1.175 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, 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. The hedging of this risk enables a compensation for unpaid customer loans, which is 85% for the domestic market and 90% for the foreign market, except Angola. Recent years have been marked by increased restrictions on lending in general, with credit limits having undergone significant unfavourable revisions. In light of this scenario, and in order to meet the credit risk hedging requirements for which the limits granted under basic policies are insufficient, Grupo Visabeira has contracted additional instruments, which allow increasing the partial hedging of its risks complementing up to twice the amount covered by basic policies, for integrated customers both in the domestic and foreign markets. Simultaneously, this model ensures the hedging of risks that have no amount attributed in the aforementioned policy, or obtain an amount greater than double the existing hedging, up to a limit of 100,000 euros for customers in foreign markets. The greater restrictions on the external coverage of the credit granted imply of increased rigor and a greater requirement in the appraisal of the requests for the concession is 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 9% 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 2019, a weight of 0.4%. Companies in the Grupo Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, which accounted for about 53% of consolidated turnover in 2019. 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; Próximis (Belgacom); Deutsche Telekom; MEO – Serviços de Comunicações e Multimédia; NOS Comunicações; EDP Distribuição; GRDF – Distribution de Gaz Naturel en France; ERDF – Electricité Réseau 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 Risks

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 2017, the Grupo sold its shares of NOS Multimédia, EDP and partially in Pharol, and reimbursed the financing in the form of Commercial Paper associated with these shares. Credit lines with longer maturities were also contracted, which significantly reduced liquidity risk:

- I. The real estate leasing related to the Palácio do Gelo Shopping, with an outstanding capital of 35.1 million euros, became an operation with a residual amount, payable only in 2026;
- II. in connection with this asset, a commercial paper program, in the amount of 85 million euros was contracted, with increasing reductions in the nominal value until 2026 and with a bullet value of 42.5 million euros;
- III. the Grupo contracted a 20 million euros loan with a refund until 2023 and a Commercial Paper Programme in the amount of 32.3 million with a plan to reduce the annual nominal value of 5% up to and including 2021, and the remainder in the following two years; the commercial paper that was due in December 2017 was extended by five years and a bullet will now fall due in 2022, in the amount of 21.75 million euros.

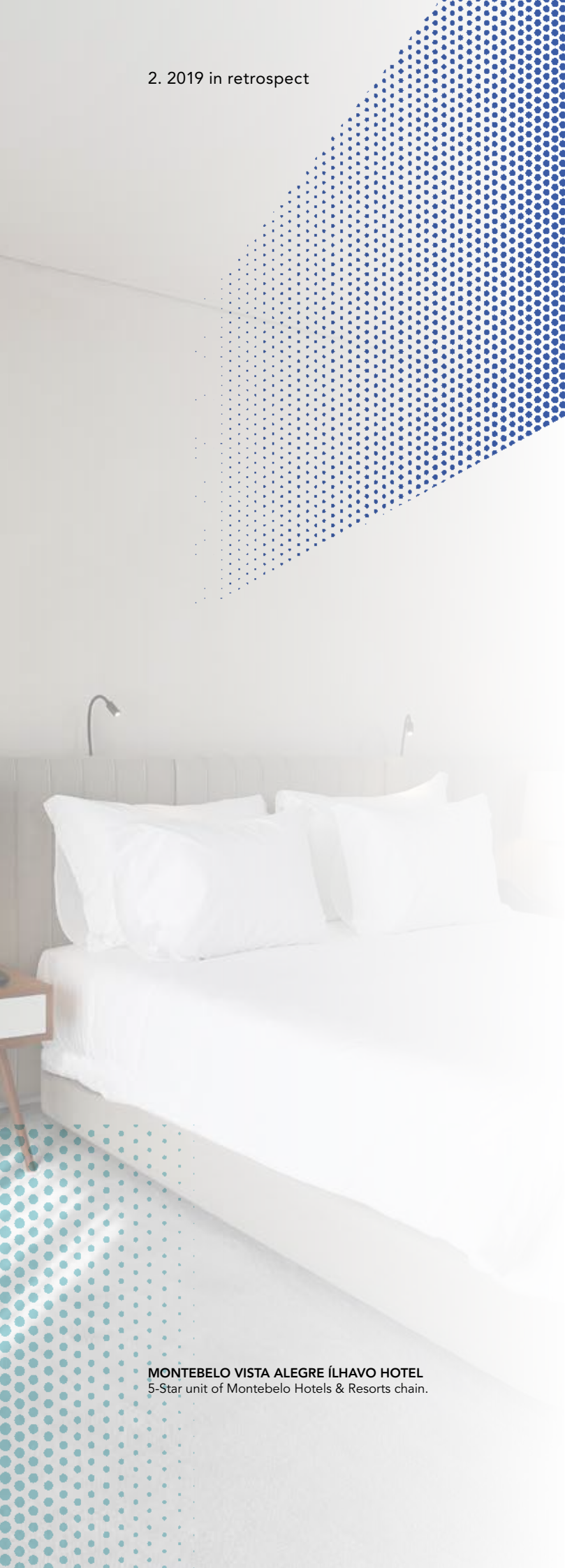
During 2019 were implemented several initiatives aiming at diversifying financing sources. Noteworthy is the first bond issue guaranteed to the amount of 50 million euros by VAA - Vista Alegre Atlantis SGPS, SA. issued in two tranches: Class A to the amount of 45 million euros with a maturity bullet in 2024 registered in Spain in the Mercado Alternativo de Renta Fija (MARF) and Class B to the amount of 5 million euros, with amortization starting in 2022 and ending in 2024. In December, the Grupo also registered a 50 million euro commercial paper program with the MARF in Spain, having issued 15 million euros, reinforcing the strategy of progressively reducing the dependence on national banks. In 2018, the Grupo had already issued a bond loan to the amount of 55 million euros, with a maturity bullet in 2004, with corporate investors, which in addition to providing greater maturity to the debt, allowed the Grupo to further diversify its financing sources. The Grupo also contracted syndicated bond issues with national banks, to the amount of 27 million euros and 54 million euros, both maturing in 2024, in addition to several other refinancing operations.

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

Taking into account that the amount of the debt, presented in the statement of financial position on the 31st of December 2019 as payable in the short term, incorporates 11.6 million euros regarding secured current accounts and authorized overdrafts, as well as 4.6 million euros regarding bond loans and commercial paper - in which there is an agreement with the counterparties for its refinancing -, and 22 million euros of debt with corporate investors with a revolving nature, we believe that during 2020 the short term debt that may be subject to refinancing will amount to 87 million euros, representing about 11% of the consolidated debt. Under the same assumption, considering cash and cash equivalents (although around 8.7 million euros may be subject to the restrictions that currently remain in currency transfers from Angola and Mozambique), the residual short-term net debt which may be subject to refinancing will amount to 17.5 million euros, which can also be addressed with the operating 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 reducing liquidity risks, as well as avoiding exposure to variations that may affect the companies' profit.





MONTEBELO VISTA ALEGRE ÍLHAVO HOTEL
5-Star unit of Montebelo Hotels & Resorts chain.

The Grupo has lines of credit approved under the Portugal 2020 program, and under financial institutions, which amount to 35 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. The Grupo also has support lines for cash holdings, under factoring, payment to suppliers and discount of documentary remittances to the amount of 37 million euros, available at the end of 2019. The use of factoring, on the other hand, allows for a reduction in the average payment 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 2019, amounts paid in advance by customers in this format stood at 23.2 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 68.4 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 "A3" by ARC Ratings, which means that the Group currently has extremely strong ability to meet its financial commitments. ARC Rating also assigned a medium- and long-term rating. The ability to meet short-, medium- and long-term financial commitments of the Group was rated "BBB-", with a positive trend.

The general liquidity ratio in the consolidated accounts was 0.8 in 2019, which demonstrates the adequacy of the financing of current assets by current liabilities.

COVID-19 pandemic

In Portugal, more or less generally, Grupo Visabeira has complied with the moratorium under no. 1, al. b) of Article 4 of Decree-Law no. 10-J / 2020 published in Diário da República in 2020-03-26, which establishes exceptional credit protection measures, as well as a special regime of personal guarantees of the State, under COVID-19 pandemic.

In Europe (France and Belgium) the capital and interest moratorium is expected to be applied, but the level of indebtedness is residual.

At Constructel França, the company that concentrates the large slice of the debt, 55 million euros are financed in a five-year bullet structure under a bond loan maturing in 2024 and the remainder are essentially repayment leasing operations.

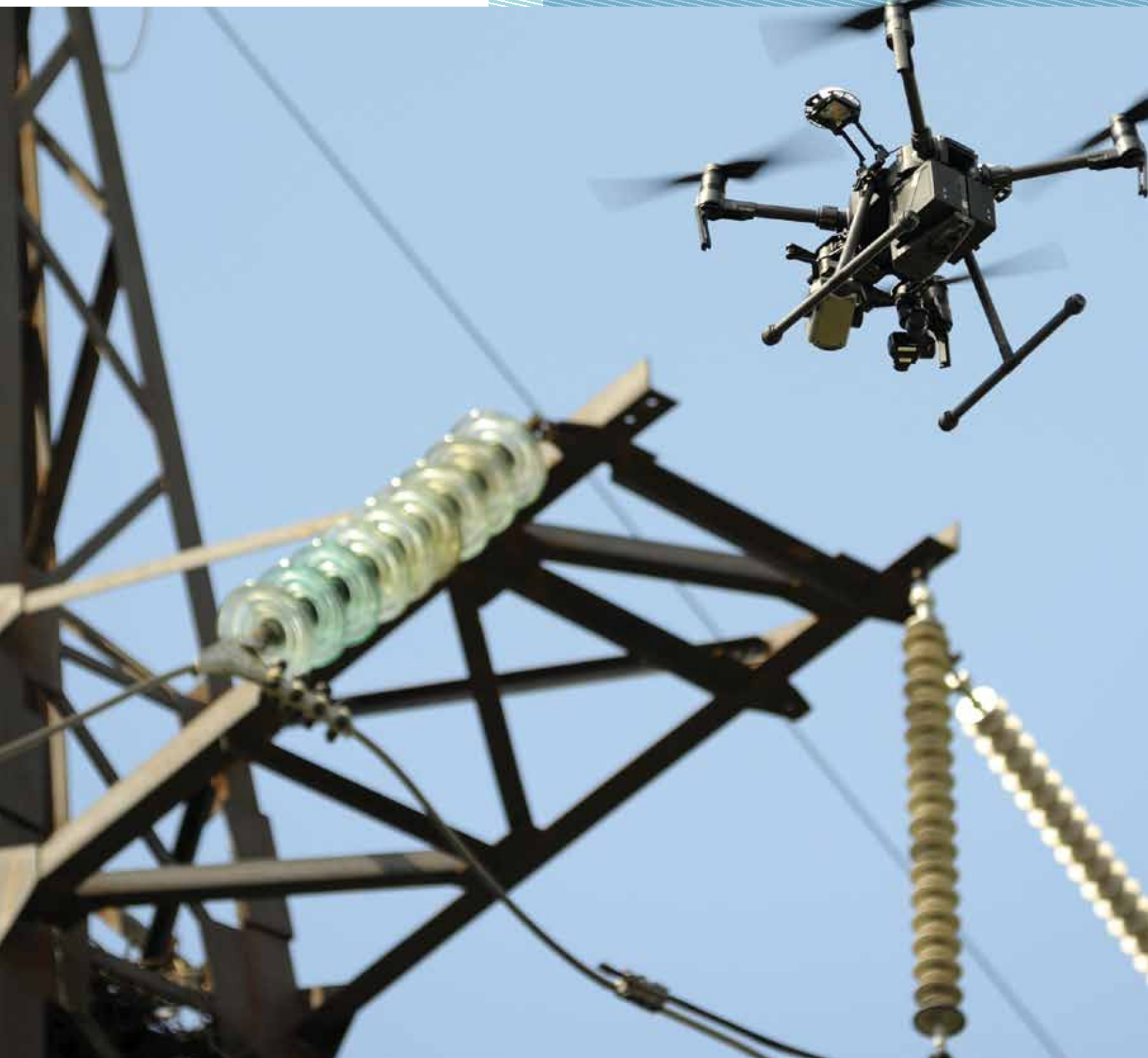
In Mozambique, although there is no equivalent legal framework, we have requested the main banks and financing for a capital shortage for a period of 6 months.

In Angola there are no changes in the level of ongoing financing, the most relevant being the financing of the European Investment Bank to TV CABO, and the operation itself was not materially affected by the effects of the Pandemic.

Although the repayment conditions are not fully clear, since it was not officially communicated by the funders, we estimate that around 28 million euros of short term debt should be rescheduled for the following years under the government support measures.

AEROPROTECHNIK

Advanced inspection of energy and telecommunications networks and infrastructures.



Business evolution by area



TURNOVER BY COMPANY

BUSINESS AREA	TOTAL		GRUPO		CONSOLIDATED 2019		CONSOLIDATED 2019	
GLOBAL								
Europe	648,133,778	86.3%	56,732,848	72.1%	591,400,930	87.9%	467,599,730	86.1%
Portugal	189,151,106	25.2%	30,449,421	38.7%	158,701,685	23.6%	149,231,453	27.5%
Visabeira Global, SGPS	2,253,243	0.3%	2,133,306	2.7%	119,937	0.0%	118,351	0.0%
Viatel	69,806,583	9.3%	12,128,241	15.4%	57,678,341	8.6%	60,122,812	11.1%
PDT	32,917,675	4.4%	911,460	1.2%	32,006,215	4.8%	29,401,522	5.4%
Visabeira	28,574,424	3.8%	4,560,554	5.8%	24,013,870	3.6%	20,748,292	3.8%
Edivisa	29,274,563	3.9%	6,550,576	8.3%	22,723,987	3.4%	19,967,336	3.7%
Real Life Technologies	17,958,071	2.4%	1,535,720	2.0%	16,422,351	2.4%	13,980,408	2.6%
Naturenergia	3,473,719	0.5%	979,700	1.2%	2,494,019	0.4%	2,472,697	0.5%
Visacasa	3,260,274	0.4%	1,174,598	1.5%	2,085,676	0.3%	1,173,175	0.2%
Iutel	550,588	0.1%	90	0.0%	550,498	0.1%	516,169	0.1%
Aeroprotechnik	805,615	0.1%	472,723	0.6%	332,892	0.0%	313,756	0.1%
Field Force Atlântico	273,900	0.0%	0	0.0%	273,900	0.0%	416,934	0.1%
Constructel Europe	2,452	0.0%	2,452	0.0%	0	0.0%	0	0.0%
France	244,322,388	32.5%	8,370,464	10.6%	235,951,924	35.1%	194,565,763	35.8%
Constructel	203,973,561	27.1%	3,018,665	3.8%	200,954,896	29.9%	167,386,796	30.8%
Constructel Energie	19,578,397	2.6%	38,097	0.0%	19,540,300	2.9%	20,139,155	3.7%
Escotel	14,571,932	1.9%	1,151,878	1.5%	13,420,054	2.0%	5,429,200	1.0%
Gatel	5,841,810	0.8%	3,946,991	5.0%	1,894,819	0.3%	1,527,364	0.3%
SCI Constructel	356,689	0.0%	214,833	0.3%	141,856	0.0%	83,248	0.0%
England	123,281,941	16.4%	0	0.0%	123,281,941	18.3%	60,389,374	11.1%
MJ Quinn	123,281,941	16.4%	0	0.0%	123,281,941	18.3%	60,389,374	11.1%
Belgium	38,693,938	5.1%	7,564,323	9.6%	31,129,615	4.6%	30,600,208	5.6%
Constructel Modal	21,130,876	2.8%	865,795	1.1%	20,265,081	3.0%	7,379,204	1.4%
Modal Installation	9,760,938	1.3%	2,029,412	2.6%	7,731,526	1.1%	10,780,291	2.0%
Constructel Belgium	7,310,993	1.0%	4,246,443	5.4%	3,064,550	0.5%	5,820,394	1.1%
Cabling Station	491,132	0.1%	422,674	0.5%	68,458	0.0%	6,620,319	1.2%
Italy	15,041,661	2.0%	0	0.0%	15,041,661	2.2%	19,576,536	3.6%
Ieme	15,041,661	2.0%	0	0.0%	15,041,661	2.2%	19,576,536	3.6%
Germany	16,127,457	2.1%	4,418,572	5.6%	11,708,885	1.7%	8,745,652	1.6%
Constructel GmbH	14,030,585	1.9%	2,321,700	3.0%	11,708,885	1.7%	8,745,652	1.6%
Constructel Bau	2,096,872	0.3%	2,096,872	2.7%	0	0.0%	0	0.0%
Denmark	21,509,197	2.9%	5,930,068	7.5%	15,579,129	2.3%	4,486,510	0.8%
Constructel Denmark	12,955,642	1.7%	0	0.0%	12,955,642	1.9%	4,486,510	0.8%
Toft Hansen	8,553,555	1.1%	5,930,068	7.5%	2,623,488	0.4%		0.0%
Sweden	6,089	0.0%	0	0.0%	6,089	0.0%	4,233	0.0%
Constructel Sweden	6,089	0.0%	0	0.0%	6,089	0.0%	4,233	0.0%
Africa	103,084,862	13.7%	21,945,733	27.9%	81,139,130	12.1%	75,253,846	13.9%
Angola	58,516,129	7.8%	16,329,887	20.8%	42,186,242	6.3%	44,807,434	8.3%
TVCabo Angola	40,484,714	5.4%	132,949	0.2%	40,351,765	6.0%	41,763,302	7.7%
Comatel	16,884,571	2.2%	15,063,599	19.1%	1,820,973	0.3%	2,998,695	0.6%
Edivisa Angola	1,146,844	1.4%	1,133,340	1.4%	13,504	0.0%	45,436	0.0%
Mozambique	44,568,733	5.9%	5,615,845	7.1%	38,952,888	5.8%	30,446,412	5.6%
TV Cabo	19,643,726	2.6%	279,479	0.4%	19,364,247	2.9%	18,189,592	3.4%
Televisa	9,260,306	1.2%	1,571,387	2.0%	7,688,920	1.1%	6,973,020	1.3%
Martifer Visabeira	6,594,539	0.9%	0	0.0%	6,594,539	1.0%	-	-
Real Life Moçambique	2,422,015	0.3%	5,479	0.0%	2,416,536	0.4%	2,109,890	0.4%
Sogitel	5,281,692	0.7%	3,361,083	4.3%	1,920,608	0.3%	2,382,414	0.4%
Hidroafrica	1,385,761	0.2%	393,402	0.5%	992,359	0.1%	760,999	0.1%
Real Life Academy	157	0.0%	0	0.0%	157	0.0%	483	0.0%
Selfenergy	-19,463	0.0%	5,015	0.0%	-24,478	0.0%	30,014	0.0%
TOTAL	751,218,640	100.0%	78,678,581	100.0%	672,540,059	100.0%	542,853,575	100.0%



BUSINESS AREA			TOTAL		GRUPO		CONSOLIDATED 2019		CONSOLIDATED 2018	
INDUSTRY										
Europe	174,893,534	94.8%	16,357,300	92.1%	158,536,233	95.1%	132,470,462	94.2%		
Portugal	167,895,107	91.0%	15,877,300	89.4%	152,017,807	91.2%	125,878,466	89.5%		
Visabeira Indústria, SGPS	316,954	0.2%	316,954	1.8%	0	0.0%	36,000	0.0%		
Vista Alegre Atlantis	78,637,676	42.6%	7,509,815	42.3%	71,127,861	42.7%	62,669,739	44.6%		
Ria Stone	26,334,472	14.3%	111,921	0.6%	26,222,551	15.7%	18,470,442	13.1%		
Pinewells	19,366,188	10.5%	0	0.0%	19,366,188	11.6%	15,845,317	11.3%		
Ambitermo	15,656,010	8.5%	12,433	0.1%	15,643,577	9.4%	9,421,200	6.7%		
Cerutil	8,935,016	4.8%	1,424,569	8.0%	7,510,448	4.5%	8,906,065	6.3%		
Mob	6,971,086	3.8%	1,928,599	10.9%	5,042,488	3.0%	4,354,248	3.1%		
Bordalo Pinheiro	7,732,693	4.2%	3,915,436	22.1%	3,817,257	2.3%	3,606,206	2.6%		
Granbeira	2,944,081	1.6%	657,574	3.7%	2,286,506	1.4%	2,569,249	1.8%		
Besconsigo	863,062	0.5%	0	0.0%	863,062	0.5%	-	-		
Rodinerte	137,869	0.1%	0	0.0%	137,869	0.1%	-	-		
France	949,823	0.5%	0	0.0%	949,823	0.6%	249,773	0.2%		
Vista Alegre France	931,119	0.5%	0	0.0%	931,119	0.6%	136,971	0.1%		
Mob Cuisines	18,704	0.0%	0	0.0%	18,704	0.0%	112,802	0.1%		
Spain	6,048,604	3.3%	480,000	2.7%	5,568,604	3.3%	6,342,223	4.5%		
Vista Alegre Atlantis Espanha	6,048,604	3.3%	480,000	2.7%	5,568,604	3.3%	6,342,223	4.5%		
Africa	5,096,588	2.8%	1,398,152	7.9%	3,698,436	2.2%	4,077,745	2.9%		
Mozambique	3,092,145	1.7%	143,606	0.8%	2,948,539	1.8%	1,535,021	1.1%		
Celmoque	2,857,641	1.5%	104,171	0.6%	2,753,469	1.7%	1,309,322	0.9%		
Vista Alegre Atlantis Moçambique	193,340	0.1%	0	0.0%	193,340	0.1%	221,581	0.2%		
Agrovisa	41,164	0.0%	39,435	0.2%	1,729	0.0%	4,119	0.0%		
Angola	2,004,442	1.1%	1,254,545	7.1%	749,897	0.4%	2,542,723	1.8%		
Alamo Angola	2,004,084	1.1%	1,254,187	7.1%	749,897	0.4%	2,542,438	1.8%		
Visaconstroi	358	0.0%	358	0.0%	0	0.0%	285	0.0%		
America	4,489,289	2.4%	0	0.0%	4,489,289	2.7%	4,084,055	2.9%		
Brazil	2,674,225	1.4%	0	0.0%	2,674,225	1.6%	2,547,931	1.8%		
Vista Alegre Atlantis Brasil	2,674,225	1.4%	0	0.0%	2,674,225	1.6%	2,547,931	1.8%		
United States of America	1,704,878	0.9%	0	0.0%	1,704,878	1.0%	1,492,272	1.1%		
Vista Alegre Atlantis USA	1,704,878	0.9%	0	0.0%	1,704,878	1.0%	1,492,272	1.1%		
Mexico	110,186	0.1%	0	0.0%	110,186	0.1%	43,852	0.0%		
Mexicova	110,186	0.1%	0	0.0%	110,186	0.1%	43,852	0.0%		
TOTAL	184,479,411	100.0%	17,755,452	100.0%	166,723,958	100.0%	140,632,261	100.0%		



BUSINESS AREAS			TOTAL		GRUPO		CONSOLIDATED 2019		CONSOLIDATED 2018	
TURISM, REAL ESTATE AND SERVICES										
Europe	67,067,348	71.0%	16,757,197	66.4%	50,310,151	72.7%	44,308,480	73.2%		
Portugal	67,067,348	71.0%	16,757,197	66.4%	50,310,151	72.7%	44,302,980	73.2%		
Visabeira Turismo, Imobiliária e Serviços, SGPS	843,486	0.9%	843,486	3.3%	0	0.0%	0	0.0%		
Visabeira Imobiliária, SGPS	332,233	0.4%	332,233	1.3%	0	0.0%	0	0.0%		
Visabeira Serviços, SGPS	516,202	0.5%	516,202	2.0%	0	0.0%	0	0.0%		
Empreedimentos Montebelo	16,085,673	17.0%	-1,152,627	-4.6%	17,238,300	24.9%	12,486,323	20.6%		
Movida	18,921,301	20.0%	5,186,600	20.6%	13,734,701	19.8%	12,862,322	21.3%		
Visabeira Imobiliária, SA	7,302,317	7.7%	190,346	0.8%	7,111,971	10.3%	5,881,363	9.7%		
Ifervisa	3,595,835	3.8%	9,411	0.0%	3,586,424	5.2%	4,359,078	7.2%		
VAA - Empreedimentos Turisticos	3,548,825	3.8%	147,800	0.6%	3,401,025	4.9%	3,061,729	5.1%		
Creative Shots	1,228,218	1.3%	0	0.0%	1,228,218	1.8%	0	0.0%		
Zambeze	1,285,827	1.4%	58,283	0.2%	1,227,544	1.8%	1,172,544	1.9%		
Tropo Squisito	1,106,464	1.2%	934	0.0%	1,105,530	1.6%	0	0.0%		
Benetrónica	10,610,774	11.2%	9,676,330	38.4%	934,444	1.4%	1,214,193	2.0%		
Mundicor	1,480,047	1.6%	802,907	3.2%	677,140	1.0%	718,701	1.2%		
VisabeiraHouse	200,245	0.2%	145,293	0.6%	54,953	0.1%	39,103	0.1%		
Visabeira Saúde	9,900	0.0%	0	0.0%	9,900	0.0%	9,900	0.0%		
Hospital Nossa Srª Arrábida	0	0.0%	0	0.0%	0	0.0%	1,647,647	2.7%		
Porto Salus	0	0.0%	0	0.0%	0	0.0%	850,077	1.4%		
Spain	0	0.0%	0	0.0%	0	0.0%	5,500	0.0%		
Visabeira Spain	0	0.0%	0	0.0%	0	0.0%	5,500	0.0%		
Africa	27,357,065	29.0%	8,473,679	33.6%	18,883,386	27.3%	16,215,956	26.8%		
Angola	7,376,833	7.8%	3,659,200	14.5%	3,717,632	5.4%	2,880,911	4.8%		
Visauto	4,288,050	4.5%	1,213,648	4.8%	3,074,402	4.4%	2,292,134	3.8%		
Angovisa	606,477	0.6%	0	0.0%	606,477	0.9%	463,160	0.8%		
Mercury Angola	1,564,979	1.7%	1,528,226	6.1%	36,753	0.1%	0	0.0%		
Catari Angola	0	0.0%	0	0.0%	0	0.0%	0	0.0%		
Visabeira Angola	917,327	1.0%	917,327	3.6%	0	0.0%	125,616	0.2%		
Mozambique	19,980,233	21.2%	4,814,479	19.1%	15,165,754	21.9%	13,335,046	22.0%		
Turvisa	8,211,065	8.7%	893,445	3.5%	7,317,620	10.6%	7,021,478	11.6%		
Mercury	4,019,070	4.3%	471,880	1.9%	3,547,190	5.1%	2,363,665	3.9%		
Imovisa	1,926,786	2.0%	20,041	0.1%	1,906,745	2.8%	1,712,637	2.8%		
Combustiveis do Songo	2,674,844	2.8%	916,620	3.6%	1,758,224	2.5%	1,738,694	2.9%		
Vibeiras Moçambique	317,192	0.3%	31,545	0.1%	285,647	0.4%	190,742	0.3%		
Visaqua	259,738	0.3%	40,481	0.2%	219,257	0.3%	169,026	0.3%		
Autovisa	430,774	0.5%	333,881	1.3%	96,893	0.1%	97,438	0.2%		
Visabeira Moçambique	2,140,764	2.3%	2,106,586	8.3%	34,178	0.0%	41,367	0.1%		
TOTAL	94,424,414	100.0%	25,230,877	100.0%	69,193,537	100.0%	60,524,437	100.0%		
HOLDING										
Europe	20,246,033	100.0%	18,767,850	100.0%	1,764,947	100.0%	1,392,868	2.3%		
Portugal	20,246,033	100.0%	18,767,850	100.0%	1,764,947	100.0%	1,392,868	2.3%		
Grupo Visabeira	20,246,033	100.0%	18,767,850	100.0%	1,764,947	100.0%	1,392,868	2.3%		
TOTAL	20,246,033	100.0%	18,767,850	100.0%	1,764,947	100.0%	1,392,868	2.3%		
TOTAL GLOBAL	1,050,368,497	100.0%	140,145,996	100.0%	910,222,502	100.0%	745,403,142	100.0%		

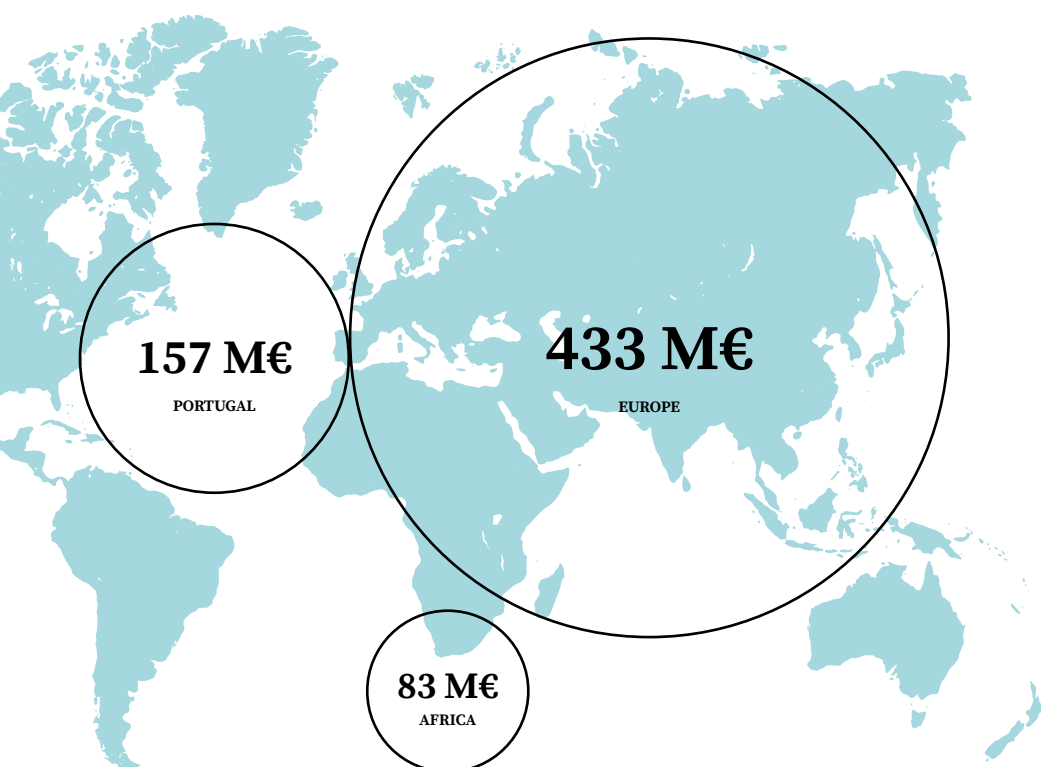
Visabeira Global

CONSOLIDATED INDICATORS

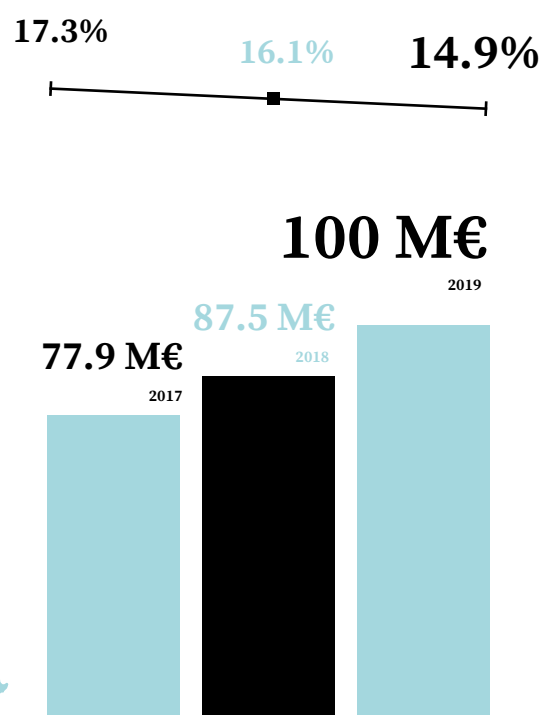
	2019	2018	Var YoY
Turnover	673 M€	543 M€	24%
EBITDA	100 M€	87.5 M€	15%
EBITDA Margin	14.9%	16.1%	-1,2 pp
Recurring operating income *	60.1 M€	55.2 M€	9%
Operating margin	8.9%	10.2%	-1,2 pp
Net income	26.9 M€	16.5 M€	63%
Net investment	36.0 M€	63.6 M€	-43%
Debt	249 M€	227 M€	10%
Inventories	38.0 M€	35.5 M€	7%
Fixed assets (including goodwill)	492 M€	283 M€	74%

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

TURNOVER



EBITDA AND MARGIN



Visabeira Global strengthened its position as the Grupo's largest holding company with the more comprehensive range of activities, encompassing the areas of 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, aiming at maximising synergies and creating a comprehensive offer. 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 maintained, and even reinforced, its expansion course, which is clear in the fact that, as a whole, Visabeira Global's subsidiaries reached, during 2019, an aggregate turnover of around 751 million euros, corresponding to an impressive growth of more than 23%, compared to 2018. Thus, it should be noted that Visabeira Global represents 74% of the Grupo Visabeira's consolidated turnover, and that the growth in this sub-holding, in consolidated terms, represented 24% in turnover, and 15% in EBITDA.

Telecommunications

Visabeira Global has strongly reinforced the growth of its activity in Europe and expansion towards other countries, which have been the main focus of its performance. Its global service provider, as well as the service careful quality are the main characteristics which strengthen all its brands, through which it operates in different markets. 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 United Kingdom. In France, **Constructel** 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. In 2019, the company maintained a strong growth regarding the construction of optical fibre networks and consolidated its multi year contracts and partnerships with Orange and other operators, such as *Axione* and *Coverage*. These actions allowed the company to reach the 204 million euros in turnover, leading to an important growth of more than 20%, compared with the previous year. *Constructel França* also operated in the Caribbean, where it maintains a long tradition and an unmistakable market acknowledgement. In 2019, 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** consolidated its market position as well as managed to ensure significant growth which allowed the company to reach a turnover close to 6 million euros, with an increase of over 23%. In France as well, **Escotel** was also able to renew and reinforce its mains telecommunication networks maintenance contracts, as well as to ensure a remarkable growth which resulted in the most important turnover in its history, thus contributing with about 15 million euros to the Visabeira Global's indicators, and leading a significant growth of 168% compared to the previous year. In Belgium, **Constructel Belgique** reinforced its position as a strategic company with *Proximus (Belgacom)*, by signing a multi-year contract for the construction of FTTH networks, which represents the result of the trust

relationship between the company and that operator strengthen for more than a decade, in the area of fixed networks. Within this context, during 2019, the company recorded a turnover of 7.3 million euros, very similar with the previous year.

In Belgium, as well, **Constructel Modal** consolidated its present in the Belgian telecommunications sector with *Proximus (Belgacom)*, in the area of fixed networks. *Constructel Modal* and the group of local associate companies, increased their activities in 2019 and achieved an important turnover in this market, reaching an amount of around 31.4 million euros, corresponding to a growth of more than 18%.

In Italy, during 2019, **IEME** consolidated its position as ENEL's long time provider, in the Emilia-Tomagna region. In order to prepare for the future, the company invested in renewing its human and technical means, managing to achieve a peaceful and fruitful transition of generations, with a focus on younger employees who successfully obtained their certification and are fully integrated in the company. At the same time, IEME, more associated with the electricity sector, ensured as well, in 2019, the necessary certifications regarding the telecommunications sector. The company is now fully qualified to provide fixed and mobile services, a sector where IEME is already operating, leading important projects and thus in line with the short term growth challenges. With this dynamics, the company presented a turnover which exceeded 15 million euros, below the previous year's profit, which is the result of the internal reorganization effort.

In Germany, **Constructel GmbH** represents 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), Southeast (Stuttgart) and South (Munich) regions of the country. The year of 2019 was a key year for the growth and consolidation of *Constructel GmbH*, in the German market, by signing of a multi-year contract (5 years) with the global giant *Deutsche Telekom*. The beginning of this important contract for the provision of fixed network services during the second quarter of

2019 confirmed the enormous challenge that the company took on, providing an adequate and rapid response regarding the growth in technical and human resources, as well as the availability of means and respective skills. The goals of this major contract were successfully achieved, indicating a successful completion of the contract. Regarding the mobile network segment, *Constructel GmbH* has consolidated its role as a relevant provider in the country, with a consolidated and experienced technical capacity that has allowed it to strengthen its position in the market and renew contracts with customers such as *Ericsson* or *Sigfox*. In 2019, *Constructel GmbH* reached a turnover of 14 million euros, achieving an important growth of almost 50%.

Moreover, **Constructel Bau's** work was equally satisfying and managed to achieve a turnover which exceeded 2 million euros, leading to a stunning growth of more than 331%. In Denmark, in 2019, **Constructel Aps** consolidated the development of its activity providing telecommunications services in Denmark. It contributed greatly to the new 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. In addition to this project, *Constructel* continued working in partnerships with other customers, namely *HUAWEI*, which is an example regarding modernization of fixed and mobile networks. *Constructel Aps* reached, in 2019, a new historical maximum turnover of 13 million euros, corresponding to a growth of 190%, compared to 2018, thus initiating a new development cycle of technological infrastructures in that country.

Still in Denmark, in early 2019, *Visabeira Global's* widespread growth in Europe was reinforced with the purchase of **Toft Hansen**. The integration of *Toft Hansen* in *Visabeira Global* has been confirmed as a correct move, having complemented its capabilities and competences with *Constructel Aps*. In fact, *Toft Hansen's* participation in the Fiber Factory project was very productive for the project, having contributed to the highly positive quality of service indicators, as the customer stated. Participation in the Fiber Factory project made it possible to leverage *Toft Hansen*, which doubled its turnover and grew in terms of its human and technical skills. Moreover, *Toft Hansen* kept its customers and historical businesses in the area of energy network infrastructures' construction, thus ensuring an increasingly global range of services. *Toft Hansen*, during this first year of the Grupo's activity, reached a turnover of 8,6 million euros.

In the UK, **MJQuinn** maintained its position as one of *British Telecom's* most important service providers in 2019. It maintains a leadership role in the Service Delivery activity (installation of subscribers) and started a construction project for optical fibre networks in several cities, having meanwhile built several dozen cells in regions such as Merseyside, Wales or Yorkshire. The company also continued the process of modernizing the air conditioning infrastructures at *British Telecom* plants, an activity in which *MJ Quinn* is a prominent leader. In addition to this sharp growth in the telecommunications segment, the company has also managed to consolidate and fully satisfy its long term customers in the area of electricity and lighting. *MJ Quinn*, during this first complete year of integrated activity in the Grupo, guaranteed a turnover of more than 123 million euros, corresponding to a growth of more than 100% compared to the previous year, which clearly demonstrates the importance that this market already has for *Visabeira Global*.

In Portugal, **Viatel's** performance allowed it to maintain its 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 to slightly increase its share in the commercial sector. The company also showed a significant growth in activity in the mobile network and technologies sectors, and other projects. As a pillar of this performance, *Viatel* carried out its projects permanently focusing on investments regarding training, qualification and careful presentation of its technicians, assuming it as one of the company's goals and its main lever for success. This commitment towards continuous training, the training of its technicians and the permanent creation of more skills has made *Viatel* the main support pillar for international operations. It has contributed to the growth of the activity and the expansion to new countries, which the Grupo's strategy has been implementing in recent years. *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 this context, *Viatel* recorded a turnover of around 70 million euros, in line with the value achieved in the previous year. It is important to highlight as well, the fact that, in 2019, for the structural reorientation of the *Visabeira Global's* business model - under the European expansion strategy -, *Viatel* became *Constructel Europe's* subsidiary.

Still regarding Portugal, **PDT** consolidated its position, once again increasing its market share. To this end, was very important the fact that the company has expanded to new geographical areas. This greater coverage of the intervention area, which began in the second quarter of 2019, involved significant growth regarding the operation in this area where the company operates. The company has strengthened as well its position in the islands, both in the customer network and in the FTTH networks works. In the commercial area, the company also consolidated its position as one of the main players in the residential segment, showing an increase in activity of around 15% compared to the previous year. As a result of this performance, *PDT* recorded a growth of about 5% in its turnover, exceeding 33 million euros.

In Mozambique, in 2019, **Televisa** strengthened the growth recorded during the previous year, partly due to the investment made by customers, which was oriented towards the expansion of the optical fibre network, and its subsequent maintenance. Moreover, the company is responsible for all operation and maintenance activities of the public outdoor telecommunications network across the country, as well as for the services regarding network maintenance and installation to customers throughout the *TV Cabonetwork*. This positive evolution regards the macroeconomic stability, which allowed *Televisa's* operators and customers to implement some investment projects. The year 2019 was marked by the consolidation of a strategic priority for the company: *Televisa* is a provider of excellence regarding the construction of tracks, installation and maintenance of optical fibre networks. The company participated as well in many other important works, such as the network update works that, due to *Televisa's* dynamics, made it possible for the 4G coverage project to be implemented, in good time, even during 2019, representing a pioneering work in Mozambique, regarding this sector. Within this context, *Televisa* ensured during 2019 a turnover of around 9.3 million euros, a growth representing more than 5% compared to the previous year.

In Angola, **Comatel** during 2019, continued the work it had been carrying out over the previous years, developing several works and services regarding telecommunications networks

CONSTRUCTEL

Leader in the telecommunication network engineering industry in France, also present in Germany, Denmark, Belgium, Sweden, United Kingdom, Italy and the Caribbean.

VISABEIRA GLOBAL

Leader in telecommunications engineering and infrastructure



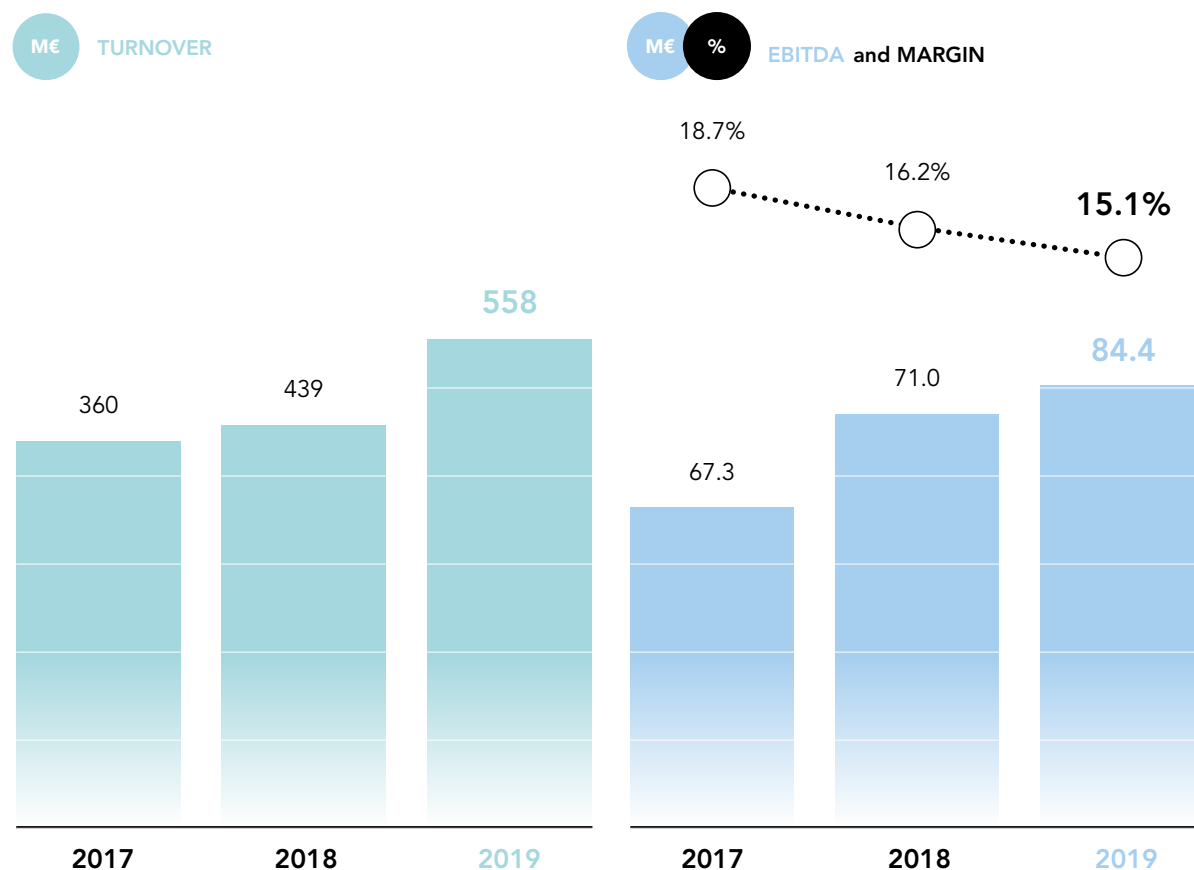
across Angola, consolidating its position as a reference service provider to the public operator. During 2019, it's important to highlight the maintenance work of more than 6,000 km of the national optical fibre backbone network and the stabilization of more than 2,000 km of that track. Moreover, it's important to mention as well the works carried out for the TVCabo network, both in its expansion and expansion. Thus, *Comatel* maintained its position of reference as a company providing engineering services for telecommunications networks in the Angol's market, where it continues to strengthen its customer portfolio, gaining full confidence within this sector. As a result, in 2019, the company ensured a significant growth of its turnover, amounting to 17 million euros.

CATV

TVCABO Angola continues to be, in Angola, the only cable operator with Triple Play service (TV+NET+VOZ), assuming its position as one of the most technologically advanced operators in Africa, since, in 2018, it was awarded by the Regulatory Body, INACOM, with the *Multisserviços* [Multi services] license that constitutes the offer of Internet Television and Fixed Voice, which allows the company to supply Television, Internet, Fixed and Mobile Voice services. Furthermore, the company was granted as well by the *Ministério da Comunicação Social* the Permit for the supply of television content, by subscription. In the offer of the Television service, TVCABO maintains the distribution of some own channels that complements with channels of the

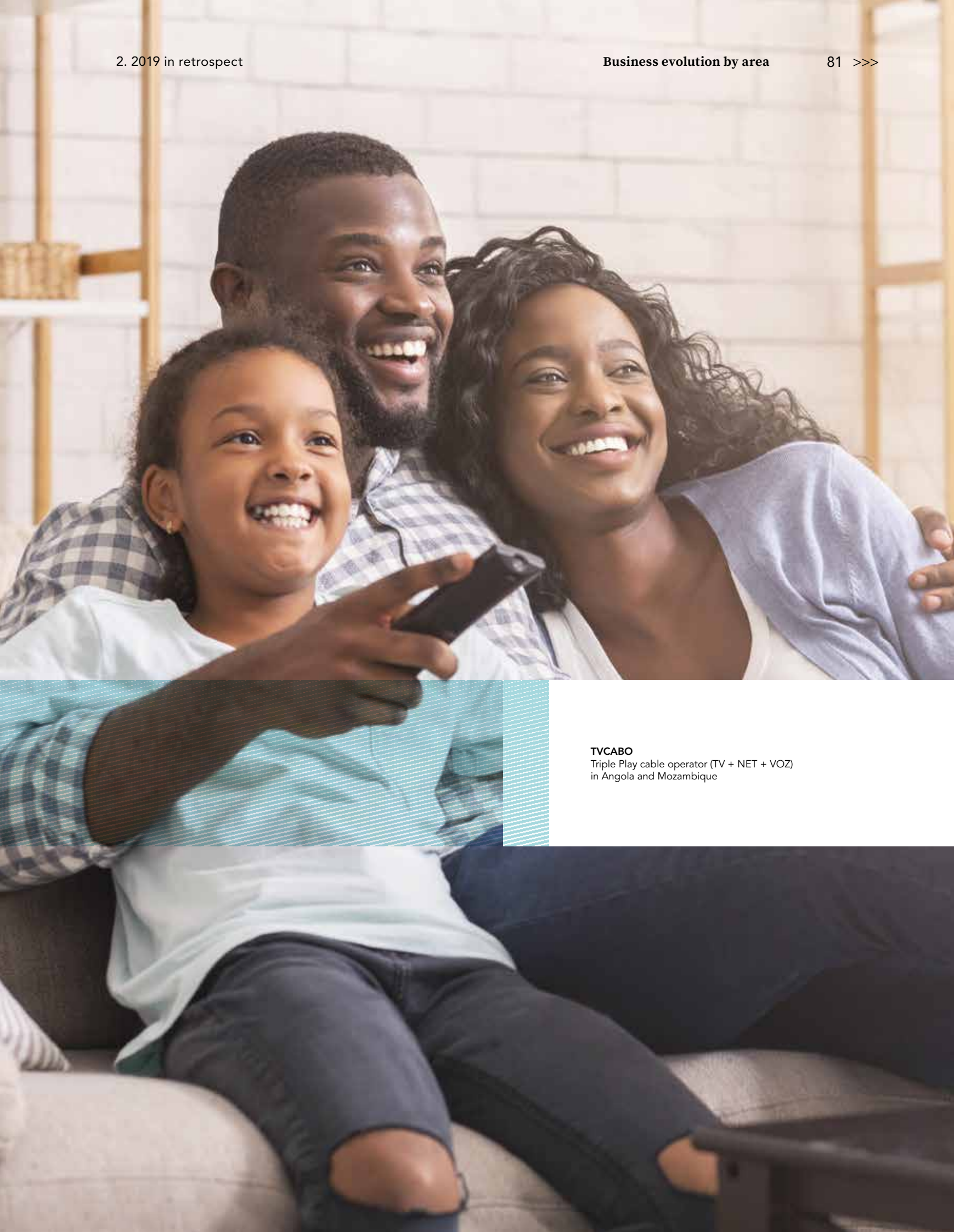
two other satellite TV operators existing in Angola (ZAP and DSTV). This makes it possible to provide a single offer, in just one equipment, to have access to more than 300 TV channels. Regarding the Internet service, the overall offer is with unlimited traffic, and can offer speeds greater than 300 Mb symmetrical. With regard to fixed voice service, the company continues to offer free calls within the TVCABO network and within the Angola Telecom network. During 2019, the company extended the sale and installation of the Full IPTV service (centralization of all services in a terminal equipment) to all fiber optic customers (FTTH), which leverages TV CABO's positioning as a leading company, and simultaneously promotes the profitability of existing resources. As part of the development and creation of infrastructures and expansion of the network, TVCABO continues to follow the urban growth, namely in Luanda, extending its services to new areas and several commonholds, as well as to the cities of Huambo, Lubango, Lobito and Benguela. Thus, the company continues to implement a program of successive network expansion to better respond to the requests and the market growth. The company also remains focused on improving the connections between provinces, as it was the case of the connection to the province of Benguela, in which the use of bandwidth via RNT has substantially improved the quality of Internet Service in that province. As a result of this global performance and dynamics, TV CABO Angola reached during 2019 a turnover of 40 million euros, in line with the previous year, which has to be considered as very positive before the macroeconomic scenario, which it managed to overcome.

TELECOMMUNICATIONS



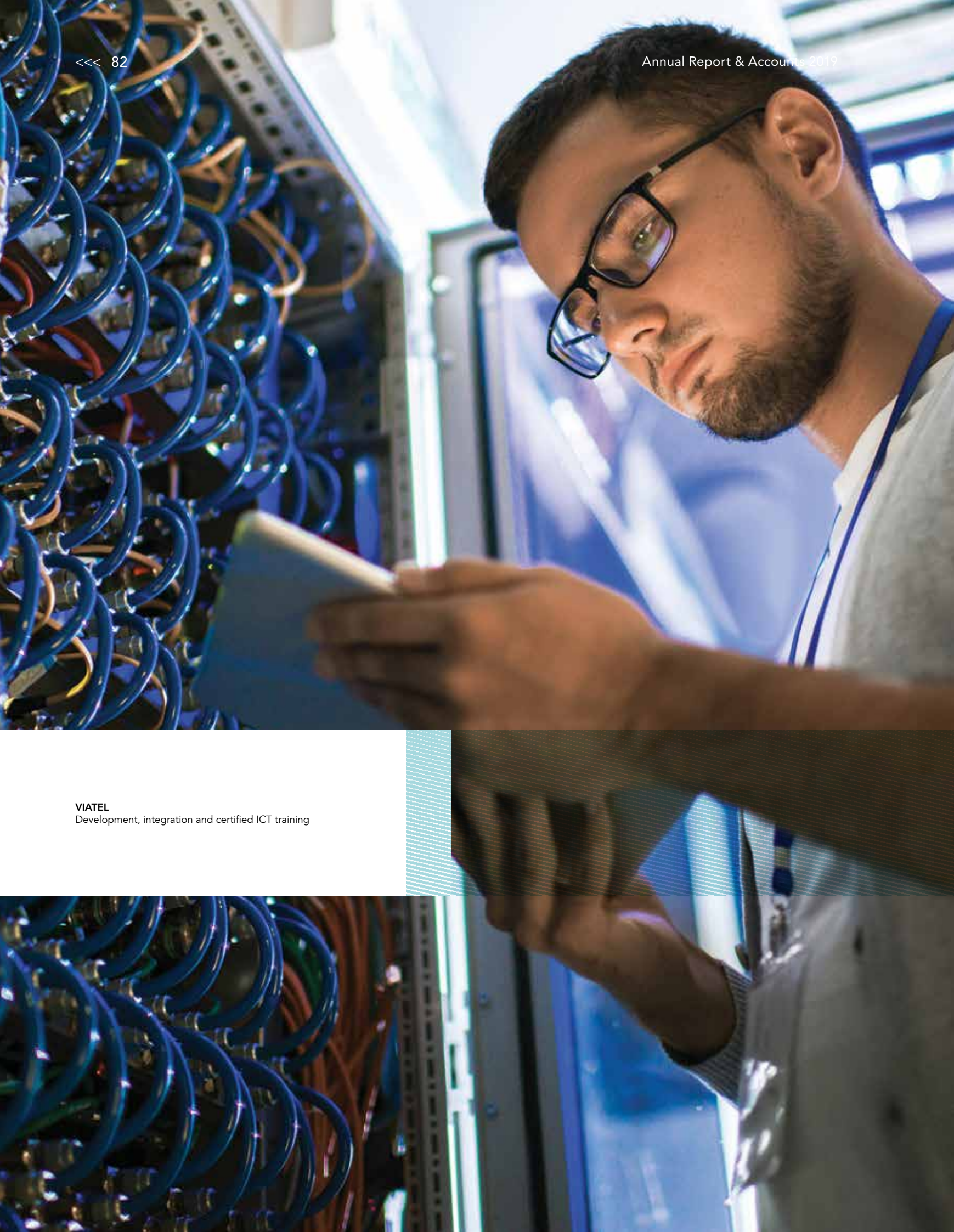
TVCABO Moçambique, a cable television and internet operator, assumes itself as one of the most advanced companies to operate in the African continent, as it remains well known for its permanent technological update, modern solutions, always exceeding its customers' expectations. In 2019, the company also had to overcome an additional challenge as; unfortunately, Mozambique was once again scenario of natural disasters. The destructive effect, mainly in the north of the country, brought enormous challenges for the company, and recovering the networks and services to keep communications running became urgent. It was therefore, a year during which we had to reveal great resilience, but above all a time to confirm the ability to overcome difficulties, as well as a clear confirmation of TVCabo's ability to adapt, which together with the need to a fierce response to adversities, managed to maintain a continuous business growth. In this context, TVCabo reinforced its focus on its quality and innovative brand positioning. Moreover, the company continuous to develop

its products and services portfolio, as well as to develop its infrastructures, processes, procedures and pre and after-sales services, which contribute to the continuous improvement of customer satisfaction. Regarding the Internet, TVCabo upgraded its plans speed; and regarding Television, a new package was launched to meet the mid market segment's need, as well as the need to expand its portfolio, being its own television offer reinforced, with new television and radio channels, widening the grid and favouring local and Portuguese content. The NET+TV+VOZ 3Play packages were revised increasing their quantity and offer, having been named "T packages", empowering the first letter of the brand, as the biggest symbol in the world TVCabo and its values: Telecommunication, Technology, Traffic, Television, Telephone, Talent, Total, TriplePlay, etc. As a result, in 2019 the company recorded a turnover of 20 million euros, corresponding to a significant growth of 7% achieved with an adverse macroeconomic environment.



TVCABO

Triple Play cable operator (TV + NET + VOZ)
in Angola and Mozambique



VIATEL
Development, integration and certified ICT training

INFORMATION AND COMMUNICATION TECHNOLOGIES

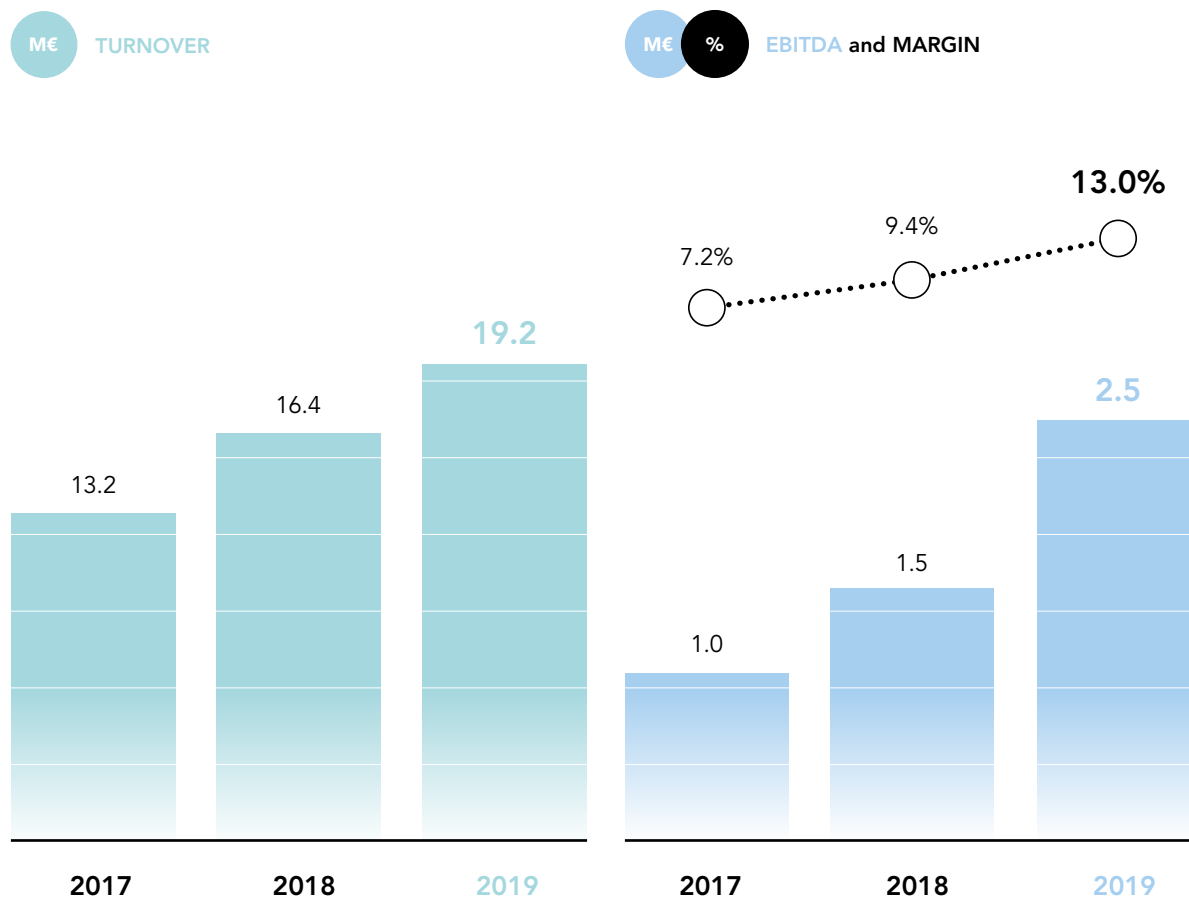
In 2019, **Viatel Tecnologias** maintained the path of safe consolidation of its presence in this strategic segment for the company's business activities. Viatel brings together in this activity area the focus on providing specialized services in the technological areas of data centre infrastructures, 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 context, 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).

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. Turnover amounted to 18 million euros, which was the result of a growth of about 16% compared with the previous year. In 2018, Viatel Technologies maintained the path of safe consolidation of its presence in this strategic segment for the company's business activities. 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). It also optimised its collaboration with the various companies of Grupo Visabeira, which have had an increasing need for services in these areas, developing synergies, optimising resources and maximising opportunities. It highlights the acquisition of a considerable number of new customers has enabled us to anticipate a leveraging scenario of growth for this activity within Visabeira Global.

Real Life continues to invest in the information technology sector, working with the main telecommunications operators in Portugal and acting as a relevant partner of the largest technology providers. In this area, the turnover exceeded the 16 million euros.

INFORMATION AND COMMUNICATION TECHNOLOGIES

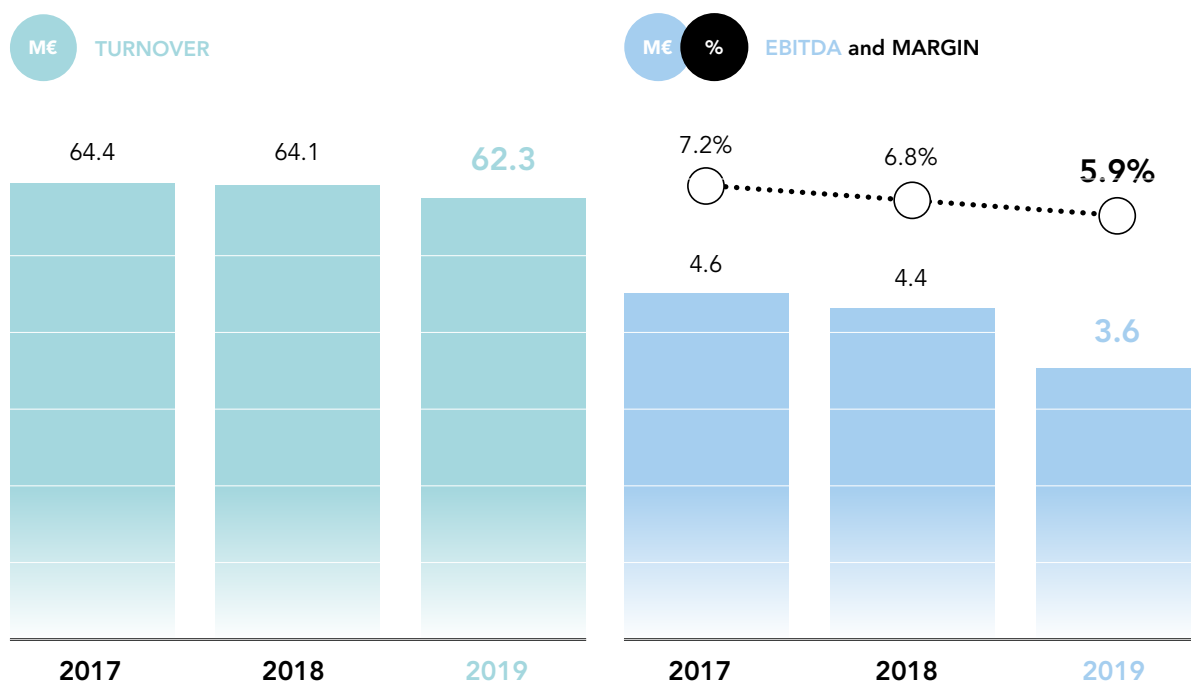


ENERGY

In Portugal, **Visabeira** reinforced its position as one of the most important companies within the Energy sector, with consolidated competences in indifferent domains: from production to transportation, transformation and supply of energy resources (electricity, gas and renewable energy), as well as in the design, construction and maintenance of networks and infrastructures. The company, experiencing a broad engineering capacity, with qualified technical and human resources, as well as high intervention skills, develops a comprehensive operation which complements different areas of its activity: including study, planning, design, construction, installation, supply, maintenance and complementing services, creating global solutions in the energy sector. In this context, **Visabeira** is the second largest tenderer regarding the Electricity segment, in terms of turnover, working for **EDP Distribution**. 2019 was the fifth year of the contract for the project "Empreitada Contínua EC2015 - Redes", which started on the 30th of March 2015 and will end in March 2021, taking into account the one-year extension agreed. For 2020, the estimated turnover, already indicated by the customer **EDP Distribuição**, will proximately amount to 16.5 million euros, which remains in line with that verified during the previous 5 years. Thus, **Visabeira** continued the activity developed since the first year of this contract, as well as managed to ensure a great flow of work within the scope of the "InovGrid" Project with smart meters - Smart Meters - Energy Box (EB). In 2019, **Visabeira Infraestruturas** started providing services to the customer **EDP Comercial, Comercialização Energia SA**. The project with this new customer included the award of two construction projects for High voltage overhead lines, to be connected with the national supply network of two solar photovoltaic stations in the southern region of the country. Regarding the Gas sector, **Visabeira** continues to be reputed as one of the most important service providers

of **Galp Energia**. During 2019, **Visabeira** continued to carry out the operations inherent to the partnership contract, and was awarded with two natural gas supply projects for **Galp Energia / GGND - Galp Gás Natural Distribuição (Lusitaniagás and Beiragás)**, which have a four-year duration and are totally amounted to 14.3 million euros. Still within the scope of the GGND contracts, **Visabeira** expanded its area of operation regarding the contract for the Construction and Maintenance of the Natural Gas Supply (Type B) to another twelve municipalities in the north/central regions of the country. During 2019, **Visabeira** started as well a new project with the construction and maintenance of telecommunications infrastructures for FTTH networks. In this context, **Visabeira** ensured during the financial year of 2019 a turnover of 28.6 million euros, registering a significant

ENERGY





VISABEIRA

Benchmark company in the electricity and infrastructures sector.



VISACASA
Maintenance of infrastructures - Estação de Santa Apolónia
in Lisbon

growth of more than 13%, compared to the previous year. Still regarding the business activity in Portugal **Visacasa** provides comprehensive management and diversified services (facilities, equipment and machinery) to companies and other entities which desire services provided by specialized technician within different areas. The company is able to provide this comprehensive service due to the activities carried out by the Group it belongs to. The company's competences make it possible to offer different market segments, such as home, with complementary services ranging from design to construction, including renovation, assistance and maintenance. **Visacasa** thus provides a customized and different service for each customer, which optimizes technical installations, grants reliability and strengthens the creation of a set of important services for its customers. In 2019, the company continued to pay special attention to limiting the areas of operation in order to focus on its core skills (AVAC, electricity and electronic safety), maximising the resources available, mainly on what Visacasa relevant contracts are concerned. As a result of its structuring, Visacasa business organization is optimized into two major operating groups, namely: Maintenance (maintenance contracts - Customers 'Opex) and Installation (works and new installations - Customers' Capex), representing 65% and 35% respectively, in the total of its activity. In this context, the company presented a turnover of 3.3 million euros in 2019, corresponding to an impressive growth of more than 33%, compared to the previous year.

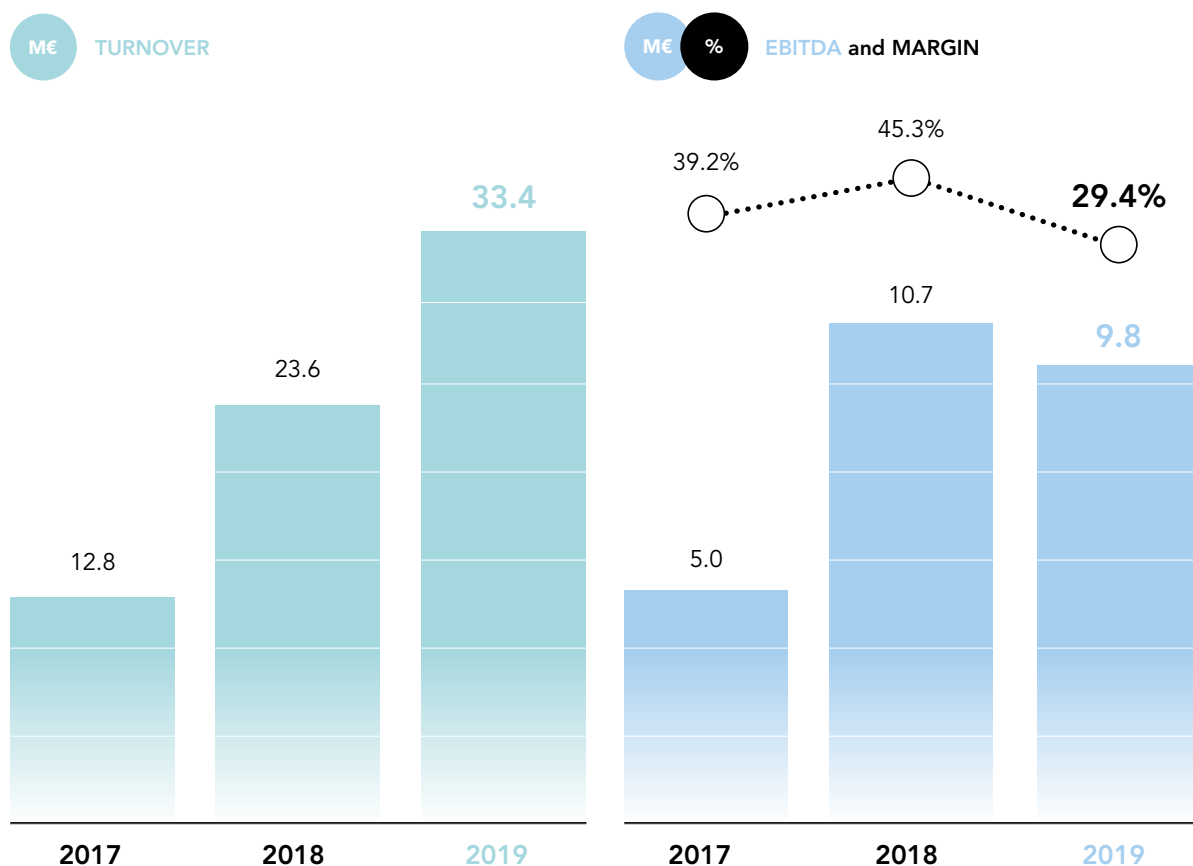
In France, **Constructel Energie** consolidated its presence within the energy-related services' sector, with the incumbent operators **ErdF (Electricité de France SA) (Enedis)** and **GrdF (Gaz Réseau Distribution France)**, reinforcing its position as one of its main partners, and maintaining its position as leading player in this sector. In this context, the company had a turnover of around 20 million euros, almost in line with last year's performance.

CONSTRUCTION

In Portugal, **Edivisa**, with an experience in the Construction and Maintenance of buildings and infrastructures sector, is a company reputed at a national level as a reference player in the market, ensuring a diversified portfolio of works 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. During 2019, the Construction area was mainly driven by strong investment in the real estate sector, and **Edivisa** pursued a performance guided by a three-year growth path. Thus, the projects awarded during 2018 and 2019 strengthened the company which reached in 2020 a new historic highs on what the activity performance is concerned. On the other hand, public works continue to represent the most important sector for the company's 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. During 2019, the following projects were worthy of special attention: more than 400 houses were rebuilt under the post fire recovery program in the central region of the

country; the construction and renovation project for the **Hotel Mosteiro de Alcobaça**, including the entire Cloister of the "Rachadouro da Real Abadia de Santa Maria de Alcobaça", which is part of that world heritage monument; and the works for the construction of a Building in Chiado. It's important to mention as well the following projects: reconstruction/ renovation of the building at Rua da Prata, which is to be used as local accommodation, housing and shops; and the on-going works to expand the **Vista Alegre** hotel. In this context, 2019 was marked by a positive performance of the company, with a turnover amounting to 29.3 million euros, 1.3% more than in 2018. The company's performance was mainly due to a significant increase of the portfolio's volume of works, which enabled a strong short-term growth of the company, as a result of a significant geographic expansion in its scope of activity. In 2019 **Edivisa Moçambique** continued to focus its activity on technical assistance, as well as on the rental of construction equipment, to **Grupo Visabeira's** companies and to other companies, assuming itself as an stimulating partner of the activity, in the civil construction sector. Still regarding the company's activity in Mozambique, **Sogitel** continued to develop its activity within the civil construction area, in the two main segments in which it operates: real estate and civil construction and infrastructure works. The company has a relevant portfolio of external customers, where **Fundinvest** and **FNDS** stand out as the main customers. Moreover, it has as customers on the private segment and, at the same time, undertakes important works within the scope of the group it belongs to. Within this context, during 2019, Sogitel recorded a turnover higher than 5.3 million euros.

CONSTRUCTION





EDIVISA

Rehabilitation / remodelling of the Bordallo
Pinheiro's Factory, in Caldas da Rainha

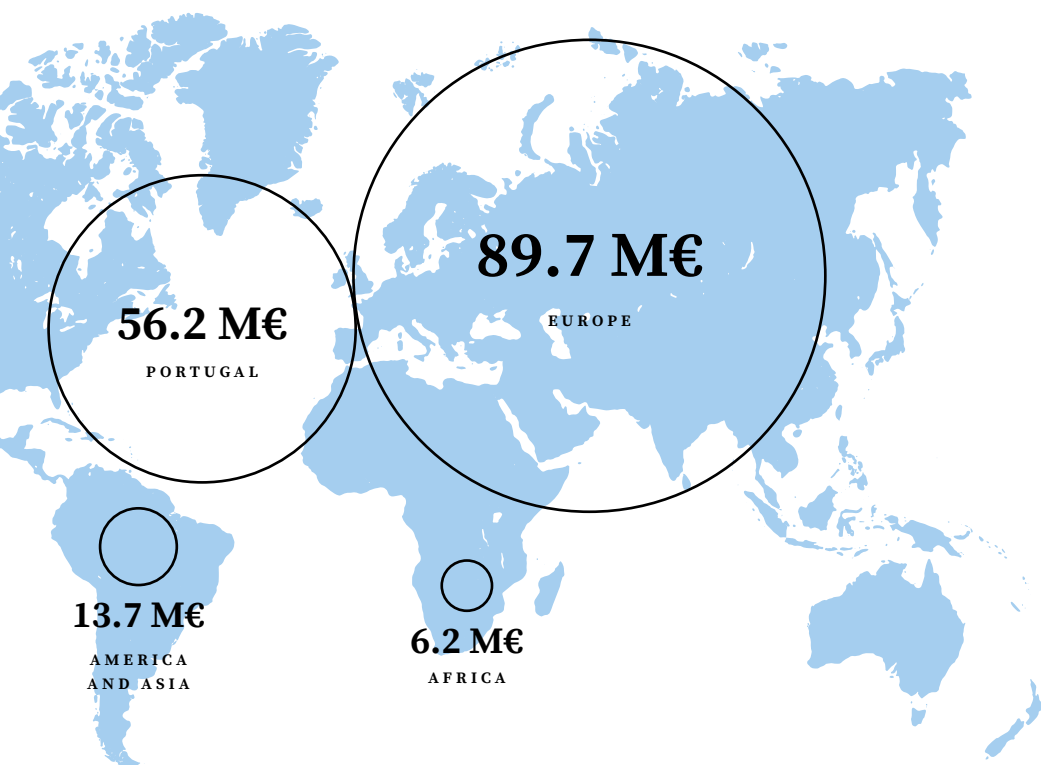
Visabeira Indústria

CONSOLIDATED INDICATORS

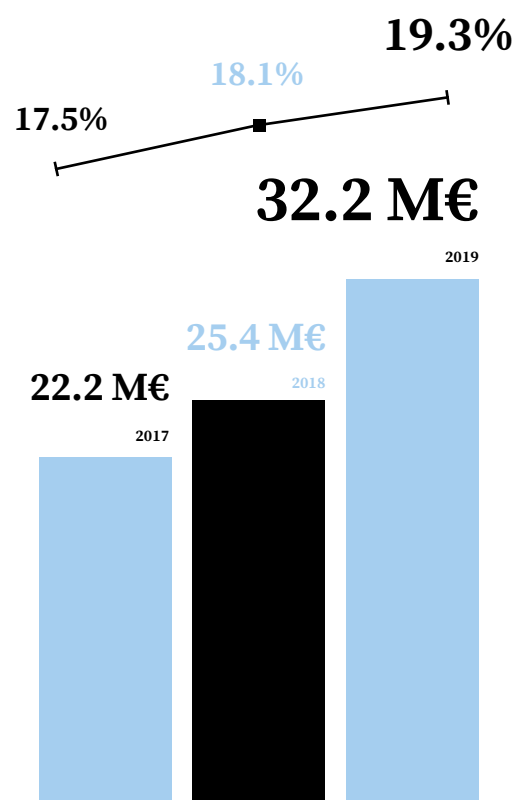
	2019	2018	Var YoY
Turnover	167	141	19%
EBITDA	32.2	25.4	27%
EBITDA Margin	19.3%	18.1%	1,3 pp
Recurring operating income *	19.2	19.6	-2%
Operating margin	11.5%	14.0%	-2,5 pp
Net income	3.2	6.9	-53%
Net investment	26.8	35.6	-25%
Debt	87.6	66.2	32%
Inventories	46.5	41.4	12%
Fixed assets (including investment property and goodwill)	255	234	9%

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

TURNOVER



EBITDA AND MARGIN



Visabeira Indústria is the holding company structured to integrate the Grupo's competences in the industrial sector, including the areas of ceramics and glassware, 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 2019, the activity volume in Visabeira Indústria's business universe recorded a total aggregate of around 185 million euros, regarding the group of its subsidiaries. Thus, it should be noted that the growth in this sub-holding, in consolidated terms, represented 19% in turnover, and 27% in EBITDA. Visabeira Indústria is the second sub-holding company in size, corresponding to 19% of the Grupo's turnover.

CERAMIC AND GLASSWARE

In 2019, Vista Alegre was awarded with forty more prizes, to add to its extremely rich history of thousands of trophies it has been winning for almost 2 centuries, as well as with honourable distinctions, mainly at an international level. This year, it is important to mention the following: German Brand Awards Winner - category excellent brands; German Brand Awards Special Mention - category excellent brands: Brand Innovation of the Year; Lit Design Awards Winner; Lit Design Awards Honorable Mention; German Design Awards Winner 2020; German Design Awards Special Mention; Tableware International Awards of Excellence Winner; A'Design Award Gold Winner; German Innovation Award Gold; German Innovation Award Winner; Good Design Chicago Winner; Architecture Masterprize Honorable Mention; European Product Design Award Gold; European Product Design Award Silver; European Product Design Award Bronze; Iconic Awards Innovative Interior Winner, among other. At ISH, the world's largest bathroom equipment, construction and energy fair, which was held in Germany, the innovation and design of a ceramic slate produced by Vista Alegre was distinguished. It was the first to be launched in the market, it is self-sustainable to be used as discharge control function, without using batteries or electricity, using "hydroboost" technology and "no touch" activation only by approach. Vista Alegre was also elected as one of the most innovative brands in 2019 (considering all sectors) and as one of the brands of excellence in the Living area. In Portugal, the brand was also chosen, for the 10th consecutive year, as Super Brand. Vista Alegre is one of 33 brands distinguished with the "brand of excellence" seal among more than 1.300 pre-selected brands. In 2019 the renowned Swiss brand

Franck Muller and Vista Alegre teamed up to present the exclusive edition of the "Atlantic" watch which is presented in a glass case specially created by Vista Alegre for this launch of enormous exclusivity limited to only 20 pieces. Vista Alegre continues to invest in partnerships with world-reputed artists and brands. One example is the agreement worth 13.7 million euros regarding the creation of a six piece collection with the MasterChef brand, in the last quarter of 2019. Another remarkable fact, in June 2019, which must be highlighted, was the celebration of the 180th anniversary of the Vista Alegre Museum, one of the first Portuguese and world museums. For almost two centuries we have been preserving the history and memory of the brand as well as of the national industry. Moreover we 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 brand undertakes a DNA of constant innovation for which contributed the investment in the porcelain sector: a new kiln, specific automation equipment for loading and unloading, and 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. In the crystal and glass segment, the emphasis was on the strategic investment in new equipment, namely a new furnace for the production of crystal pieces, the adoption of new technologies and the development of new materials, introducing in the factory's portfolio diversified high quality products. Overall, the investments increased the production capacity, and the operational efficiency, reducing the costs, reinforcing

Vista Alegre's position as the owner of the most technologically advanced factories in the world regarding the ceramic, crystal and glass market segments. Within this context, the turnover in 2019 exceeded 70 million euros, representing a growth of 14%.

Regarding the century old brand Bordallo Pinheiro, 2019 will be marked by the expansion and modernization, with total renovation of the brand's factory. 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 the production capacity by 60%. 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, as well as the artistic and author ceramics. In this context, another fact of the greatest relevance that marks 2019 was the completion of the INOV BORDALLO project, which added the know-how and knowledge of Visabeira Indústria, and the century old Vista Alegre to the Bordallo Pinheiro's competences. This knowledge sharing between the companies of the same Group, allowed to develop an innovative project, allowing the introduction of equipment and last generation production processes that guarantee competitiveness on a global scale. Bordallo Pinheiro, which is strongly committed to its growing internationalization, opened its first store in Paris, iconically located in the area where the Portuguese pavilion was built for the Universal Exhibition of 1889. An exhibition which played a very important role, as due to the magnificent work of Rafael Bordallo Pinheiro, Portugal received the gold medal for best pavilion, the factory was also awarded and Rafael himself was distinguished by the French president, for the work well done. Another important event was the opening of the first Bordallo Pinheiro store outside Europe, an investment in South Africa, in Cape Town.

This investment continues to pay off with foreign markets increasing once again their market share. The brand presented, in the 2019 edition, 28 new sardines in order to increase the iconic collection which was launched in 2014 "Sardinha by Bordallo". There are currently more than 100 pieces designed by a different group of national and foreign celebrities, who contributed to a collection, which has already reached an important place in the universe of decorative ceramics. Still regarding Bordallo, we highlight the launch of signature pieces, of which the collaboration with the artist VHILS stands out, in a numbered edition, which sold out in two weeks. Also noteworthy is the partnership with Claudia Schiffer, a former German model and fashion icon. The partnership initiated with the development of a collection of exclusive pieces which had already been presented, in early 2020, at the Maison & Objet fair, in Paris. All these events during a troubled year, in which the production had to cope with the complete renovation of the manufacturing plant. Even though the company manage to grow with a turnover increasing by 6%, achieving almost 4 million euros.

In 2019, Ria Stone presented an important growth, highly leveraged by the commitment towards modernization and expansion of its capacity. In fact, as part of the completion of its expansion and technological growth, it started in January with the 3rd kiln, with a capacity to produce more than 18 million pieces, increasing the total capacity of the factory to 50 million pieces/full production year. This increase in capacity was possible due to the expansion project, which included the installation of 7 more isostatic presses, the extension of another 50m of automatic warehouse and 3 more glazing and selection lines. Regarding the packaging, the investment included the installation of an automatic warehouse, a new line of services and open stock packaging, as well as an automatic wrapping machine. After a planned phase of equipment tuning, the plant managed to install the maximum capacity as of April, having achieved during the last quarter of 2019 values in the operational indicators in line with the growth trend of recent years. Innovation is part of Ria Stone's DNA and 2019 has decisively demonstrated this company's positioning. The focus on differentiation and innovation has been an important factor, of which a good example is the installation of an advanced digital printing machine. This equipment allows to create new high quality products, without prejudice to efficiency and quality. The fact that this new decoration process is applied in a mono-cooking system is also a major innovation. But the innovation project at Ria Stone did not stop there. Just another example was the investment of two million euros in the automation and expansion of the selection and packaging line and in the optimization and automation of logistical flows, with the implementation of AIV, a technological evolution of conventional AGV, which allow greater flexibility. Also during 2019, Ria Stone continued to develop the H2020 projects, in which applying innovative tools from Industry 4.0 is involved. These are pioneering projects that include an innovative system for collecting and analysing large data, which will allow for predictive management to become a reality, or under another cutting edge aspect, the use of new detection approaches will allow for a corrective reaction to defects at the beginning of the processes. A year that proves the DNA of innovation and cutting edge technology that Ria Stone has undertaken as a goal since it was established. In this context, Ria Stone achieved an impressive growth of 42% in its turnover, exceeding 26 million euros

VISTA ALEGRE

Re-elected, for the ninth consecutive year,
a Superbrand - Mark of Excellence



VISTA ALEGRE MUSEUM

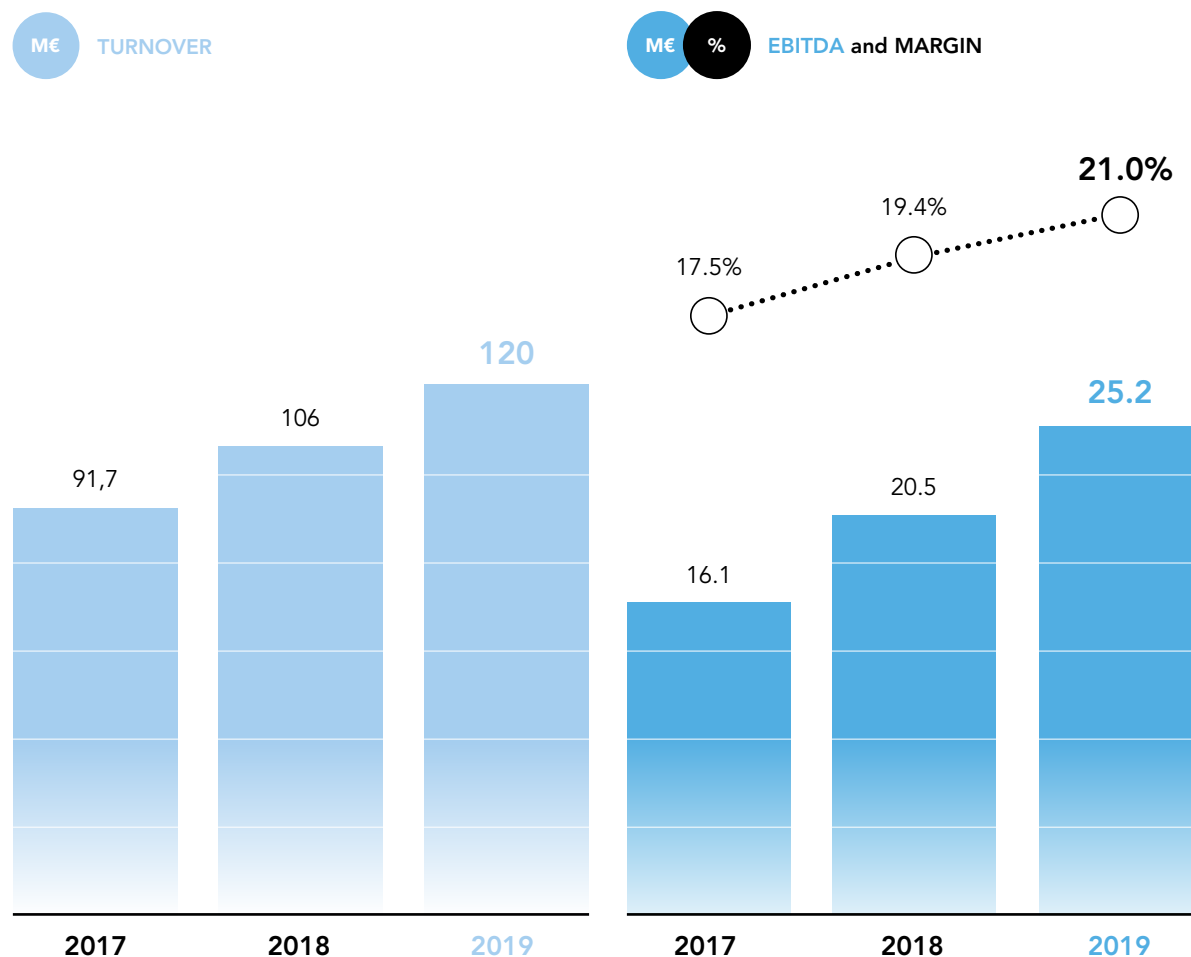
Located in Ílhavo, Lugar da Vista Alegre, it reveals the history of the Factory and the evolution of the ceramics and glass production.



Cerutil, in 2019, demonstrating a permanent evolution, invested in the installation of a new kiln, more energy efficient, and technologically more advanced, which allowed to ensure a better control of the process, increasing the quality of its products. Cerutil has also invested in the isostatic pressing process, which, in addition to increasing the response, is a more productive and efficient technology, which has increased Cerutil's capacity to start producing pieces with more complex geometries. Cerutil has thus maintained a strong commitment towards continuous improvement, which holds as the main pillar of the company's positioning, across all sectors and all company employees. The growth in its main foreign markets increased the company's performance during 2019. Thus, Cerutil will reinforce an innovation policy, oriented towards the creation of new collections, new colours, new decorations, new features and new products, aiming at an effective response

to market trends and an anticipation of its expectations. Cerutil, reaching its goal as an innovative company, will, for example, focus on reproducing new non-stick lines, as a truly innovative product in the segment, taking competitive advantage of the fact that it was a pioneer in this offer and it is still the only company in the country equipped to make this type of ceramic product. During a year still marked by the renovation and installation of new equipment, the production was affected and, accordingly, turnover decreased by 16%, standing above 7.5 million euros.

CERAMIC AND GLASSWARE

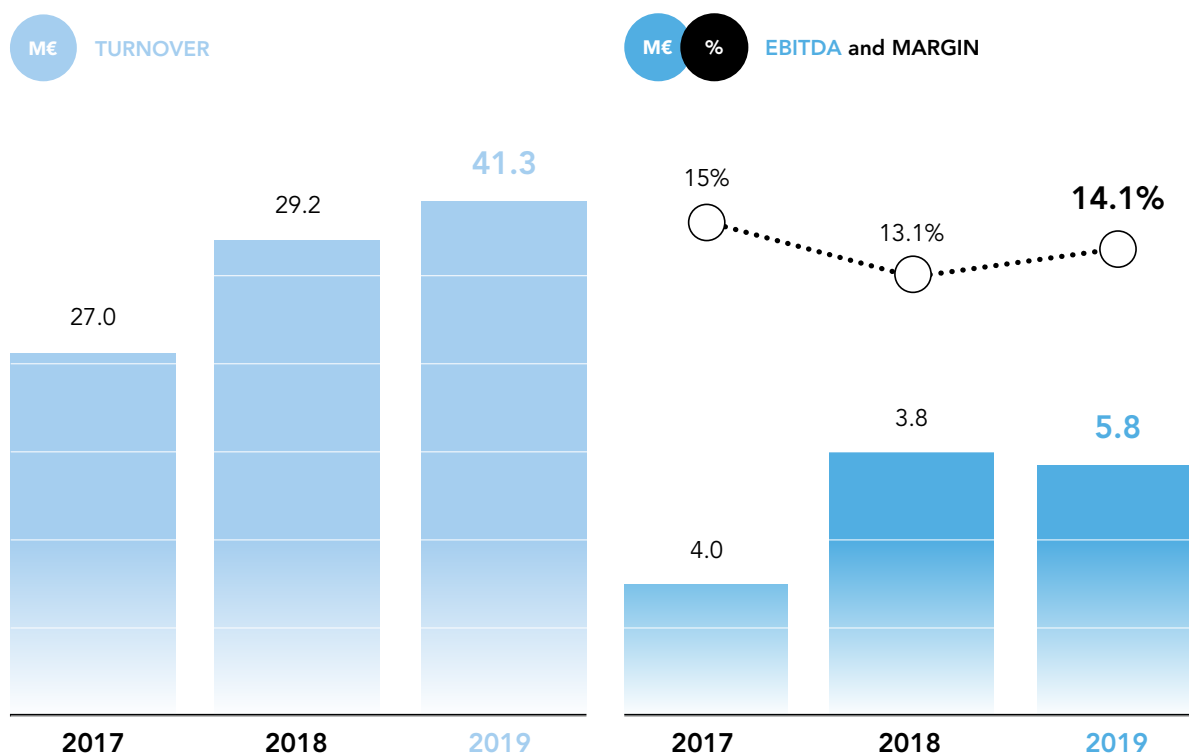


BIOFUELS, THERMAL ENERGY AND NATURAL RESOURCES

Pinewells reached an historic record in most indicators during 2019. This growth consolidated the company's strategy, 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 sieved market, aimed at markets in Portugal and Spain, products that guarantee a higher sales margin. In this context, there was a very significant growth both in the domestic pellet, in the order of 45%, and in the industrial sieved pellet by about 160%, amounting to 4.432 tons, for the national industry, totalling an increase of 10% in the global sales, i.e. in line with the production increase. It should also be noted that, following the increase in sales, there was also an increase in the sale price of all segments of finished product, increasing the profitability of the business. In 2019, Pinewells also invested in purchasing a greater volume of crushed raw material, in the order of 19%, in order to keep stock levels higher, serving these levels as safety stock for the warmer months and when there are fewer raw material inputs. The guarantee of greater availability of crushed products in stock ensures yet another competitive advantage as it allows for a faster recovery of production levels in the event of possible breakdowns or in situations of less labour availability. During 2019, it should also be highlighted in the company's performance the consolidation of the leadership of the Pinewells brand in the domestic pellet market. With this performance the company grew more than 22% in turnover, almost 20 million euros.

Ambitermo had an exceptional performance with an historical growth of the company activity. The national market was important due to the several works the company was awarded, but special emphasis should be given to the company focus on foreign markets. In this context, Ambitermo achieved a turnover very close to 16 million euros, the result of an impressive growth of almost 70%. **Granbeira** had a particularly competitive year 2019, and the positive results were the result of the joint effort of the company's structure in responding effectively to the demanding requests of the private works market, namely concerning the supply of ready mixed concrete and aggregates, for important works. Granbeira earned the market's trust due to the accuracy and requirement regarding the quality of the final product. This factor renders the company an especially competitive partner whose differencing characteristics will ensure the market, and the company will be considered a trust worthy partner. Moreover, the company maintained during 2019 a strong commitment towards reducing production costs and operation optimization. Obviously, the company always keeps the usual rigorous production procedures and its demanding quality control system, which differentiates it in the market it operates, for the high quality of its products. Granbeira, during a very aggressive market year, recorded a decrease of 7% in turnover, which stood at 2.9 million euros.

BIOFUELS, THERMAL ENERGY AND NATURAL RESOURCES





PINEWELLS
Production of pellets
for domestic and
industrial segment

Visabeira

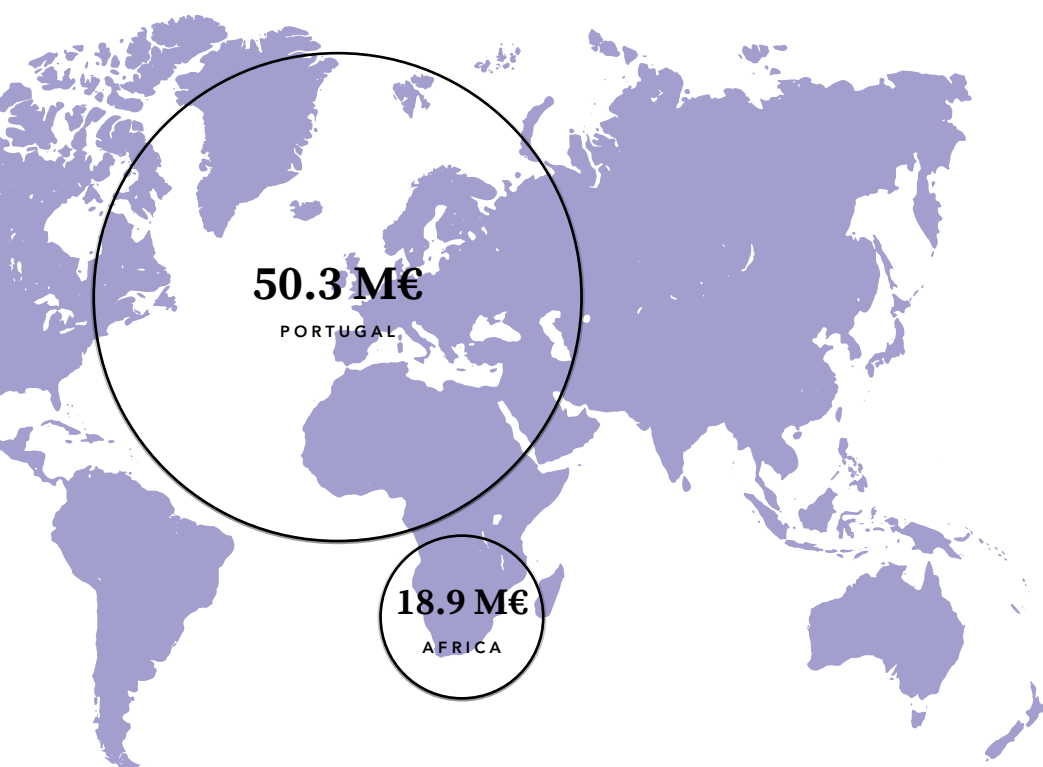
Turismo · Imobiliária · Serviços

CONSOLIDATED INDICATORS

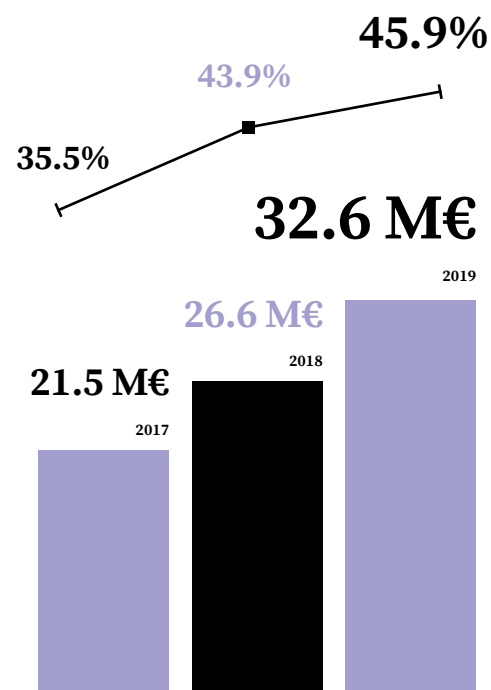
	2019	2018	Var YoY
Turnover	69.2	60.5	14%
EBITDA	33.3	26.6	25%
EBITDA Margin	48.1%	43.9%	4,2 pp
Recurring operating income *	23.7	23.2	2%
Operating margin	34.3%	38.3%	-4,1 pp
Net income	21.5	24.5	-12%
Net investment	12.4	-10.3	221%
Debt	140	133	6%
Inventories	26.6	33.5	-21%
Fixed assets (including investment property and goodwill)	624	598	4%

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

TURNOVER



EBITDA AND MARGIN



Visabeira TIS is the holding company whose main purpose is to coordinate the areas of tourism, real estate and services, by integrating the Grupo's different skills in each one, by optimizing resources, by ensuring efficient and focused management in each of those sectors of activity and, at the same time, by maximizing the synergies and resulting complement characteristics. During 2019, the volume of activity in the business universe of Visabeira Turismo, Imobiliária e Serviços recorded an aggregate of more than 94 million euros, a total which is almost in line with the one achieved in 2018, and with the overwhelming majority of the business activities showing significant growth compared to the previous year. Regarding the tourism sector, there was significant growth, higher than 23%, and the real estate sector's growth was over 4%. However, only the services sector showed a decrease, which is due to the reorganisation of companies for establishing the new TIS, thus reducing the extent of it being a comparative sphere. As a result, it should be noted that the growth in this sub-holding, in consolidated terms, was over 17% in turnover, and 23% in EBITDA, in a holding which contributes 8% to the Grupo's turnover.

TOURISM

The Tourism **segment**, enhanced the **Montebelo** brand's increasing notoriety, 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 integrate it. It presented a very positive dynamics, which translated into an aggregate turnover of the group of subsidiaries in this segment, amounting to 51,5 million euros, maintaining a growth path which amounted to 7,1% this year, exceeding the total amount recorded in the last year. This sub-holding continues to focus on expanding its offer and geographically expanding its activities, in addition to optimizing and maximizing its already consolidated operations. During 2019, were opened two more reference hotels in the heart of downtown Pombal, in Lisbon: Montebelo Lisbon Downtown Apartments, on Rua da Prata and a new restaurant of the Troppo Squisito brand, at Terreiro do Paço. The Vista Alegre hotel was expanded with yet another distinctive offer, the Palácio dos Mestres Pintores, wing, which is the first phase of a program to expand capacity and renovate the entire Vista Alegre neighbourhood area, where the hotel is located. Also regarding the offer expansion, the company prepared the opening of a paradise resort on the shores of the Indian Ocean, at Ponta Milibangalala, in the middle of the Elephant Reserve - in the province of Maputo, Mozambique - ; as well as the pre-opening phase and first tests for launching Montebelo Milibangalala Resort Bay in the market during the first half of 2020. Maintaining, however, particular attention to the quality of the existing offer by promoting a renovation and improvement program of its hotels in Viseu, Aguireira and Maputo.

As a summary of 2019, **Montebelo Viseu Congress Hotel** reinforced its position as a reference hotel in the region with a strong corporate aspect well balanced with the leisure tourism segment; **Montebelo Aguireira Lake Resort & Spa**, consolidated its status as a world reference as a destination associated with canoeing training, while reinforcing its position as a holiday and weekend destination offer; **Montebelo Vista Alegre Ilhavo Hotel** continues to attract new customers due to its innovative theme concept associated with porcelain, its history and

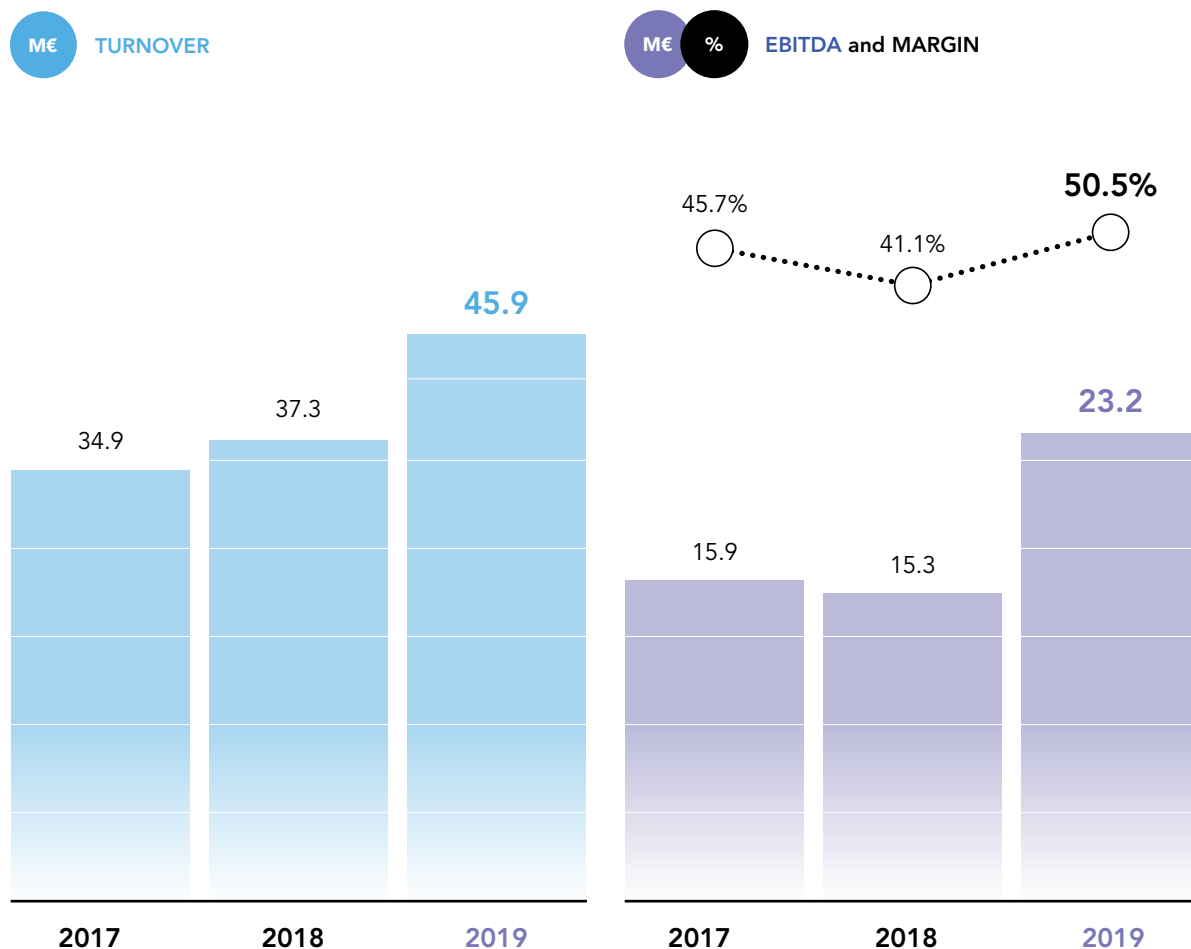
art and simultaneously consolidated its position as a very attractive destination for large national and international events, enhancing its integration in the Vista Alegre's global offer; the **Parador Casa da Ínsua** continues to be a good attraction for the Spanish market, making it the only one in the chain outside Spain, and the result of its offer as a historic hotel with multiple attractions associated with nature and agriculture lifestyle expanded its offer to more clients with special emphasis on weekends, events and celebrations; **Hotel Palácio dos Melos** also assuming an atmosphere of charm and history, enhanced its privileged location, in the heart of the historic centre of Viseu, and consolidated its market by attracting new clients looking for proximity tourism to monumental centres; **Hotel Príncipe Perfeito** has optimized its integration in an environment of nature being close to the city centre, and leveraged its position in the most competitive corporate segment, in a year in which it reconciled the operation with the ongoing renovation and improvement work program; in Mozambique, we highlight the two hotels in Maputo, with the **Montebelo Girassol Maputo Hotel** now completely renovated and expanded, creating a new offer to which the various audiences have joined, and which continues to privilege the key vectors of its personality as the exceptional panoramic view over Maputo bay and its location in the central area of the capital; also **Montebelo Indy Maputo Congress Hotel** which remains a reference unit in the Mozambican capital for holding small, medium and large events with its natural setting in one of the most noble areas of the city; its important to highlight as well **Montebelo Gorongosa Lodge & Safari**, in the heart of Gorongosa National Park, with its unique offer in a park which is gaining its past notoriety attracting a market that from now on will have another exceptional offer in the chain Montebelo **Montebelo Milibangala Resort Bay**, a paradise by the Indian Ocean, in the Elephant Reserve in Maputo province, a unique case of biodiversity, which is already in the pre-opening phase.

Regarding leisure, **Montebelo Golfe** maintained its status as host of the most important amateur events at national level and reinforced its tournament program throughout the year.

Another important reference in this segment is the fact that **Movida** reached, during 2019, a new historical maximum with **Palácio do Gelo** registering the highest turnout, since the year of its initial opening in 1996, with more than 9.7 million visitors. Carrying out marketing actions for stores, new contracts, as well as reinforcing communication of promotional actions by each storekeeper, and by the shopping centre itself, through social media platforms, have contributed to this success. Moreover, opening new stores and bringing new brands, some of which are pioneers in Portugal, and some expansion, renovation and improvement work to existing stores, together with the general renovation program for the shopping centre's interior areas contributed to its success as well. The performance that greatly enhanced the unique potential of Palácio do Gelo, brings together vast differentiating characteristics that position it as one of the best "Shopping and Leisure Experiences" in Portugal: wide, diverse and sophisticated offer, comfortable and modern environment, great visual transparency, intense interior light, wide circulation areas,

spacious, comfortable and functional living areas, outdoor spaces with terrace, panoramic views over the Serra da Estrela mountain and surrounding areas, introduction of new brands in Portugal, new entertainment concepts for the whole family, ice rink and ice bar. Palácio do Gelo Shopping is a unique project with unique characteristics that allows it to attract customers from all over the country and also from other countries, namely from neighbouring Spain. Undertaking a unifying role in the region, with its integrated offer of entertainment, leisure and services, Palácio do Gelo is increasingly preferred choice for shopping, services and leisure destinations.

TOURISM





MONTEBELO VISEU CONGRESS HOTEL

Montebelo Viseu Congress Hotel, which is part of the *Montebelo Hotels & Resorts* chain, with presence in Portugal and Mozambique, is an important reference in the central region of Portugal.



VISABEIRAHOUSE

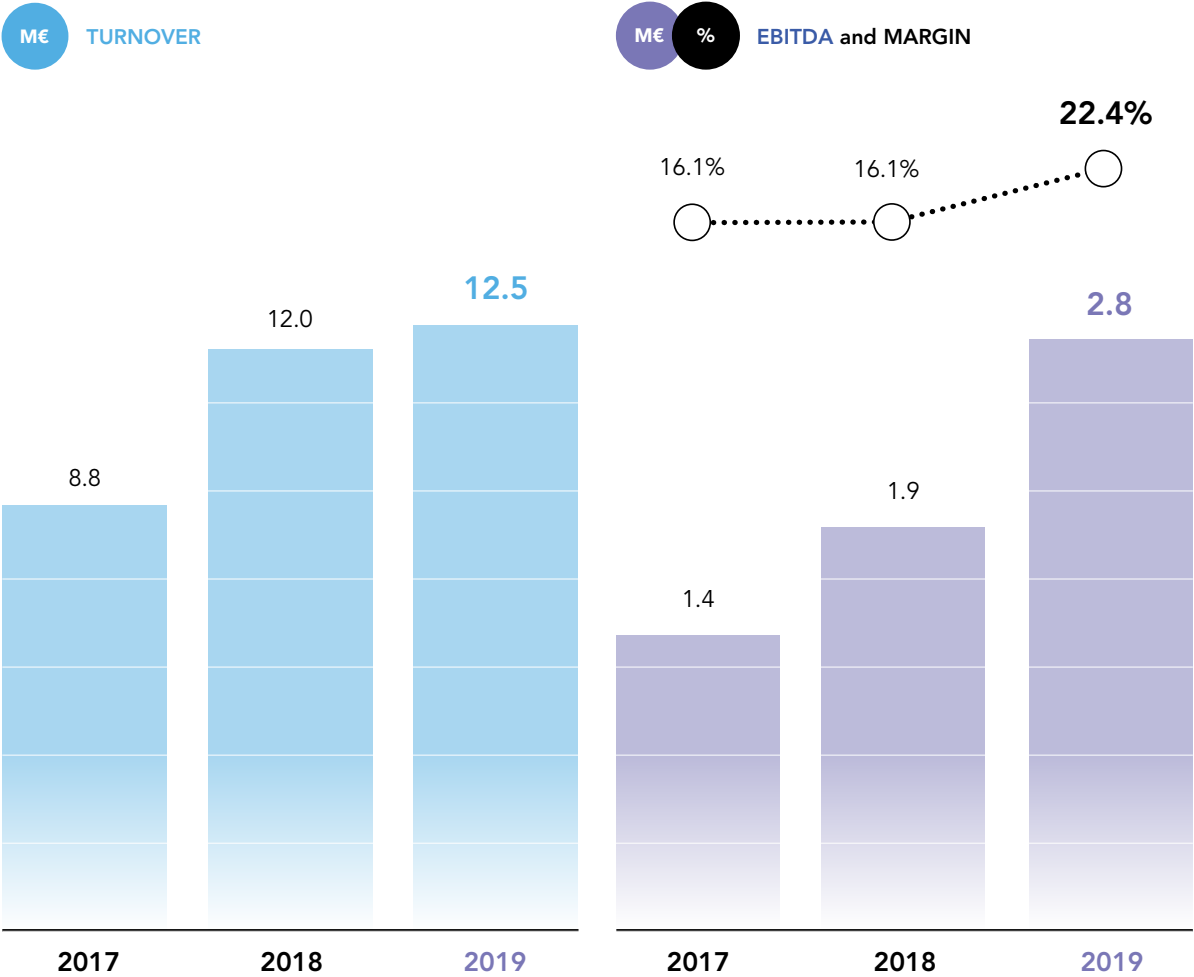
Integrated management of real estate assets, including commercial activity, current operation, maintenance and cleaning.

REAL ESTATE

The **Real Estate** segment took advantage of the reference status that its brands, leveraged by VisabeiraHouse, have achieved in the market, and of its consolidation 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. The range of products that have a consolidated position in the Viseu market, continues to be strengthened as a result of geographic expansion to new markets, especially in Lisbon, but also in other locations that prove to have good potential for growth, aiming to create a pool of resources that provide a faster response to the expectations and needs of customers, as well as to their satisfaction in a more comprehensive way. The company is still more oriented towards buying/selling, but it also aims at the potential rental market, as this continues to be a very dynamic

segment, still growing and which allows to better adequate the proposals for each specific need. The rental option has been minimized as a result of the market's willingness to buy for investment, an area in which the different Visabeira real estate products are well positioned. In this context, the group of companies in this sector has exceeded 14 million euros, in the aggregate turnover, which represents an increase of more than 4%, compared to 2018.

REAL ESTATE

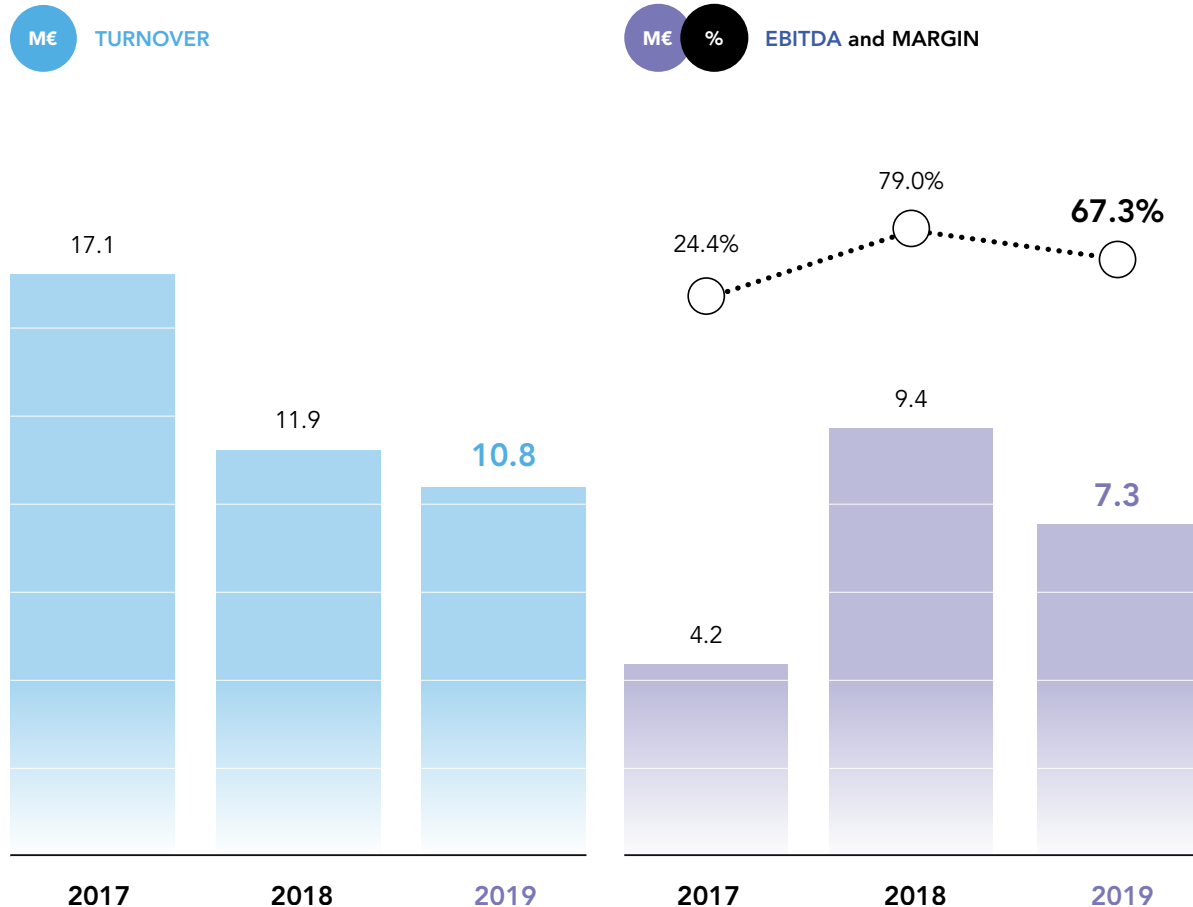


SERVICES

In the **Services** segment, the path that has distinguished it for the effectiveness and efficiency of its services has been maintained and will continue to maintain a strong focus on active innovation, always focused on results. An attitude constantly directed at creating added value for its customers, such that careful attention is always paid to the goal of all subsidiaries in order to offer global solutions and to foresee the needs of their customers. It is within this perspective that the pillars of its structure stand to be increasingly up-to-date and represent performance guiding factors: i) decisively contributing to business profitability rationalizing costs and optimizing results; ii) promoting continuous improvement through suitable information systems, adapted to the needs of each company; iii) maintaining a motivated, efficient, harmonised, agile and flexible organisation based on the brand's values.

The comparison of indicators with previous years is not distorted because after structural reorganisation of TIS, in the case of the services segment, the group of companies differs from the previous year, resulting in non-compatible groups, since not all companies belong to these two spheres, and furthermore because it is a very vulnerable sector due to the dimension of specific, case-by-case and time-dated projects. Even so, during 2019 the group of companies positioned in this segment has reached an aggregate turnover which amounted to 29 million euros.

SERVICES



GRUPO VISABEIRA

Escritórios em Lisboa na Av. Gago Coutinho.



Commitment towards society

Quality, Environment and Safety

In the present context, the responsibility of the organisations is not limited to creating wealth, protecting the environment and reducing the risks associated with their activities, areas where legal and management requirements are increasing. It is the growing assumption of their social responsibility.

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. Also within the scope of Occupational Health and Safety, its focus on the development and the certification for 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 the Quality, Safety and Environment Management Systems. So, in 2019, a set of activities stand out within the scope of quality, environment and safety, summarised below:

- Continuous monitoring of the implementation of best practices in the areas of quality, environment and safety, namely through visits and EQS inspections, with special emphasis on Visabeira Global areas; Approximately 1,700 visits and/or inspections were held, involving around 3,800 employees;
- The company's continuous focus on training, which involved a total of 3,687 employees, of which it is important to highlight occupational safety and health, representing around 65% of the 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. As an example, at *Pinewells*, the focus on field visits, training area checks and suppliers allowed to carry out a safe and transparent work for its customers, as well as to validate the reliability of suppliers;
- Continuous implementation of the Kaizen methodology at Cerutil and Bordallo Pinheiro, which has fostered a greater involvement by 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 250 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;
- Continuous monitoring of the water quality in the Aguieira berth area, with the purpose of evaluating the impact of anchorage activities on the reservoir;
- Continuous monitoring of environmental aspects, calculation of the respective impacts on the environment and permanent reassessment of mitigation and minimisation measures implemented;
- 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, 2019 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 2020, the focus on management systems will be focused on the transition to the new regulatory safety standard (ISO 45001).

UN Global Compact

Thanks to an accuracy, effort and transparent character, Grupo Visabeira continues to focus its efforts towards a performance in line with the development of a fairer, integral and innovative society, focusing on people and based on values. Moreover, its commitment is towards supporting, disclosing and following the Millennium Purposes, respecting and promoting the human rights of all citizens, decreasing social inequalities and environmental imbalances of the regions where it develops its business activity.

In line with its strategic guidelines mentioned previously, Grupo Visabeira, as a signatory of the United Nations Global Compact, prepared its seventh 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.

The People

Grupo Visabeira, with its characteristic multi-activity, and multi-continental corporate identity, favours training, and people's focus on objectives as its main focus of its human resources policy, always aiming at a continuous improvement of productivity and quality of services or products. The entire team, at its different levels, has a daily goal to meet its customers' needs and exceed their expectations, guided by a structure based on three main focuses: i) the quality of services and products; ii) the geographical expansion of activities; iii) performance dynamics and accuracy. The organization is always focused on 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. In a Group, 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 performance quality and the 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 multisectorial opportunities for the career development of 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 for almost 4 decades. In historical terms, the average number of employees amounted to 12.014 in 2019, which corresponds to a 9.5% growth compared to the average value of 10.974 employees, registered in the previous year. During a year in which the turnover grew by more than 22%, this 9.5% increase regarding the company's human resources shows the capacity, competence and motivation with which the whole team has strived to achieve a remarkable performance, always with an assertive focus on its main goals, which allowed reaching historical highs in most of the main indicators.

Within this area, in 2019, the Grupo recorded a total of 11.327 people, on the 31st December 2018, which represents an increase of 7%. The Grupo's three large sub-holdings, taking into account the same reference as on the 31st December, also showed a growth path: Visabeira Global went from 6.517 to 7.051, which is 8,2% more; Visabeira Indústria increased from 2.654 to 2.813, representing an increase of 6,0%; and TIS increased from 2.156 to 2.250, leading to an increase of 4,4%. The following table reflects this evolution, in recent years, per sub-holding:

PEOPLE

	2019	2018	2017	2016
Visabeira Global	7,051	6,517	5,285	4,945
Visabeira Indústria	2,813	2,654	2,611	2,444
Visabeira Turismo, Imobiliária e Serviços	2,250	2,156	2,177	2,285
TOTAL	12,114	11,327	10,073	9,674

Vocational Training

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. Currently, it is witnessed a paradigm change at the professional training paradigm in Portugal is changing, and that begins to be seen as an important means of developing, not only of personnel but of companies. In the Grupo Visabeira's universe of companies, training is considered as a valuable investment and not a compliance with the legal obligations. People are the main asset of our organization, therefore investing in the development of their skills means developing the companies' skills and lead them to success with a significant improvement of their performance. The training entity Grupo Visabeira (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; IT in the eye of the user; 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 2019 the increase regarding Grupo Visabeira's internationalization in the European market – within the telecommunications area –, represented an increase in the number of training courses carried out, which made it possible to respond to the need for qualification 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. For 2020, 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 had a particularly active 2019 year in terms of communication, largely due to the intense activity that its companies had in the country and abroad.

As a multi sector group operating in 16 countries, it is only normal that the activity and achievements generate a high flow of communication which is transmitted, essentially, by the traditional media - TV, radio, newspapers and magazines - as well as by digital platforms - blogs, online newspapers, among other.

Throughout the year, Grupo Visabeira and its companies were the target of numerous references, which raised the level of notoriety and visibility among public opinion and opinion makers.

The good performance of Grupo Visabeira, as a holding company, aroused journalistic interest in some media, especially those related to the economy. Under this assumption, it is important to highlight the exclusive interviews that CEO Nuno Marques gave to *Jornal de Negócios*. He gave a general approach of the Grupo's activity in Portugal and especially abroad, whose main goal is to reach a turnover of one thousand euros in 2020.

The interview that the chairman of the executive committee gave to Agência Lusa about the reinforcement and expansion of the Grupo Visabeira's activity in Germany was another topic highlighted in 2019 and the article has been reprinted by numerous publications.

As the Grupo Visabeira is one of the most important and reputed companies in Portugal, those in charge are usually asked for statements on various matters. During a year in which the country was voting to elect the new Government, *Exame* magazine asked Nuno Marques for his opinion on "what he expects from the new Government". The Grupo Visabeira's CEO was one of 30 national managers whose opinion was published in the economy magazine. Furthermore, the magazine *Prémio* interviewed that CEO, and the magazine *Bons Negócios* interviewed the manager Alexandra Lopes, a member of the holding company's board of directors.

In terms of interviews, it is worth highlighting a few: Jorge Costa, director of Visabeira Turismo, Imobiliária e Serviços was interviewed by *Publituris*, regarding the opening of Montebelo Lisbon Downtown Apartments, and by *Jornal Expresso* (Golf notebook) about Montebelo Golfe's involvement in the Expresso BPI Golfe CUP a partnership with more than a decade. Also regarding the sponsorship of that competition, *Expresso* (Golf section) spoke with Nuno Barra, Vista Alegre's director, a company that supports that Campeonato Nacional de Empresas [National Business Championship] by offering all the porcelain trophies and the final crystal prize.

With regard to the news volume, 2019 was once again Vista Alegre's year. Indeed, the century old Company, which is part of the Grupo Visabeira company since 2019, was the subject of more than a thousand references in newspapers, magazines, blogs, radio and television.

The successful operation aiming at increasing Vista Alegre's share capital with the entry of 29 new institutional shareholders, most of whom are foreigners, was one of the

most media moments of the last quarter of the year. Moreover, the successive press releases issued by the Company giving an account of the financial performance throughout the year were widely disclosed by the main media. Throughout 2019, new pieces and collections were launched, and the most important was the presentation of the *Amazónia* collection with an event that took place at Casa das Galeotas, at UCCLA's head office, in Lisbon. The presence of some elements of the Kayapó tribe, natives of the Amazon forest who left their natural habitat for the first time, was widely reported, taking the indigenous people to television programs where the "Amazónia" collection was presented. Another of the moments of great media importance was the announcement that Claudia Schiffer was going to create exclusive collection for Vista Alegre and Bordallo Pinheiro. These news aroused interest among the regional press, as well as among the specialized press, including television. The announcement of signing a contract of more than 13 million euros for creating a MasterChef line brought about a few dozen news items in the most widespread of media, the same happening with the information of Vista Alegre being present at what was considered to be the "most expensive dinner in the world", a solidarity initiative that took place in Miami Beach, USA.

Also interesting was the report that the TV station TVI aired about Vista Alegre's crystal factory, in Alcobaça, presenting the glass masters creating unique pieces.

The new products the brand showed at the Maison & Objet fair in Paris, and the awarding of more than 30 international design awards were other topics that stood out in the media. Throughout the year there were also many news on Bordallo Pinheiro. The opening of the renovation and expansion works of the factory in Caldas da Rainha aroused the main media interest, with the presence of Prime Minister António Costa and the Economy Minister Pedro Siza Vieira, being the ceremony the source of news for both television and press. Also regarding Bordallo Pinheiro, it is important to highlight the news on the launch of the piece *Quimera* by the artist VHILS (Alexandre Farto). The plate by the reputed designer was launched during the celebration of the 135th anniversary of the establishment of the Fábrica de Faianças Bordallo Pinheiro, in Caldas da Rainha. The presentation ceremony took place in an unprecedented way in the factory, which caused a great media coverage by television, radio, newspapers, magazines and blogs.

It is important to highlight as well the launch of 28 sardines from the already iconic collection *Sardinha* by Bordallo, in a partnership with Festas de Lisboa and EGEAC. The media were present at the presentation that took place on the terrace of the Zambeze restaurant, in Lisbon, including several television channels.

The connection between the famous Campana brothers, Brazilian designers, to Bordallo Pinheiro, with whom they created several pieces, was the reason why the TV channel RTP 3 to air an exclusive report, which was in fact filmed inside the factory.

Also with media coverage, it is important to highlight some initiatives carried out by Grupo Visabeira. For example, the OMA - *Os Melhores Anos* event, and the celebration of the Palácio do Gelo Shopping anniversary, with the grand fashion show.

Throughout the year, Palácio do Gelo Shopping was the subject of dozens of news reports, which covered the initiatives promoted by the shopping centre regarding culture, leisure, sports and youth among other.

In the Tourism area, as already mentioned, the opening of the Montebelo Lisbon Downtown Apartments hotel, the expansion of the hotels Montebelo Vista Alegre Ilhavo Hotel, Montebelo Agueira Lake Resort & Spa, and Montebelo

Gorongosa Lodge & Safari, as well as the construction of the future Montebelo Milibangalala resort, in Maputo, have been highlighted in numerous media. *Visão* magazine wrote an article exclusively about Montebelo Vista Alegre and Espaço & Casas a program by SIC television channel aired an episode about Montebelo Agueira Lake Resort & Spa. It can be inferred that RTP, SIC, TVI, CMTV, PORTO CANAL, CENTRO TV and VISEU NOW were some of the television channels which covered news from Grupo Visabeira. 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*, *Destak*, *Notícias ao Minuto*, *ECO*, *Sapo*, *Jornal Económico*, *i*, *Dinheiro Vivo*, *Observador*, *Diário de Viseu*, *Diário de Aveiro*, *Diário de Coimbra*, *Diário de Leiria*, *Diário As Beiras*, *Jornal do Centro*, *Via Rápida*, *Rua Direita*, *Jornal da Beira*, *Caras*, *Visão*, *Sábado*, *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. We must not forget the dozens of Bloggers from different areas, who throughout the year wrote a lot about Grupo Visabeira's activity, as well as the use of social networks for the company to disclose its dynamics. Overall, Grupo Visabeira, its sub-holdings and companies in its universe were the subject of 3706 news items (TV, Radio and written press). Grupo Vista Alegre (Vista Alegre, Ria Stone, Bordallo Pinheiro, Cerutil and Casa Alegre) was the subject of 1057 news, and Grupo Visabeira holding was the subject of 929 news. The Tourism sector, namely through the Montebelo Hotels & Resorts brand, generated 940 news and the Palácio do Gelo Shopping, 656 news. This news volume generated an Advertising Average Value of approximately 17.5 million euros.

Internal communication

NEWSLETTER

During 2019, Grupo Visabeira continued to publish *MyVisabeira*, the internal digital newsletter that monthly informs the employees about the company's activity. In addition to the digital edition, *MyVisabeira* also has a printed edition summarizing the main news.

CORPORATE INTRANET

Grupo Visabeira also uses the intranet to inform its employees, which is another tool to disclose the company's activities: news, protocols, mobility and training courses, among many other information.

Social responsibility

The actions included in the so-called Social Responsibility Policy have long been one of the main concerns of *Grupo Visabeira* and the companies which are part of it. These initiatives take place both in Portugal abroad, on the countries where *Grupo Visabeira* operates. The Social Responsibility initiatives and actions initiated by the *Grupo Visabeira* in 2019 followed the previous years guidelines, having been embodied in several areas that covered the individual and society. Health, sport, leisure, social action, culture, civic education and education, among others, were the areas where the *Grupo Visabeira* and its companies intervened, both in material and logistical terms. One of the most important institutions within Social Responsibility area is Fundação Visabeira, a non-profit

organization which include, for example, the nursery schools *Infantinhos da Quinta do Bosque* and *Infantinhos Vilabeira*. These nursery schools are located in two different urban areas of the city of Viseu and their main users are children who live in these residential areas, as well as the children of the Grupo's employees.

Grupo Visabeira organizes, each year, several events centred on bringing the employees of the different companies together in a relaxed environment. They take place in the summer, with the so-called "Patuscada", and during the Christmas season, with several Christmas dinners and lunches. These events are held in Viseu as well as where Visabeira's companies are located.

Moreover, the approximately 12 thousand employees of all the Grupo Visabeira's companies can benefit from the different protocols signed with external entities, in order to enjoy better conditions in different areas, such as bank credit, car purchase, telecommunications and health, among several other areas.

Regarding the Grupo Visabeira's own companies, discounts are granted when purchasing goods or services, which include real estate (whether purchasing or renting properties), hotels and restaurants with discounts on stays and meals. But there's not all. Employees can enjoy discounts for beauty, sports and wellness programs at *ForLife* gym and salon, as well as for purchasing porcelain, crystal, glazed ceramic and glass products. On what the tourism sector is concerned, the Grupo's employees can also benefit from special prices regarding holidays and leisure's packages in the agency which is part of the company's structure.

However, throughout 2019, Grupo Visabeira, once again, signed partnerships with several entities that seek the common good. We highlight *Palácio do Gelo Shopping*, which opened its space to entities such as *Santa Casa da Misericórdia de Viseu Cantinho dos Animais Abandonados de Viseu* [Animal Shelter] and the Red Cross, among others. As a great driving force in Viseu and across the entire region, *Palácio do Gelo* also promoted, throughout the year, several initiatives for the children. As an example, the "Minimigos" program, which on Sunday morning provided free play and educational activities.

Aiming at promoting better healthy habits among its clients, *Palácio do Gelo Shopping* promoted several medical and nursing screenings, some associated with nutrition workshops, always held by experts. Fashion, beauty and decoration workshops, among others, were also available to the community.

Regarding physical and mental well-being, via *ForLife* gym, located at *Palácio do Gelo Shopping*, Grupo Visabeira invited the community to do try out different sports, available at that sports structure.

ForLife also promoted a triathlon race aiming at supporting the *Centro de Apoio Alzheimer de Viseu* [Alzheimer's Association] and *Associação de Paralisia Cerebral de Viseu* [Cerebral Palsy association]. Likewise, Grupo Visabeira was one of the sponsors of the OCR Police Challenge, the largest and most challenging national obstacle course racing. Since we are talking about sports and particularly football, the Grupo Visabeira during 2019 continued to sponsor institutions such as *Clube Desportivo de Tondela*, of the First League and the *Académico de Viseu Futebol Clube*, representative of the region in the Pro League.

Internally, it is worth mentioning the support that Grupo Visabeira grants to *Sporting Clube da Vista Alegre*, a club which is part of the company in Ilhavo, playing in the *Associação de Futebol de Aveiro*. The company has a determining role in the training of young people in football and karate.

The swimming schools of the ForLife gym and the Complexo Desportivo Príncipe Perfeito and the ice skating school are also sponsored by the Grupo. Also regarding sports, during 2019 the Clube de Golfe de Viseu continued to benefit from the partnership with Montebelo Golfe, a 27-hole golf course by Grupo Visabeira. The members of this club can enjoy special conditions to play golf, as well as training for beginner players, namely the young ones. Montebelo Golfe also maintained a close connection with schools in this region and with physical education teachers, who have had golf training courses on this course. During 2019, the company maintained collaboration with the Teatro Ribalta as well, which has its own space at Teatro Vista Alegre, part of the industrial complex Vista Alegre at Ílhavo. Vista Alegre was also partner of the Projeto 23 Milhas 2019 project, and the Festival Leme, organized by Centro Cultural de Ílhavo. Also worth mentioning is the corporate support for the Festas de Nossa Senhora da Penha de França, Patron Saint of Vista Alegre, which are considered one of the main cultural and popular events available to the community of Ílhavo and all others who wish to attend. As in previous editions, Vista Alegre maintained its support to the "Asas Weekend" initiative, which took place at Mercado Ferreira Borges. This is an event which intends to raise the awareness on an association which aims at protecting children and young people in danger. Bordallo Pinheiro maintained its support for Associação Corações Com Coroa, a non-profit association and Non-Governmental Organisation for Development (NGOD) created in 2012 to promote solidarity, equal opportunities and social and emotional inclusion for people living in vulnerable, at-risk and poor situations.

In terms of sponsorships, the Montebelo Hotels & Resorts chain sponsored the Noivos de S. Mateus initiative, an event that took place for the first time within the scope of the S. Mateus Fair, an event which was supported by the Palácio do Gelo Shopping on what the environmental area is concerned. Also reporting to popular events, Palácio do Gelo Shopping sponsored yet another edition of the centuries-old Cavalcadas de Vildemoinhos, an ethnographic and artistic procession that takes place every June in Viseu. Moreover, at Palácio do Gelo Shopping a fund raiser took place for the Palhaços D'Opital association [an association which aims at entertaining hospitalised patients].

Grupo Visabeira, through Montebelo Hotels sponsored as well another edition of APPACDM [association for the intellectually disabled person] Annual Solidarity Gala. Grupo Visabeira continued to sponsor different cultural initiatives, namely those carried out in the Museu Nacional Grão Vasco and in Teatro Viriato.

Other sponsorship Grupo Visabeira has been carrying out for some years is the "Viver a Vida". This is an initiative of the newspaper Correio da Manhã and the tv channel CMTV with the municipality, which celebrates birth in the interior region of the country.

Grupo Visabeira also participated the initiatives carried out by / ANADO - Associação Nacional de Apoio a Doentes Oncológicos [National Association for Support of Cancer Patients].

Within the broad scope of the Social Responsibility Policy, Grupo Visabeira together with Palácio do Gelo Shopping promoted another job fair. This wide-ranging social initiative opened doors for companies in the region, including those of the Grupo itself, to present the vacancies available in the respective staff, aimed essentially at young graduates and looking for their first job. Furthermore, Grupo Visabeira has maintained the close connection it has had with some of the higher education institutions in the region, which are open doors for the respective students' internships, namely in technological areas.

However, the aspect of job offers was also carried out in a decentralized way, as Grupo Visabeira participated in initiatives throughout the country promoted, essentially, by universities and institutes. Grupo Visabeira's Human Resources participated in dozens of fairs, raising awareness of the recruitment process and possible vacancies. Throughout the year, candidates who participated these fairs were hired.

On another level, Grupo Visabeira, directly through Vista Alegre and Bordallo Pinheiro, launched an initiative to support indigenous peoples in the Amazon in 2019, in particular the Kayapó indigenous community. This support resulted in the creation of the Amazônia collection in partnership with the Brazilian NGO Ecoarts Amazônia. Within the scope of the Social Responsibility, for each piece of the collection sold a percentage of the money will be used to replant fruit trees in the Mato Grosso region, in Belém do Pará.

Grupo Visabeira was part of the group of Donor Entities that through Camões – Instituto da Cooperação and Língua, I.P. Instituto Camões, contributed to the financing of NGO projects regarding humanitarian action, Reconstruction and Rehabilitation of the areas of Mozambique which were severely affected by Idai and Kenneth cyclones.

Following these catastrophes, Grupo Visabeira has been developing locally, through Visabeira Moçambique, a set of initiatives to minimize the impacts of devastation in the affected regions. Visabeira Moçambique was one of the first to help the populations is need by rebuilding infrastructures: telecommunications, electricity, health units and schools.

Visabeira Moçambique has also contributed with the supply of food, clothing and first aid kits. The Visabeira Moçambique' hotels cooperated with the aid effort, welcoming the medical and NGO teams that cooperated with the international aid.

These examples, among many others that we could list, represent Grupo Visabeira's contribution to recovery efforts. It stands for an increased effort but one in solidarity with the population in need. In this context, we believe that this is a practical way of showing solidarity, being the responsibility and coordination of these operations under Visabeira Moçambique, its directors and employees.

Once again Visabeira Moçambique supported the humanitarian missions of the Portuguese NGO Health4Moz and of the *Centro de Cirurgia Cardiorácica dos Hospitais da Universidade de Coimbra* [Center for Cardiothoracic Surgery at the Hospitals of the University of Coimbra], which carried out several medical actions in that country, favouring the most needy population.

TVCABO Moçambique financially supports the UPG preschool project - *Escolinha Flor da Infância*, *Escolinha de Santa Catarina* and *Escolinha de S. Vicente de Paulo* - offering access to pre-school education, daily school meals, teachers and school supplies to more than 230 disadvantaged children, between 3 and 5 years old. UPG preschools contribute to reducing child marginality, improving nutrition and hygiene, increasing attendance and better results in primary education. The operator TV Cabo Moçambique also provides Internet in the *Livro Aberto* facilities to be used by children and members of the association, as well as unlimited high-speed Internet and Wi-Fi hotspot in the facilities of CCFM – *Centro Cultural Franco Moçambicano* and the *Instituto Camões'* library.

TV Cabo Angola also carried out actions within the scope of the Social Responsibility policy, with special emphasis on the fund-raising initiative for *Lucrecia Paim Maternity Hospital*.

Future outlook

VISABEIRA GLOBAL

During 2019, Visabeira Global sub-holding represented 74% of the Grupo Visabeira's Consolidated Turnover, and 61% of EBITDA. This sub-holding thus continues, year after year, to be the largest contributor to the Grupo's consolidated accounts. This sub-holding assembles companies in the areas of telecommunications, energy, technology and construction, continuing to provide network engineering services to telecommunications and energy operators, which represents the main activities of its core business. In the coming years, Visabeira Global expects to continue its strong commitment towards its internationalization project through Constructel, in order to keep up with the large investments carried out by the euro area countries in the telecommunications networks, namely in the development of optical fibre networks. This being one of sectors where Visabeira Global is currently one of the main players at an international level, with strong distinctive skills resulting from its expertise and know-how.

Currently Visabeira Global has in European countries, a portfolio of 2.285 million euros of turnover for the coming years, regarding the provision of services, not including material (all the material is provided by the respective operators):

- 875 million euros in France, with France Telecom, Electricité de France, Gaz de France and municipalities – Optical Fibre Public Networks;
- 585 million euros in England with British Telecom;
- 345 million euros in Belgium, with Belgacom and Voo;
- 480 million euros in Germany, Portugal, Denmark and Italy, with Deutsche Telekom, MEO, NOS TDC, Enel, Enel OpenFiber.

Therefore Visabeira Global intends to continue consolidating its strong relationship with the main European operators in the coming years, in order to become increasingly stronger at an international level.

VISABEIRA INDÚSTRIA

Being part of the Grupo Visabeira for almost 32 years, the sub-holding company Visabeira Indústria has assumed a very important position in recent years. Integrating different segments including ceramics, glass and crystal, production of industrial boilers, biofuel (pellets), and kitchen furniture, this sector has grown significantly, as a result of the Grupo's commitment towards selling its products across the world. It's important to highlight Grupo Vista Alegre Atlantis with a strong national and international presence in the ceramics, glass and crystal sector. This company has assumed a sustainable growth positioning its brand, namely Vista Alegre, Bordallo Pinheiro and Cerutil as world reputed brands. The investment increase is shown in the recent years increase in the production capacity in three of the main factories in this segment, so it is now expected to reap the benefits of these investments. Thus, at Ria Stone, a ceramic company exclusively working for IKEA brand, we will continue to invest in the growth of its activity based on increasing relationships with the customer, aiming at selling its products across the world, as well as increasing the number of pieces sold, making it a world reputed manufacturer, under the customer brand. At the same time, at Vista Alegre, Bordallo and Cerutil, the focus will be to reinforce the presence of its product in the world, with increased gains in efficiency and productivity. Thus, the Grupo Vista Alegre will maintain its growth strategy based on:

- reinforcing the positioning of its brands as reputed brands and trendsetter;
- the continuous commitment towards innovation, research and development activities aiming at improving production processes that result in the creation of differentiating, competitive and high added value products;

- new partnerships and reinforcement of those currently existing, either with other renowned brands or with the cooperation of artists, designers, architects, illustrators, film directors, and sculptors;
- improving the relationship with the customer through sales channels or after-sales service, aiming at a greater loyalty level;
- maintaining the legacy and DNA of historic brands such as Vista Alegre and Bordallo Pinheiro.

Regarding the other segments that this sub-holding represents, it is expected to promote the activity's growth regarding the remaining companies in the industry's business area. Noteworthy is the production of boilers and energy sources, which is to say biofuel, a sector where Grupo Visabeira expects to continue focusing on increasing the production capacity based on innovative activities as well as on research and technological development with a view to encouraging new business relationships, which promote the development of more sustainable and effective products. Sustainability, not only financial but also concerning the use of resources and the products developed, has become an important issue in the industry sector. Therefore, it is important to encourage this idea in all companies that make up the business area.

Pursuant to and for the purposes of Article 447 of the Commercial Companies Code, we hereby disclose the shareholdings of the members of the management and supervisory bodies, and the operations carried out during 2019.

VISABEIRA TURISMO, IMOBILIÁRIA E SERVICIOS

The Tourism, Real Estate and Services segment is a segment undergoing constant growth, which simultaneously integrates a diverse range of activities developed within Grupo Visabeira.

This segment is quite diverse and its guidelines aim at an excellent quality offer. Thus, it includes four and five star hotels, located in the central region of the country; catering services, the largest shopping centre located in the central region of the country, offering comprehensive services and unique features; real estate business as well as other support services, namely trading and shared services.

This sub-holding's skills were strengthened during 2019, by the opening of two hotels, and the consolidation of the shared services, trading and real estate activities. It's important to highlight the opening of local accommodation on Rua da Prata, in central Lisbon.

The first quarter of 2020 was marked by the world Covid-19 pandemic, as described in the subsequent events, on the attached notes. Thus, it is expected that during 2020, Portugal and the world will undergo a general slowdown on what tourism is concerned. However, it is expected that Portugal will remain the worlds' best tourist destination, for which it was elected for 3 consecutive years.

Thus, during 2020, Grupo Visabeira will continue to invest in the work already underway: namely in the Alcobaça hotel, where renovation has demanded much of the technical teams involved in it as classified heritage that is; and in Vista Alegre's Bairro Operário [Workers' Neighbourhood], in

order to expand the existing hotel, reinforcing the services provided as well, making it one of the most important hotels in the central region. Still regarding the hotel sector, the renovation of the Hotel do Chiado will begin - a building located in the Pombal downtown classified as city heritage -, as well as the renovation of the Hotel das Caldas da Rainha - the rehabilitation of the Buildings for Pavillions of Parque D. Carlos I, where a contract has already been awarded. The purpose is to strengthen the Montebelo brand, promoting its reputation within the hotel sector.

The ambition and the search for new business opportunities and partnerships both internal (using the ceramic produced by the Grupo Visabeira: Vista Alegre and Bordallo Pinheiro or Mob kitchens) and external (with association with national and international renowned brands and entities) will also be the key factors in this segment. The Grupo expects that within the Tourism sector, it should reinforce its commitment towards hotels with offers of excellent quality, promoting them to the general public.

With regard to Real Estate, no new investments are expected in the near future, however the focus will be on the sale of several properties currently on the market, as well as on strengthening its real estate assets.

In turn, including all business support services in a single sub-holding company, a better functioning of these same services is foreseen, sharing knowledge that allows the Grupo to find optimized and appropriate solutions for its activity.

GRUPO VISABEIRA

Grupo Visabeira's Head Office located at Palácio do Gelo Shopping, in Viseu.



Notes to the Report of the Board of Directors

SHAREHOLDER/MEMBER OF CORPORATE BODIES

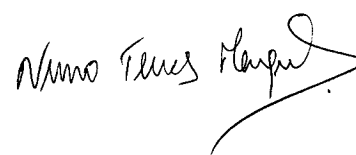
	Number of shares on 31 st December 2019		Number of shares on 31 st December 2018		Operations in 2019
		%		%	
Fernando Campos Nunes	22,899,601	99.45%	22,899,601	99.45%	0
TOTAL	22,899,601	99.45%	22,899,601	99.45%	0

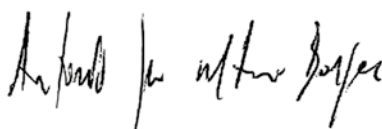
Viseu, 11st May 2020

The Certified Accountant The Board of Directors



Member CC # 77089


CONSOLIDATED FINANCIAL STATEMENTS

The background of the page is a teal-colored surface with a pattern of white plates. The plates are of various sizes and are arranged in a scattered, overlapping manner. Some plates are fully visible, while others are partially cut off by the edges of the frame. The lighting creates soft shadows, giving the plates a three-dimensional appearance.

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

Financial years ended 31 December 2019 and 31 December 2018

	Notes	2019	2018
Ongoing operations			
Sales		194,828,315	163,511,295
Services rendered		715,394,186	581,891,846
Turnover	10	910,222,502	745,403,142
Cost of sales and services rendered		-142,240,320	-110,823,897
Gross margin		767,982,181	634,579,245
Own work capitalised	11	4,066,498	5,156,525
Other income	12	21,216,416	26,133,869
Supplies and external services	13	-381,647,189	-315,801,935
Personnel costs	14	-236,446,651	-198,405,131
Other costs	12	-9,973,368	-9,836,180
Operating income (excluding depreciation and amortization, provisions and fair value of investment properties)		165,197,887	141,826,392
Changes in the fair value of investment properties	24	12,011,690	14,733,959
Amortizations	15	-63,229,954	-42,089,299
Provisions and impairment losses	16	-332,538	-3,932,236
Operating income		113,647,085	110,538,817
Interest expense, net	17	-40,212,329	-35,318,275
Gains/(losses) on listed shares	18	-62,868	-100,072
Other financial expenses, net	19	-19,243,788	-24,119,981
Monetary position	2.2	0	10,962,705
Gains/(losses) on associates and joint ventures	6	5,818,938	-234,353
Financial result		-53,700,047	-48,809,976
Result before taxes		59,947,038	61,728,841
Current income tax	20	-13,891,214	-13,286,759
Deferred income tax	20	5,582,972	2,977,540
Income tax for the financial year		-8,308,241	-10,309,219
Net income		51,638,797	51,419,622
Attributable:			
Shareholders		47,481,112	53,944,846
Non-controlling interests	34	4,157,685	-2,525,224
Earnings per share:			
Basic	32	2.06	2.34
Diluted	32	2.06	2.34

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial years ended 31 December 2019 and 31 December 2018

	2019	2018
Consolidated net income for the period (a)	51,638,797	51,419,622
Other comprehensive income:		
Amounts that will be reclassified later in results		
Translation of transactions denominated in foreign currencies - other	-10,151,710	-39,556,905
Conversion of operations in foreign currency - related to hyperinflation in Angola in previous years	-19,976,806	-38,192,843
Tax effect	5,923,322	11,457,853
Hedge accounting for financial instruments	-	10,567,518
Tax effect	-	-3,170,256
Derivatives and hedge accounting	5,105	-2,922
Tax effect	-1,149	658
Others	-44,283	146,305
Amounts that will not be reclassified later in results		
Actuarial gains/(losses) on retirement benefits	8,095	10,272
Tax effect	-9,846	-2,311
Transfer of tangible fixed asset to investment property	-	53,216,770
Tax effect	-	-11,973,773
Change in the fair value reserve of other financial investments	-743,544	-1,350,819
Tax effect	167,297	155,449
Revaluation of tangible fixed assets	225,488,950	-
Tax effect	-69,195,155	-
Other comprehensive income for the period (b)	131,470,277	-18,695,005
Total comprehensive income for the period (a) + (b)	183,109,073	32,724,617
Comprehensive income for the financial year attributable to:		
Shareholders	108,628,019	36,407,744
Non-controlling interests	74,481,054	-3,683,126

The notes form an integral part of this consolidated statement of comprehensive income

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Financial years ended 31 December 2019 and 31 December 2018

	Notes	2019	2018
ACTIVE			
Non-current assets			
Tangible assets	21	655,476,137	479,300,753
Right-of-use assets	22	87,276,870	-
Goodwill	23	98,289,267	90,462,279
Investment properties	24	435,837,861	445,214,935
Intangible Assets	25	94,314,500	101,359,041
Investments in associated companies and joint ventures	6	30,611,922	32,281,073
Other financial investments	7	5,047,611	41,272,872
Deferred tax assets	20	52,277,879	50,632,306
Other Assets	29	0	3,567,332
Total non-current assets		1,459,132,046	1,244,090,591
Current assets			
Inventories	26	111,036,731	110,390,035
Customers	27	129,517,805	120,226,221
Income tax	28	6,105,685	2,069,655
Other Assets	29	39,201,560	73,333,455
Assets associated with contracts with customers	10	122,894,660	103,123,039
Other financial investments	7	531,955	593,253
Cash and cash equivalents	30	69,816,007	41,071,032
Total current assets		479,104,402	450,806,690
Total Assets		1,938,236,449	1,694,897,281
EQUITY			
Capital	31	115,125,630	115,125,630
Share premiums		44,493,578	44,493,578
Other reserves	33	17,074,517	-31,137,433
Retained earnings	33	166,216,788	193,976,504
Equity attributable to shareholders		342,910,512	322,458,278
Non-controlling interests	34	146,699,623	60,939,303
Total equity		489,610,135	383,397,581
LIABILITIES			
Non-current liabilities			
Medium and long-term bank loans	35	597,380,157	532,939,819
Other liabilities	37	28,926,401	110,591,702
Deferred tax liabilities	20	179,631,146	119,502,117
Provisions for other risks and expenses	41	7,243,775	7,383,484
Lease liabilities	38	84,972,131	-
Total non-current assets		898,153,610	770,417,122
Current Liabilities			
Short-term bank loans	35	120,678,524	119,467,978
Suppliers	36	151,263,899	143,806,076
Income tax	28	0	1,397,466
Liabilities associated with contracts with customers	10	37,799,471	26,659,904
Other liabilities	37	222,721,824	249,751,155
Lease liabilities	38	18,008,985	-
Total current assets		550,472,703	541,082,578
Total liabilities		1,448,626,313	1,311,499,700
Total equity and liabilities		1,938,236,449	1,694,897,281

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Financial years ended 31 December 2019 and 31 December 2018

	Capital	Share premiums	Fair value reserve of financial assets (note 23)	Retained earnings and other reserves (note 33)	Subtotal	Non-controlling interests	Total equity
January 1, 2018	115,125,630	44,493,578	0	149,222,810	308,842,017	68,495,494	377,337,511
Comprehensive income for the period	0	0	-1,350,819	37,758,563	36,407,744	-3,683,126	32,724,617
Transactions with shareholders							
Dividends distributed	0	0	0	-20,000,000	-20,000,000	-1,238,608	-21,238,608
Acquisitions, disposals and share capital	0	0	0	-2,791,482	-2,791,482	-2,634,456	-5,425,939
As of December 31, 2018	115,125,630	44,493,578	-1,350,819	164,189,890	322,458,278	60,939,303	383,397,581
On 01 January 2019	115,125,630	44,493,578	-1,350,819	164,189,890	322,458,279	60,939,303	383,397,581
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 31 December 2019	115,125,630	44,493,578	-2,094,363	185,385,668	342,910,067	146,699,623	489,610,135

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

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial years ended 31 December 2019 and 31 December 2018

	2019	2018
OPERATING ACTIVITIES		
Customer receivables	1,012,112,305	812,358,368
Payments to suppliers	-625,047,713	-479,532,459
Payments to staff	-234,467,507	-193,118,609
Operating cash flow	152,597,085	139,707,300
Income tax paid/received	-10,125,526	-9,216,678
Other operating payments/receipts	-2,913,026	-3,443,064
Cash flow generated before extraordinary items	139,558,533	127,047,559
CASH FLOW FROM OPERATING ACTIVITIES (1)	139,558,533	127,047,559
INVESTMENT ACTIVITIES		
Receivables from:		
Financial investments	6,091,416	23,407,776
Investment properties	6,122,129	510,650
Investment grants	7,906,496	9,514,973
Interest and similar income	1,615,778	3,219,784
Loans granted	43,039,958	31,641,981
Dividends	591,532	706,552
	65,367,309	69,001,716
Payments relating to:		
Financial investments	-1,404,359	-1,508,214
Acquisitions of subsidiaries	-12,314,267	-34,789,307
Tangible fixed assets	-80,438,956	-72,151,840
Loans granted	-65,271,866	-44,424,129
	-159,429,448	-152,873,491
CASH FLOW FROM INVESTING ACTIVITIES (2)	-94,062,140	-83,871,775
FINANCING ACTIVITIES		
Receivables from:		
Loans obtained	417,379,100	310,732,392
Share capital increases by non-controlling interests	14,608,369	0
	431,987,469	310,732,392
Payments relating to:		
Loans obtained	-359,351,961	-269,004,611
Amortisation of financial lease contracts	-22,132,818	-21,561,179
Interest and similar costs	-49,629,328	-40,857,478
Dividends	-143,951	-480,000
Other financing operations	-10,962,058	-4,634,219
	-442,220,117	-336,537,487
CASH FLOW FROM FINANCING ACTIVITIES (3)	-10,232,648	-25,805,095
Changes in cash and cash equivalents (1) + (2) + (3)	35,263,745	17,370,690
Cash and cash equivalents at the beginning of the period	38,047,297	39,215,718
Effect of currency exchange differences	-8,086,384	-18,880,249
Effects of changes in the scope of consolidation	803,230	341,138
Cash and cash equivalents at the end of the period	66,027,887	38,047,297

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Financial years ended 31 December 2019 and 31 December 2018

	2019	2018
1. ACQUISITION OR DISPOSAL OF COMPANIES		
a) Acquisitions/increases in holdings in the current financial year		
MJQuinn	5,907,867	26,527,935
Toft Hansen	2,277,142	-
Ieme	1,402,320	1,214,443
Modal	1,259,276	3,130,471
Capital criativo	1,100,000	-
Cabling	1,099,955	2,734,436
Core capital	304,286	98,214
Constructel Modal	218,601	652,112
Celmoque	98,871	-
Autovisa	50,235	-
Lusitania Gas	73	-
Martifer Visabeira		1,000,000
Escotel		529,910
Rodinerte		190,000
Besconsigo		110,000
Sem Amarras		110,000
	13,718,626	36,297,522
b) Disposals/receivables in the current financial year		
Gevisar	5,000,000	-
Doutibelo	750,000	494,972
Pharol	269,666	161,414
Sem Amarras	67,100	92,977
Lisgarante	2,850	8,390
Norgarante	1,800	5,550
Gevisar		22,636,083
Garval		8,390
	6,091,416	23,407,776
2. BREAKDOWN OF CASH AND CASH EQUIVALENTS:		
For companies included in the scope of consolidation		
a) Cash		
- Cash	586,738	350,710
- Bank deposits	65,214,973	37,857,351
b) Other availabilities		
- Tradable securities	3,211,066	2,521,833
From changes to the scope of consolidation during the year		
a) Cash		
- Bank deposits	803,230	341,138
Cash and cash equivalents in the balance sheet	69,816,007	41,071,032

Notes to the consolidated financial statements

On 31 December 2019 (amounts in euros)

1. Introductory note

Grupo Visabeira started its activity in 1980 within the telecommunications and electricity sector. Based in Viseu and as a result of its combined human resources, an integrated information and logistics system, its own transport network and strategically located facilities, the 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 relies on a management model based on global information systems, which interconnects all the business units and integrates all the Group's resources.

Based on the trust earned in the market, it defined and consolidated a bold internationalisation strategy that consolidated the capacities 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 focusing on Portuguese speaking countries and later on with a strong focus on European countries, the Grupo has exported its model since the 1980s and, as a result of this strategy, currently it has companies with consolidated activities in Mozambique, Angola, France, United Kingdom, Belgium, Germany, Brazil, Denmark and presence in many other countries.

Through the internationalisation of its markets, the Grupo has promoted its products in more than ninety countries, on five continents, among which the markets of the European Union, Scandinavia, North America, Africa, Australia and Japan play an important role.

At the moment, through investment, Grupo Visabeira's main development area continues to be its external growth, leveraged by its multisectoral matrix and by an attitude of constant technological updating. Grupo Visabeira will continue to enhance its distinctive competencies and the entrepreneurial dynamics that characterizes it, as well as it will operate in an integrated manner in increasingly global scenarios, expanding its markets in a sustained manner and always aiming at leadership in its strategic business areas.

Grupo Visabeira consolidates its accounts in the entity NCFGest, SA, its majority shareholder and 100% owned by Fernando Campos Nunes.

On 31 December 2017, turnover amounted to 910 million euros. Equity amounted to 490 million euros, of which 147 million euros correspond to non-controlling interests by the Grupo.

In 2019, Grupo Visabeira employed an average of 12,014 employees (10,974 in 2018).

The financial statements were approved for issue in the meeting of the Board of Directors held on 11 May 2020, pending approval by the General Meeting of Shareholders, pursuant to current Portuguese corporate law.

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

2. Accounting Policies

The most relevant accounting policies used in the calculation of profit or loss for the period and the presentation of the financial position are as follows:

2.1 BASIS OF PRESENTATION

Pursuant to the Decree -Law No. 35/2005 of 17 February, as subsequently amended by Decree -Law No. 98/2015 of 2 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 01 January 2019. The consolidated financial statements were prepared based on the accounting books and records of the companies included in the scope of consolidation (Notes 5 and 6), kept in accordance with accounting principles generally accepted in the respective jurisdictions and in Portugal, and adjusted in the consolidation process and when applicable, so that the consolidated financial statements are presented in accordance with IAS/IFRS.

The Board of Directors evaluated the Company's, its subsidiaries and associates' ability to operate on a continuous basis, based on all relevant information, facts and circumstances of financial, commercial or other nature, including events subsequent, 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 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 certain classes of tangible assets

measured at revalued cost and for investment properties, for derivative financial investments, and for some investments which were measured at fair value. The assets and liabilities that are covered in the scope of hedge accounting are presented at fair value in relation to the hedged risk. 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 Visbeira's 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. The consolidated financial statements include comparative information, in relation to previous financial years. The accounting policies presented were applied consistently by all the Grupo's companies and during all periods presented in the consolidated and individual financial statements, except for the adoption of the requirements of IFRS 16 (With reference to the 1st of January 2019, as provided for in these standards. The Grupo adopted it through the modified retrospective model, without re-expression of comparative information - see note 4), for the revaluation of VCabo Angola and TVCabo Moçambique networks and suspending the application of IAS 29 for subsidiaries based in Angola. Unless stated otherwise, the amounts are expressed in euros (EUR).

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements include, in reference to 31 December 2019, 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 and 6.

An entity is classified as subsidiary when it is controlled by the Grupo. Control exists only where the Group 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 investors.

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 recognised 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 Group 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 scope of consolidation

During 2019, the most significant changes (see note 8) were the purchase of a subsidiary in Denmark (*Toft Hansen ApS* - within the telecommunications area) and the sale of the company *Benetrónica*. During 2018, the most significant change in was the purpose of *MJ Quinn*, in the United Kingdom, and *Escotel SASU* in France, both in the area of Telecommunications.

Classification of Angola as a country with a hyperinflationary economy

In 2017 and 2018, the Angolan economy was classified as hyperinflationary in accordance with 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:

- Monetary assets and liabilities are not changed, as they are already expressed in the current unit at the date of the financial statements;
- Non-monetary 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, in foreign currency (kwanza) is carried out considering the exchange rate in force at the balance sheet date. The conversion coefficient used in the monetary correction IAS 29 Angola 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	2019	2018
Tangible / intangible assets	35.7	59.5
Deferred tax	-10.7	-17.8
	25.0	41.7
Shareholders	13.7	21.4
Non-controlling interests	11.2	20.3
	25.0	41.7

- In the financial statement position:

Millions of euros	2019	2018
Turnover	-	3.9
Other income	-	0.3
Other costs	-	-1.9
Amortisations	-	-6.1
Monetary position	-	11.0
Other financial expenses, net	-	-2.2
Deferred income tax	-	-1.5
Net income	-	3.5
Shareholders' Net Profit		-1.8
Equity excluding non-controlling interests		1.7

2.3 BUSINESS COMBINATIONS 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:

- i) the consideration transferred together with the non-controlling interests and with the fair value of the equity interests previously held and
- ii) 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 Group. 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 one year 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.

Expenses related to the acquisition are not part of the transferred consideration, so they do not affect the determination of goodwill/ business combination gain, and are recognised as expenses in the year 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.

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, the Group 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 achieved in stages, the fair value on the date of acquisition of the interests held is remeasured at fair value on the date when control is obtained, with the corresponding changes in income for the period in which control is achieved, thus affecting the calculation of goodwill.

Goodwill is considered to have an indefinite useful life and thus is not amortisable. Regardless of whether or not there are impairment indicators, the 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 combination, regardless of the remaining assets and liabilities also associated with the cash-generating unit. 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, acquired after 1 January 2005, is recorded in those companies' reporting currency and translated into euros at the statement of financial position date.

Acquisitions prior to 2010:

Compared to the treatment described above, applicable as of 1 January 2010, the main differences are the following:

- The cost of an acquisition would include costs directly attributable to such acquisition, thus affecting the calculation of goodwill;
- The acquiree's "non-controlling interests" (formerly designated "minority interests") were measured only by the acquiree's share in the identifiable net assets, but would not influence the determination of goodwill/gains resulting from the combination;
- When the business combination was effected in stages, the fair value on the previous acquisition date of the interests held was not remeasured on the date when control was obtained and the goodwill amount previously acknowledged remained unchanged;
- Any contingent acquisition value was only recognised if the Group had a present obligation, the outflow was likely and the estimate was reliably determinable; subsequent changes in this value were recognised against goodwill;

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 Grupo'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 Group 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.

Thus, 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 Group's 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 Group 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 Grupo's main business activities/sources of revenue for the financial years 2018 and 2019 can be detailed as follow:

- a) Telecommunications and energy;
- b) Engineering and construction.;
- c) Telecommunications operator;
- d) Industry;
- e) Hotels and Restaurants;
- f) Shopping centre operation and management;
- g) Real estate sale;
- h) Real estate services and management.

Nature, performance obligations and recognition of revenue

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 considered as a unique 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 revenue is made according to the tasks completed and valued based on the agreed prices.

Periodically, and regarding the completed works, a measurement report is submitted to the customers' validation, with the 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 purchase order is considered as a sole 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 a price agreed with the customer, as well as the standard consumption of materials foreseen for that task. The recognition of revenue is made according to the tasks completed 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) 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, given that customers have the ability (control) to guide the use of the asset as it is being built and the ability to obtain substantially all of its remaining economic benefits, the Grupo's obligation to perform in these cases is satisfied over time, with revenue recognized in accordance with the method described hereafter.

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 Group 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) 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 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.

d) Industry

Within this area, the Grupo develops 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.

The 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

The 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 ii) Engineering and construction.

e) 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.

f) 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 redebt to lessees are recorded in the period which the compensation relates to. Fees regarding management and service are included as Income from rentals, 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 conclusion of the contract of reservation of ownership and subsequent receipt.

g) 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 (eg 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, the 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.

h) Real estate services and management;**Service expenses, management fees and other recoverable expenses of lessees**

For investment properties held to obtain rental income, the Grupo is lessor in lease agreements that fall under IAS 17. These agreements include certain services provided to the lessees, including comprehensive property management, including maintenance of common areas (e.g. cleaning, security, gardening), and other administrative support services (e.g. concierge services, catering and other related services). These services are specified in the lease agreements and are billed separately.

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. The 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, the 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. The 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, the Grupo concluded that it is the principal because it is primarily responsible for meeting the performance obligation of the specific service, and the 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. The 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

The Grupo incurs in commissions which are incremental costs of obtaining a contract with a customer. The 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 amortised over a year or less. In cases where the amortisation period would exceed one year, the 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 Grupo received (or is entitled to receive) a return from a customer. If the customer pays the compensation before the Grupo transfers the goods or services, a contractual liability is recorded

when the payment is made or when it is due (whichever comes first). Contractual liabilities are recognised as revenue when the Grupo performs its contractual 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 mensuration

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. Except for accounts receivables from customers that do not contain a significant financial component and for which the Grupo adopts the practical expedient, the Grupo measures a financial assets at its fair value added, in the case of non-classified asset as fair value through profit or loss, of transaction costs. The account 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 under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flow that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as solely payments of principal and interest test and is performed at an instrument level.

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

The business model determines whether cash flow will result from collecting contractual cash flow, selling 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 amortised cost (debt instruments);

This category is the most relevant to 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 contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) 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 contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For debt instruments at fair value through other comprehensive income, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statements of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income. Upon derecognition, the cumulative fair value change recognised in other comprehensive income is (recycled) to profit or 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 2019.

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 or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Grupo benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in 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 profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value recognised in the statement of profit or 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 contract that includes a base contract which contains a financial asset is not accounted for separately. The financial asset of the basic contract and the embedded derivative are comprehensively classified together 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 Group's consolidated statement of Financial Position) when:

- The contract rights to receive cash flows resulting from the financial asset expire; or
- The 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 flow from an asset or is part of an agreement that may enable derecognition, it assesses whether and to what extent the risks and rewards associated with ownership of the asset have been retained.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Grupo continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Grupo also recognises an associated liability, the transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Grupo has retained.

If the continued involvement of the Grupo takes the form of a guarantee provided on the transferred asset, the measure of continued involvement is the lower of the original book value of the asset and the maximum amount of the consideration received that the Grupo may 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 - note 27 and 10

The Grupo recognises an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between the contractual cash flow due in accordance with the contract and all the cash flow that the Grupo expects to receive, discounted at an approximation of 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 were separated taking into account the respective risk profiles and the age of the non-compliance. 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 written off when there is no reasonable expectation of recovering the contractual cash flow.

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.

The 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 Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are 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. The Grupo has not designated any financial liability as at fair value through profit or loss.

Financial liabilities at amortised cost

This category is the most relevant to 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 recognised in profit or loss when the liabilities are derecognised as well as through the effective interest amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral 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 Board of Directors to use this financing instrument for a period of more than one year.

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 net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to or settle on a net basis, to or realise the assets or settle the liabilities simultaneously.

2.6.4 Compensation of Financial instruments

I) Initial recognition and mensuration

The 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. Amortisation 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 amortised 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.

The Grupo uses forward contract to hedge exposure to currency exchange rate risk on expected transactions and commitments assumed, as well as forward of raw materials to cover exposure to raw material price volatility. Until the 1st of January 2018, the Grupo designated all forward contracts as a hedging instrument. Any gains or losses arising from changes in the fair value of the derivatives are recorded directly in the income statement, except for the effective portion of the cash flow hedges which were recorded in Other comprehensive income and subsequently reclassified to the income statement when the hedged item also affected the income statement.

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

Fair value hedge

Equity instruments are classified according to the substance of their contractual arrangement, regardless of their legal form. Equity instruments issued by companies of the Group 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

The Grupo capitalises borrowing costs (interest and other costs incurred due to requests for loan funds) that are directly attributable to the acquisition, construction or production of an asset that qualifies as part of the cost of such asset, i.e. an asset that necessarily takes a substantial period of time to be ready for its intended use or its sale. All other borrowing 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 31st of December 2018, 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.

Amortisations

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:

	2019	2018
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%
Administrative 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 derecognition 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 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

Policy applicable since the 1st of January 2019

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 leaseings 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 rentals, without considering the respective costs, because the Grupo considers that it acts as principal and not as agent in this situation.

Policy applicable since the 1st of January 2019

To determine whether an agreement is or contains a lease should be based on the substance of the agreement at the beginning of the agreement, which is the earliest date between the date of the agreement and the date of the commitment by the parties regarding its main terms, based on all the facts and circumstances. The agreement is (or contains) a lease if its fulfilment is contingent on the use of a specific asset or assets and the arrangement conveys a right to use such asset, even if this is not explicitly stated in the agreement. 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.

The classification of leases as financial or operational is based on the substance of the contracts in question rather than their form.

Lease contracts are classified as (i) financial leases if all the risks and rewards inherent to ownership are substantially transferred or as (ii) operating leases if through them all the risks and rewards inherent in ownership are not substantially transferred.

The analysis of the transfer of risks and benefits inherent to the ownership of a property takes into account several factors, namely whether possession is contractually conditioned on assuming charge of the property, the amount of minimum payments to be made under the lease and the duration of the contract taking into account the possibility of renewal.

The Grupo as lessee

Financial leases are recorded in assets at the fair value of the asset or, if lower, at the present value of the minimum lease payments. The minimum lease payments are divided between the financial charge and the reduction of the outstanding liability in order to produce a constant periodic interest rate on the remaining balance of the liability. The financial charges are recorded in the income statement as financial expenses. The leased asset is depreciated over its useful life (depreciations are recorded as expenses in the income statement for the period to which they relate, as described in Note 2.3. b)). However, if there is no reasonable certainty that the lessee will obtain ownership at the end of the lease term, the asset is depreciated during the lease term or its useful life, whichever is the shorter period. In case of leases considered to be operational, rents due regarding assets acquired under this regime are recognized as expenses in the income statement for the year to which they refer to.

The Grupo as lessor

No changes compared to the policy currently in force.

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.

2.11 IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Assets that have an indefinite useful life are not subject to amortisation or depreciation, 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 amount of the asset is increased accordingly, but it can never be higher than the amount that would be recognised if the impairment loss had 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 either the respective carrying value or the fair value, whichever is lower, net of 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 Group's 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 operation is a component (operational units and cash flows that can be clearly distinguished, in terms of operation and for purposes of financial reporting, from the rest of the entity) of an entity that has been sold 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 continuing operations and discontinued operations are eliminated to the extent that they represent the operations that will no longer be carried out by 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.

Other finished goods and work in progress are valued at production cost, which includes all direct costs and manufacturing overheads.

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 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, minus, where appropriate, the cumulative amortisation recognised in accordance with IAS 18 - Revenue.

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

2.15 CONTINGENT ASSETS AND LIABILITIES

Contingent liabilities (when not in connection with a business combination) are not recognised in the consolidated financial statements; they are presented in the Notes, unless the possibility of a cash outflow is remote, in which case they are not subject to disclosure.

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.

The Grupo Visabeira is covered by the special scheme for the taxation of groups of companies, which includes all companies in which the Grupo directly or indirectly holds at least 75% of the share capital and which are based in Portugal and subject to Corporate Income Tax (IRC). Since 2014, the subsidiaries of Grupo VAA are included in the scope of consolidation of Grupo Visabeira.

The remaining subsidiary companies, not covered by the special tax scheme for groups of companies, 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 have assigned pension schemes to former employees of Grupo Visata Alegre, 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 Grupo and others by Futuro, of 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. The 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 "Staff 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 allowances and bonuses

According to Portuguese labour law, employees are entitled to 22 annual leave days, as well as one month of holiday allowance, vested in the year prior to their payment. These liabilities are recorded when incurred, regardless of when they are paid, and are reflected in the line item 'Accounts payable and other.'

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 1 October 2013. 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.

2.18 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. OWN WORK CAPITALISED

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 Group.

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.

The 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 and Russia, so these countries are identified as geographical segments.

2.24 TRANSACTIONS DENOMINATED 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 euro 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 translation 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 to translate 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 1 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 31 December 2019 and 2018, assets and liabilities denominated in foreign currencies were translated into euros using the following exchange rates :

CLOSING EXCHANGE RATE			
2019	2018	Code	Designation
540.82	353.02	AON	Angolan Kwanza
68.90	70.25	MT	Mozambican Metical
4.51	4.44	BRL	Brazilian real
7.47	7.47	DKK	Danish Crown
0.85	0.90	GBP	Pound sterling

In the financial years 2019 and 2018, the financial statements of subsidiaries expressed in foreign currency were translated using the following exchange rates:

AVERAGE EXCHANGE RATE				
2019	2018	Code	Designation	
419.08	353.02	AON	Angolan Kwanza	
69.99	71.53	MT	Mozambican Metical	
4.42	4.32	BRL	Brazilian real	
7.47	7.45	DKK	Danish Crown	
0.88	0.89	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.

3. Judgments and estimates

In preparing the consolidated financial statements in accordance with IFRS, the 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

The 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 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 determining 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, the 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

The 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 flows.

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 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 optimisation strategies.

g) Post-employment benefits

The assessment of liabilities associated with retirement and health benefits attributed to the Group'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 Group 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 year ended on the 31st of December 2019, there were no voluntary changes in accounting policies compared to those considered in the preparation of the financial information for the previous year presented in comparisons, with the exception of the policy for measuring the assets of TVCabo Angola and TVCabo Moçambique networks, which are measured from the current year in accordance with the revaluation model - see note 21. The Grupo applied the provisions IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, which exempts this change in accounting policy from the requirements of retrospective application and extensive disclosures. 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 exercise

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 2019:

· IFRS 16 – Leases

This standard introduces the principles of recognition and measurement of leases, replacing IAS 17 - Leases, IFRIC 4 - Determine if an Agreement contains a Lease, SIC 15 - Operating Leases— Incentives and SIC 27 - Evaluating the Substance of Transactions in the Legal Form of a Lease. The standard establishes the principles for the recognition, measurement, presentation, and disclosure of leases and requires tenants to recognize most leases on the balance sheet according to a single model.

The lessor's accounting in accordance with IFRS 16 remains substantially unchanged from the accounting currently provided for in IAS 17.

The lessor continues to classify all leases using the same classification principle as IAS 17 and distinguishing between two types of leases: operating and financial leases, and therefore, IFRS 16 has no impact on leases in which the Grupo is a lessor.

The Grupo adopted IFRS 16 using the modified retrospective method of adoption, with the initial application date on the 1st of January 2019, considering, on that date, for operating lease contracts, the assets carrying amount under rights of use equal to lease liabilities. The Grupo decided not to use the practical expedient for transfers in order not to reevaluate whether a contract is or contains a lease on the 1st of January 2019, thus applying the standard to all contracts that were identified as leases on the date of the initial transfer. The Grupo also decided to use the recognition exemptions for lease agreements that, on the start date, have a lease term of 12 months or less, and do not contain a purchase option (short term lease) and lease agreements for which the underlying asset is of low value (low value assets, i.e. less than 5,000 euros).

In 2018 for adoption of IFRS 16, Grupo Visabeira estimated an asset recognition and corresponding liability between 60 and 65 million euros.

After reviewing and analysing its responsibility on the 1st of January 2019, the Grupo recognized the value of 52 million euros in assets under right of use and the same amount in lease liabilities.

After adopting IFRS 16, the Grupo applied a unique recognition and measurement approach to all leases in which it appears as a lessee, except for short-term leases and leases of low-value assets. The Grupo recognized lease liabilities to make lease payments and right-of-use assets that represent the right-of-use the underlying assets. In accordance with

the modified retrospective method of adoption, the Grupo applied IFRS 16 on the date of initial application, with no impact on Equity. Notes 22 and 38 include additional details on accounting policy as of the 1st of January 2019.

The standard provides specific transition requirements and practical expedients which have been applied by the Grupo.

Leases previously classified as finance leases

- The Grupo did not change the initial carrying amounts of assets and liabilities recognised on the date of the initial application of leases, previously classified as financial leases (that is to say, the rights-of-use assets and the liabilities of the lease are equal to the recognised assets and liabilities of the lease, in accordance with IAS 17). IFRS 16 requirements were applied to these leases as of the 1st of January 2019.
- The Grupo also applied the practical expedients available, in which:
 - It used a single discount rate for a lease portfolio with reasonably similar characteristics;
 - It took into account whether the leases are paid immediately before the date of the initial application;
 - It applied short-term lease exemptions to lease terms that end in 12 months from the date of initial application;
 - Excluding the initial direct costs of measuring the right-of-use asset on the date of initial application;

The effect of adopting IFRS 16 on the 1st of January 2019 on the consolidated financial statements is shown hereafter:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	On the 31/12/2018	Reclassifications	Remeasurements	01/01/2019
ASSETS				
Non-current assets				
Tangible assets	479,300,753	-38,361,159		440,939,593
Right-of-use assets		-38,361,159	52,117,267	90,478,426
LIABILITIES				
Non-Current Liabilities				
Leasings	47,198,277	-47,198,277		0
Lease liabilities		47,198,277	41,910,940	89,109,216
Current Liabilities				
Leasings	7,253,737	-7,253,737		0
Lease liabilities		7,253,737	10,206,327	17,460,064

If the Grupo still applied IAS 17 on the 31st of December 2019, the following differences would exist on that date in the consolidated income statement:

CONSOLIDATED INCOME STATEMENT			
	2019 with IAS 17	2019 with IFRS 16	Difference
Suppliers and external services	-393,954,240	-381,647,189	12,307,051
Operating income (excluding amortisations, provisions and fair value of investment properties)	152,890,835	165,197,887	12,307,051
Amortisations	-52,159,783	-63,229,954	-11,070,171
Operating income	112,410,204	113,647,085	1,236,881
Interest expense, net	-37,988,389	-40,212,329	-2,223,939
Result before taxes	60 934 097	59,947,038	-987,059
Deferred income tax	5,487,995	5,582,972	94,977
Net income	52,530,434	51,638,352	-892,082

• **IFRIC 23 (interpretation) Uncertainty over different income tax treatments**

The interpretation addresses the accounting of income tax when tax treatment involving uncertainty and affecting the application of IAS 12. The interpretation does not apply to taxes or charges outside the scope of IAS 12, nor does it include specific requirements relating to interest and penalties associated with uncertainties of tax treatment. The interpretation specifically addresses the following:

- The Grupo deals with the uncertain tax treatment case by case;
- The assumptions that the Grupo makes in terms of examining tax treatment by the tax authorities;
- How the Grupo determines tax profit (tax loss), calculation bases, unused tax losses, unused tax credits and tax rates;
- How the Grupo considers changes in facts and circumstances.

The Grupo determines whether it deals with each uncertain tax treatment separately or together with one or more uncertain tax treatment, and considers the approach that best provides for resolving the uncertainty.

The Grupo applies significant judgement in identifying uncertainties in terms of tax treatment. Considering that the Grupo operates in a complex multinational environment, it assessed whether the Interpretation had an impact on its individual and consolidated financial statements.

After adopting the Interpretation, the Grupo considered whether it has uncertain tax positions, namely those related to transfer pricing. The tax returns of the Grupo and its subsidiaries in different jurisdictions include deductions related to transfer pricing and the tax authorities may question these tax treatment. The Grupo has determined, based on its study of tax compliance and transfer pricing, that it is likely that its tax treatment (including those applied to subsidiaries) will be accepted by tax authorities. The Interpretation had no impact on the Grupo's individual and consolidated financial statements.

• **IFRS 9 (amendment) Prepayment with negative compensation**

The amendments to IFRS 9 clarify that a financial asset meets the SPPI criteria regardless of the event or circumstances that caused the early termination of the agreement and regardless of which party pays or receive reasonable compensation for the early termination of the contract.

• **IAS 19 (amendment) Amendment, restructuring or settlement of the plan**

The amendments address accounting when a plan changes, reduces, or settles during the period. The amendments specify that when the plan changes, reduces or settles during the annual period reflected in the financial statements, the Grupo shall determine the cost of the current service for the remaining period after the amendment, reduction or settlement of the plan, using the actuarial assumptions used to revalue the net (asset) liability of the defined benefit, reflecting the benefits offered by the plan and the plan assets after that event. The Grupo shall also determine the net interest for the remaining period after amendment, reduction or settlement of the plan, using the net (asset) liability of the defined benefit reflecting the benefits offered by the plan and the assets of the plan after that event, as well as the discount rate used to revalue this net (asset) liability of the defined benefit.

• **IAS 28 (amendment), "Clarification that the measurement of subsidiaries at fair value using profit and loss is a choice that is made investment by investment"**

The improvement clarifies that: i) an entity that is a venture capital organisation, or another qualifying entity, may choose, at initial recognition on and investment-by-investment basis, to measure its investments in associates and / or joint ventures at fair value through results; (ii) if

a company which is not itself an investment entity holds an interest in an associate or joint venture which is an investment entity, the enterprise may, in applying the equity method, choose to maintain the fair value investees apply to the measurement of their subsidiaries. This option is taken separately for each investment on the later date between (a) the initial recognition of the investment in that investee; (b) that investee becomes an investment entity; and (c) this subsidiary becomes a parent company.

- **Improvement of the international financing reporting standards (cycle 2015-2017 to be applied during annual periods beginning on or after the 1st of January 2020).**
- **IFRS 3 Business combinations and IFRS 11 Joint agreements:** This improvement clarifies that: i) in obtaining control over a business that is a joint operation, the interests previously held by the investor are remeasured at fair value; ii) an investor in a joint operation (does not exercise joint control) who obtains joint control in a joint operation that is a business, does not remeasure the interest previously held at fair value.
- **IAS 12 Income taxes** - consequences regarding income tax resulting from payments related to financial instruments classified as equity instruments: This improvement clarifies that the tax impact of dividend distribution must be recognised on the date on which the liability to pay is recorded, and must be recognised against income for the financial year, other comprehensive income or equity depending on the item where the entity originally registered the transaction or event that gave rise to dividends.
- **IAS 23 Borrowing costs** - borrowing costs eligible for capitalisation: This improvement clarifies that when determining the weighted average rate of the costs of generic loans obtained, to capitalize on qualifying assets, the costs of loans obtained specifically to finance qualifying assets must be included, when the specific assets are already in the intended use condition.

The application of these standards and interpretations did not record significant impacts on the Grupo's financial statements, with the exception of IFRS 16, as detailed 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:

- **IAS 1 and IAS 8 (amendment), Definition of material (effective for annual reporting periods beginning on or after the 1st of January 2020).** The intention of changing the standard is to clarify the definition of material and to align the definition used across international financial reporting standards.
- **Interest rate benchmark reform (to be applied to financial years beginning on or after the 1st of January 2020).** This reform is intended to note the financial reporting effects resulting from the interest rate benchmarks reform during the period prior to the replacement of an existing interest rate benchmark by an alternative benchmark rate.
- **Amendments to the references in the conceptual framework of international financing reporting standards (to be applied during annual periods beginning on or after the 1st of January 2020).** These amendments aim to update the references contained in

several standards and interpretations, replacing them with references to the revised conceptual framework.

- **Amendments to IFRS 3 - Definition of business activity (effective for annual periods beginning on or after the 1st of January 2020):** The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

No material impacts are estimated in the Grupo's financial statements on the application of these standards and amendments.

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:

- **IFRS 17 (new) – Contratos de seguros (to be applied in financial years beginning on or after the 1st January 2021).** 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.

The adoption of this standard will have no impact on the financial statements.

5. Group companies included in the consolidation

			% of equity held	
	Conditions of inclusion	Head offices	2019	2018
GRUPO VISABEIRA, SA		Viseu	Parent company	Parent company
VISABEIRA GLOBAL				
Aeroprotechnik - Aerial Engineering, Lda		Viseu	50.64%	51.00%
Base Force		Viseu	100.00%	20.00%
Cabling Station Data, SA		Mont-Sur-Marchienne	79.43%	59.57%
Comatel Infraestruturas, Lda		Luanda	100.00%	100.00%
Constructel - Contructions et Telecommunications Belgique		Mons	99.28%	99.28%
Constructel - Contructions et Telecommunications, SARL		Valence	99.28%	99.28%
Constructel BAU GmbH		Berlin	99.46%	99.46%
Constructel Denmark, ApS		Copenhagen	99.29%	99.73%
Constructel Energie, SA		Clermont-Ferrant	94.88%	94.46%
Constructel GmbH		Berlin	99.46%	99.46%
Constructel Infra-Structures, SAS		Santo Domingo	99.86%	99.86%
Constructel Italia, SRL		Galliate	99.64%	99.64%
Constructel LLC		Moscow	100.00%	100.00%
Constructel Modal, SA		Flemalle	79.43%	59.57%
Constructel Sweden AB		Stockholm	99.73%	99.73%
Edivisa – Empresa de Construção Lda		Luanda	100.00%	100.00%
Edivisa - Empresa de Construções, SA		Viseu	100.00%	100.00%
Escotel, SASU		Aurillac	99.28%	99.28%
Field Force Atlântico, SA		Viseu	100.00%	100.00%
Gatel, SAS		Domessin	99.28%	99.28%
Hidroáfrica - Comércio e Indústria, SARL		Maputo	96.34%	96.34%
IEME, SRL		Cesena	99.28%	99.28%
Iutel - Infocomunicações, SA		Viseu	99.24%	99.24%
MJ QUINN - Integrated Services, Ltd		Liverpool	99.28%	99.28%
MJ QUINN Holding		Liverpool	99.28%	99.28%
Modal Installation, SA		Marchienne-Au-Port	79.43%	59.57%
Naturenergia - Agro-Energias, SA		Viseu	100.00%	100.00%
PDT - Projectos e Telecomunicações, SA		Lisbon	99.29%	99.29%
Constructel Europe, SGPS, SA (Former PTC - Serviços de Telecomunicações, SA)		Lisbon	100.00%	99.29%
Quinn Constructel UK, Ltd		London	99.29%	99.73%
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	99.28%	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%
Televisa Marrocos, SA	b)	Casablanca	-	99.89%
Toft Hansen ApS		Kirke Hylling	99.29%	-
TVCabo - Comunicações Multimédia, Lda	a)	Maputo	50.00%	50.00%
TVCabo Angola, Lda	a)	Luanda	50.00%	50.00%
Viatel - Tecnologia de Comunicações, SA		Viseu	99.29%	99.29%
Visabeira – Infraestruturas, Lda		Viseu	60.00%	60.00%
Visabeira Global, SGPS, SA		Viseu	100.00%	100.00%
Visacasa - Serviços de Assistência e Manutenção Global, SA		Cacém	100.00%	100.00%

			% of equity held	
	Conditions of inclusion	Head offices	2019	2018
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%
Besconsigo - Materiais, Construção de Besteiros, Lda	a)	Tondela	50.00%	-
Bordalgest, SA *		Lisbon	85.60%	100.00%
Celmoque – Cabos de Energia e Elec. de Moçambique, SARL		Maputo	100.00%	85.19%
Cerexport - Cerâmica de Exportação, SA *		Aveiro	85.60%	94.15%
Cerutil - Cerâmicas Utilitárias, SA *		Sátão	85.60%	94.15%
Faianças Artísticas Bordalo Pinheiro, Lda*		Caldas da Rainha	73.74%	81.07%
Faianças da Capôa - Industria de Cerâmica, SA *		Aveiro	85.60%	94.15%
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%	94.15%
Mob - Indústria de Mobiliário, SA		Viseu	97.77%	97.77%
Mob Cuisines, SASU		Paris	97.77%	97.77%
Pinewells, SA		Arganil	100.00%	100.00%
Rodinerte - Transportes, Lda	a)	Tondela	50.00%	-
Ria Stone – Fábrica de Louça de Mesa em Grés, SA*		Ílhavo	85.60%	94.15%
Shree Sharda Vista Alegre Private Limited *		Ílhavo	42.80%	47.06%
Visabeira Indústria, SGPS, SA		Viseu	100.00%	100.00%
Visaconstroi - Construção e Gestão Imobiliária, Lda		Luanda	99.95%	99.95%
Vista Alegre Atlantis, SA*		Ílhavo	85.60%	94.15%
Vista Alegre Atlantis Brasil - Comércio, Importação e Exportação, SA*		Vitória	76.97%	84.66%
Vista Alegre Atlantis Imobiliária e Investimento, SA.*		Ílhavo	85.60%	94.15%
Vista Alegre Atlantis Moçambique, Lda.*		Maputo	85.75%	94.15%
Vista Alegre Atlantis, SGPS SA		Ílhavo	85.60%	94.15%
Vista Alegre Atlantis UK LTD.*		London	85.60%	94.15%
Vista Alegre Atlantis USA *		New York	85.60%	94.15%
Vista Alegre España, SA*		Madrid	85.60%	94.15%
Vista Alegre France, SAS*		Paris	85.60%	94.15%
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS				
Ambitermo Angola, Lda		Luanda	99.00%	99.00%
Agrovisa, Lda		Luanda	70.00%	70.00%
Autovisa - Serviços Auto, SARL		Maputo	80.00%	80.00%
Benetrónica - International Commerce, Imp. e Exportação, SA	b)	Lisbon	-	100.00%
Catari Angola, Lda	a)	Luanda	50.00%	50.00%
Combustíveis do Songo, SA		Songo	99.00%	99.00%
Creative Shots, SA		Lisbon	100.00%	100.00%
Empreendimentos Tur. Montebelo – Soc. Tur. e Recreio, SA		Viseu	99.83%	99.83%
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, Lda	a)	Maputo	49.00%	49.00%
Inhambane Empreendimentos, Lda		Maputo	80.00%	80.00%
Martifer-Visabeira, SA	a)	Maputo	50.00%	-
Mercury Comercial, Lda		Maputo	100.00%	100.00%

			% of equity held	
	Conditions of inclusion	Head offices	2019	2018
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%	99.96%
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%
Telesp Telecomunicaciones, Electricidad y Gas de España, SA	b)	Madrid	-	98.81%
Turvisa – Empreendimentos Turísticos, Lda		Maputo	100.00%	100.00%
Tropo Squisito Lisboa, Lda		Lisbon	84.00%	-
VAA - Empreendimentos Turísticos, SA		Ílhavo	99.55%	99.68%
Vibeiras, Sociedade Comercial de Plantas SA		Maputo	64.43%	64.43%
Visabeira Angola - Investimento e Participações, Lda		Luanda	99.90%	99.90%
Visabeira Espanha, SA		Madrid	61.00%	99.53%
Visabeirahouse - Sociedade de Mediação Imobiliária, S.A.		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 Infra- estruturas e Serviços, Ambientais, SA		Maputo	51.00%	51.00%
Visauto - Reparações Auto, Lda		Luanda	100.00%	100.00%
Vista Alegre Grupo - Vista Alegre Participações, SA		Lisbon	99.87%	99.87%
Zambeze - Restauração, S.A	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 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, of which 50% is held by Grupo Visabeira and 50% by Angola Telecom, and 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, the Grupo controls all relevant activities: construction, financing (depending on the maintenance of the Management and Technical Assistance Agreement (MTAA) concluded between TVCABO and Visabeira); contents; technological support and selection of human resources, including the General Manager. In the specific case of TVCabo Moçambique and Televisa, both 50% held by Grupo Visabeira and 50% by TDM, the situation is identical to TVCabo Angola.

The data for these companies are the following:

(Amounts in euros)	TVCabo Angola	TVCabo Moçambique	Televisa
Tangible / intangible assets	43,970,911	27,539,288	1,343,414
Other Assets	12,372,215	5,243,135	25,734,706
Cash and cash equivalents	5,621,357	1,047,926	106,117
Bank loans	-19,605,662	-7,505,840	-3,375,115
Other liabilities	-37,421,482	-16,168,144	-21,692,174
TOTAL CURRENT ASSETS	4,937,339	10,156,363	2,116,947

b) Company disposed/dissolved

6. Investments in associated companies and joint ventures

		Participation		Equity	Net income	Carrying value		Effect of asset equivalence method on the result	
	Head offices	2019	2018	2019	2019	2019	2018	2019	2018
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%	42,955,639	1,963,974	10,448,373	10,575,295	462,550	548,661
Birla Visabeira Private Limited	Delhi	49.00%	49.00%	2,320,673	966,499	1,253,976	783,330	473,585	86,556
Domingos da Silva Teixeira / Visabeira, ACE	Lisbon	50.00%	50.00%	-329,827	0	0	0	0	-164,914
Electrotec – Projecto, Execução e Gestão de Redes de Energia, Lda	Maputo	49.00%	49.00%	1,526,532	687,270	1,532,837	897,057	640,109	7,501
Electrotec Engenharia, SA	Maputo	39.20%	39.20%	0	0	0	0	0	0
Ventos de Inhambane	Inhambane	32.50%	32.50%	150,000	0	48,750	48,751	0	0
Vista Power, Lda	Luanda	50.00%	50.00%	382,000	0	191,000	191,000	0	0
Yetech, SA	Cancun	30.00%	30.00%	105,000	0	0	0	0	0
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS									
Doutibelo, Lda	Viseu	19.97%	19.97%	2,643,165	310,529	3,178,779	3,116,766	62,013	54,855
Doutibelo, Lda - loans						1,601,526	2,376,526	-	-
Lipilichi Holdings, Lda	Port-Louis	15.00%	15.00%	-3,410,962	0	0	0	0	0
Mtdendele Holdings, Lda	Port-Louis	25.00%	25.00%	1,518	0	0	0	0	0
Sem Amarras, SA	Viseu	19.97%	19.97%	1,926,953	-11,759	2,266,570	2,268,918	-2,348	-11,636
Sem Amarras, SA – loans				-	-	5,103,214	5,170,314	-	-
Gevisar, SA	Stª Mª da Feira	30.00%	30.00%	13,269,024	-386,801	4,759,221	5,575,099	4,184,121	-198,598
Imensis - Soc. Gestão Empreem. Imobili- iários, Lda	Maputo	49.00%	49.00%	297,628	0	66,629	66,629	0	0
Martifer - Visabeira, SA	Maputo	50.00%	35.00%	484,990	-590,394	0	-1,135,659	0	-206,646
Martifer - Visabeira, SA - loans				-	-	0	2,184,908	-	-
Predibeira - Compra e Venda de Proprie- dades, Lda	Viseu	50.00%	50.00%	215,005	-2,182	107,503	108,594	-1,091	-132
Turvisa, Lda	Lubango	0.00%	0.00%	42,355	0	0	0	0	0
Twin City Maputo, Lda	Maputo	39.00%	39.00%	28,770	0	33,794	33,794	0	-350,000
Visa House, MZ	Maputo	40.00%	40.00%	267,864	212,891	107	107		
TOTAL						30,611,922	32,281,073	5,818,938	-234,353

The Grupo Visabeira obtained control of Martifer-Visabeira, which in 2019 was consolidated using the full method instead of the equity method.

The table below shows summarised information on the most significant associated companies:

	Year	Assets	Liabilities	Income	Costs
VISABEIRA GLOBAL					
Beiragás, SA	2018	80,531,194	37,036,648	15,795,769	13,466,167
	2019	79,731,786	36,776,147	14,694,841	12,730,867
Electrotec – Projecto, Execução e Gestão de Redes de Energia, Lda	2018	8,271,869	8,042,847	3,667,969	3,652,446
	2019	10,827,194	9,276,400	4,371,000	3,672,806
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS					
Doutibelo, Lda	2018	6,898,992	4,566,356	907,399	632,714
	2019	6,308,387	3,665,222	833,308	522,779
Sem Amarras, SA	2018	9,041,358	7,102,645	343,859	402,128
	2019	8,765,879	6,838,926	294,752	306,511
Gevisar, SA	2018	29,220,331	10,565,045	835,266	1,912,221
	2019	24,652,063	11,383,039	1,687,379	2,074,180
TOTAL 2018		133,963,744	67,313,542	21,550,263	20,065,677
TOTAL 2019		130,285,309	67,939,734	21,881,279	19,307,143

7. Other financial investments

7.1 Other non-current financial investments

CAPITAL HOLDINGS	Head office	%	Book Value 2019	%	Book Value 2018
a) Financial Investments at amortised cost					
Capital Criativo		n.d.	1,100,000	-	-
Transcom - S. F. C. Auditoria T. Comunicações, SARL	Maputo	22.00%	431,199	22.00%	193,174
Core Capital, SA	Lisbon	n.d.	402,500	n.d.	98,214
Parque de Ciência e Inovação (PCI)	Ílhavo	5.00%	375,000	5.00%	375,000
Fundação Visabeira, ISS	Viseu	85.09%	360,000	85.09%	360,000
Moçambique Companhia de Seguros, SARL	Maputo	5.00%	182,892	5.00%	182,892
TF Turismo Fundos - SGFII, S.A.	Lisbon	2.50%	137,574	2.50%	137,574
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%	30,174
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
Norgarante		n.d.	250	n.d.	3,975
Narrownet	Lisbon	10.00%	0	10.00%	750,000
Caetano Formula	Maputo	21.00%	0	21.00%	332,436
Itexample, ACE	Santarém	1.54%	0	1.54%	10,000
Oeirasepo, SA	Oeiras	12.75%	0	12.75%	8,500
Lisgarante		n.d.	0	n.d.	2,950
Garval		n.d.	0	n.d.	2,850
Base Force, Lda	Viseu	-	0	20.00%	1,000
Other participations			641,218		940,855
			3,815,853		3,584,594
Loans to shareholders			0		35,229,338
b) Other financial investments recorded at fair value through other comprehensive income					
Pharol SGPS, SA			1,231,757		2,458,941
TOTAL			5,047,611		41,272,872

* The fair value of these assets was not determined as they are small minority holdings for which the Board of Directors believes that their fair value is close to the respective acquisition cost.

During 2019, Grupo Visabeira sold 2.7 million shares of Pharol.

7.2 Other current financial investments

Other financial instruments measured at fair value through profit or loss	Book Value 2019	Book Value 2018
BCP	477,518	540,386
Other capital holdings in listed companies	54,437	52,866
TOTAL	531,955	593,253

8. Changes to the consolidation perimeter

ACQUIRED / ESTABLISHMENT		% Acquired/Incorporated*	Date	Acquisition cost
Toft Hansen ApS	Acquisition	100.00%	01.01 2019	3,213,122
Base Force	Acquisition	80.00%	01.05 2019	4,000
Troppo Squisito Lisboa, Lda	Establishment	84.00%	07.01 2019	42,500
Martifer Visabeira	Acquisition	15.00%		1,000,000
TOTAL				4,259,622

ALIENATIONS		% Alienation*	Date	Value of the sale
Benetrónica, SA	Exit	100.00%	15.10 2019	4,924,377
TOTAL				4,924,377

* Value of financial sharing

The most significant changes in the scope of consolidation with an impact the consolidated accounts occurred during 2019 were as follows:

SCOPE OF CONSOLIDATION ENTRIES				Percentage of equity held	
Company	Head Office	Change scope of consolidation	Date	Before Acquisition	After the acquisition
Toft Hansen ApS	Kirke Hylling	Entry	01.01 2019	-	100.00%

EXITS SCOPE OF CONSOLIDATION				Capital percentage at date of change	
Company	Head Office	Change scope of consolidation	Date	Direct	Total
Benetrónica, SA	Lisbon	Exit	15.10.2019	100.00%	100.00%

The following table shows the effect of the most relevant entries in the scope of consolidation:

SCOPE OF CONSOLIDATION ENTRIES

Amounts in euros on 01/01/2019 Position before acquisition	Toft Hansen
Tangible / intangible assets	192,723
Other Assets	701,894
Cash and cash equivalents	167,590
Other liabilities	-459,382
Total current assets	602,773

The following table shows the effect of the exits in the scope of consolidation:

EXITS SCOPE OF CONSOLIDATION

Amounts in euros on 30/09/2019 Position before sale	Benetrónica
Tangible / intangible assets	666,917
Other Assets	25,230,632
Cash and cash equivalents	324,616
Other liabilities	-16,973,539
Total current assets	9,248,626

9. Discontinued operations

During the year 2019, there were no discontinued activities. Similarly, from 31 December 2019 to the present date, there are no decisions to discontinue operating activities.

10. Main indicators by segment

10.1 Main indicators by activity / geography

a) By area of activity	Years	Global	Industry	Tourism, Real Estate and Services	Total
Turnover	2018	542,853,575	140,632,261	61,917,305	745,403,142
	2019	672,826,824	166,723,958	70,671,719	910,222,502
EBITDA	2018	87,549,071	25,406,515	28,870,806	141,826,392
	2019	100,401,150	32,208,946	32,587,791	165,197,887
Recurring operating income **	2018	55,215,630	19,646,938	24,874,525	99,737,094
	2019	60,120,757	19,191,265	22,655,911	101,967,933
Net income	2018	16,486,950	6,907,529	28,025,144	51,419,622
	2019	26,907,020	3,213,044	21,518,733	51,638,797
Tangible/Intangible assets / Right-of-use	2018	208,032,481	226,552,907	146,074,405	580,659,794
	2019	409,452,299	248,300,980	179,314,228	837,067,507
Inventories	2018	35,454,207	41,398,359	33,537,469	110,390,035
	2019	37,999,954	46,478,878	26,557,899	111,036,731

In 2019 Turnover is broken down as follows:

	Global	Industry	Tourism, Real Estate and Services	Total
Customer Contracts Liabilities	672,826,824	166,723,958	58,681,532	898,232,314
Income from rents	0	0	11,990,187	11,990,187
Total	672,826,824	166,723,958	70,671,719	910,222,502

b) By geography*	Years	Portugal	Europe	Africa	America and Asia	Total
Turnover	2018	320,805,768	324,965,772	95,547,547	4,084,055	745,403,142
	2019	362,794,590	439,217,671	103,720,951	4,489,289	910,222,502
EBITDA	2018	74,991,749	30,688,123	36,477,453	-330,933	141,826,392
	2019	78,293,179	45,162,695	42,391,243	-649,229	165,197,887
Operating income recurring **	2018	61,149,795	20,111,131	19,017,565	-541,397	99,737,094
	2019	54,067,588	27,417,024	21,192,922	-709,601	101,967,933
Net income	2018	43,672,123	15,357,587	-6,576,477	-1,033,610	51,419,622
	2019	32,823,589	11,496,621	8,032,567	-713,980	51,638,797
Tangible / intangible assets	2018	353,068,083	36,210,421	191,294,649	86,640	580,659,794
	2019	402,662,317	45,838,424	388,514,370	52,396	837,067,507
Inventories	2018	88,351,469	7,420,892	11,577,416	3,040,258	110,390,035
	2019	87,245,244	7,888,606	12,818,141	3,084,739	111,036,731

* Distribution according to the location of the company's head office

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

10.2 Assets associated with contracts with customers

	Years	Global	Industry	Tourism, Real Estate and Services	Total
Associated assets	2018	94,177,282	1,441,890	7,503,867	103,123,039
contracts with customers	2019	112,671,819	3,224,922	6,997,920	122,894,660

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.

In the financial years ended on the 31st December 2019 and 2018, only one customer represented more than 20% of the consolidated turnover. No other customer represented more than 10% of the consolidated turnover.

10.3 Liabilities associated with contracts with customers

	Years	Global	Industry	Tourism, Real Estate and Services	Total
Advances to customers	2018	3,598,092	1,221,783	1,264,497	6,084,372
	2019	8,608,569	928,708	2,147,393	11,684,669
Billing on services to be rendered	2018	10,745,024	4,918,278	4,912,229	20,575,532
	2019	19,050,287	1,966,265	5,098,250	26,114,802
Liabilities associated with contracts with customers	2018	14,343,116	6,140,061	6,176,726	26,659,904
	2019	27,658,856	2,894,972	7,245,644	37,799,471

The amounts of liabilities associated with contracts with customers are mainly of Visabeira Global, resulting from the telecommunications area.

11. Own work capitalised

	2019	2018
Projects for the development of crystal bottles – Vista Alegre	916,746	943,738
Project to increase the production capacity of the furnace and crockery – Vista Alegre	755,072	1,011,945
Construction of new TVCabo cells in Mozambique	671,768	1,099,855
Construction of new TVCabo cells in Angola	598,546	132,755
Turvisa Hotels Remodelling	489,592	587,151
Project of changes of the production process - Vista Alegre	211,283	259,781
Innovation project of the productive processes - Cerutil	169,779	248,006
Project to increase the production capacity of earthenware - Bordalo Pinheiro	102,426	187,538
Pinewells furnace remodelling and optimisation of the production system	39,672	212,120
Remodelling works at the Constructel Belgium facilities	-	199,635
HORUS and BLISS project - Real Life	-	118,640
Others	111,614	155,359
TOTAL	4,066,498	5,156,525

12. Other operating income and expenses

	2019	2018
OTHER INCOME		
Supplementary income	12,246,476	17,840,757
Gains on tangible fixed assets	6,403,987	987,494
Gains on the disposal of investment properties	1,143,934	5,140,353
Investment and operation grants	1,422,018	2,165,265
TOTAL	21,216,416	26,133,869
OTHER EXPENSES		
Taxes	3,847,962	3,743,529
Others	6,125,406	6,092,651
TOTAL	9,973,368	9,836,180

The item 'Supplementary income' includes compensation for insurance, rent and gains from disposals of shares.

13. Supplies and external services

	2019	Weight %	2018	Weight %
Subcontracts	253,306,190	66%	193,325,348	61%
Rents	20,180,777	5%	27,538,035	9%
Specialised works	18,433,060	5%	15,386,501	5%
Conservation and repair	18,317,370	5%	14,697,011	5%
Fuel	15,452,932	4%	15,350,031	5%
Electricity	11,452,800	3%	9,703,598	3%
Insurance	8,152,263	2%	6,639,372	2%
Freight transport	5,314,486	1%	4,231,142	1%
Travel and stays	4,790,562	1%	3,912,257	1%
Communication	4,603,032	1%	4,168,848	1%
Advertising	3,605,800	1%	3,268,101	1%
Tools and utensils for fast wear	3,496,790	1%	2,998,204	1%
Cleaning, hygiene and comfort	2,569,812	1%	2,533,362	1%
Surveillance and Security	2,083,952	1%	2,073,802	1%
Fees	2,067,262	1%	1,544,237	-
Commissions	1,695,520	-	2,179,171	1%
Representation expenses	1,074,767	-	731,327	-
Office Supplies	855,317	-	743,745	-
Others	4,194,497	1%	4,777,845	2%
TOTAL	381,647,189	100%	315,801,935	100%

During 2019, subcontracts increased by 60.1 million euros, mainly due to the growth of the Grupo's activity, namely in the telecommunications area and the reduction in "Rentals" is related to the adoption of IFRS 16 (see note 4.1). As of the 31st of December 2018, the rents due associated with operating lease agreements amounted to 52 million euros.

14. Staff costs

	2019	2018
Staff Remuneration	190,694,041	157,755,237
Social Security Contributions	36,803,417	33,269,666
Remuneration premiums	1,627,940	1,262,836
Corporate bodies	2,055,933	1,854,835
Insurance	1,880,828	1,214,632
Social initiatives expenses	948,610	1,049,237
Occasional staff and staff on retainer	469,366	469,380
Others	1,966,516	1,529,308
TOTAL	236,446,651	198,405,131

Personnel salaries also increased in relation to the previous year, due in part to the increase of Grupo Visabeira's activity, mainly resulting from the telecommunications area.

The average number of the Grupo's employees during 2019 was 12,014 (2018: 10.974), with the following distribution by sector of activity and country, shown in the following tables:

Average number of employees by business area	2019	2018
Global	7,350	6,279
Industry	2,613	2,580
Tourism, Real Estate and Services	2,051	2,115
TOTAL	12,014	10,974

Average number of employees by geography	2019	2018
Portugal	4,612	4,742
Europe	4,401	3,101
Africa	2,617	2,753
America and Asia	384	378
TOTAL	12,014	10,974

The remuneration of the key management staff (under the terms of IAS 24) has an essentially fixed nature and does not include post-employment benefits or employment termination benefits. In 2019, it amounted to 1.9 million euros (2018: 1.9 millions of euros).

15. Depreciations

	2019	2018
DEPRECIATION OF TANGIBLE ASSETS		
Land and natural resources	753,127	667,033
Buildings and other constructions	12,350,366	13,771,046
Basic equipment	13,890,626	9,902,962
Transport equipment	1,572,360	7,887,748
Administrative equipment	1,893,442	2,364,950
Others	8,239,972	3,490,280
Total depreciation of tangible assets	38,699,892	38,084,019
TANGIBLE ASSETS AMORTISATIONS		
Land and natural resources	16,299	-
Buildings and other constructions	10,284,939	-
Basic equipment	800,783	-
Transport equipment	8,230,107	-
Administrative equipment	141,832	-
Others	164,273	-
Intangible assets	2,868	-
Total tangible assets amortisations	19,641,101	-
DEPRECIATION OF INTANGIBLE ASSETS		
Development projects	838,794	623,635
Software	180,246	279,549
Others	3,869,921	3,102,096
Total depreciation of intangible assets	4,888,961	3,869,921
TOTAL DEPRECIATION	63,229,954	42,089,299

Besides the increase caused by the implementation of IFRS 16, it is worth noting the increase of the amortizations during 2019 caused by the investments carried out during recent years, and the increase resulting from the revaluation of assets associated with TVCabo Angola and TVCabo Moçambique networks - if the revaluation had been carried out by reference to the 31st of December 2019 and not the 31st of October 2019, the amortizations of the financial year would have been lower than 3.2 million euros.

16. Provisions and impairment losses

	2019	2018
Increases in provisions and adjustments	5,473,436	4,407,902
Decreases in provisions and adjustments	-5,140,898	-475,666
TOTAL	332,538	3,932,236

In 2019 and 2018, 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

	2019	2018
Interest paid		
Loans obtained	-43,930,705	-38,906,859
	-43,930,705	-38,906,859
Interest earned		
Loans granted	3,718,377	3,588,584
	3,718,377	3,588,584
TOTAL	-40,212,329	-35,318,275

18. Gains/(losses) on listed shares

	2019	2018
Other financial assets recorded at fair value through profit or loss (see note 7.2)	-62,868	-100,072
TOTAL	-62,868	-100,072

19. Other financial expenses, net

	2019	2018
Unfavourable exchange differences	-16,913,015	-24,528,863
Other costs	-6,136,935	-4,111,644
Cash payment discounts granted	-143,963	-102,871
Favourable exchange rate differences	3,825,959	3,674,039
Cash payment discounts obtained	64,906	51,643
Other income	59,259	897,715
TOTAL	-19,243,788	-24,119,981

Operations in Angola contributed negatively to 15.2 million euros (2018: negative 21.7 million euros), as a result of the negative devaluation of the Kwanza (2019: 540,82; 2018: 353,02), while Mozambique's operations contributed positively with 460 thousand euros (2018: positively with 824 thousand euros) to the net balance of exchange differences.

20. Income tax

	2019	2018
Current tax	-13,891,214	-13,286,759
Deferred tax	5,582,972	2,977,540
Income tax for the financial year	-8,308,241	-10,309,219

DEFERRED TAX ASSETS	2018	Changes in the scope of consolidation	Effect on the results	Effect on equity	Reclassifications	2019
Adjustments and other provisions not fiscally accepted	43,918,907	-113,081	-2,946,622	63,317	-141,061	40,781,460
Tax losses	2,117,707	108,368	6,472,815	-684,812	41,296	8,055,374
Changes in exchange rates not accepted for tax purposes	800,917	61,111	-144,275	11,673	-5,100	724,326
Tax credit	2,518,606	0	-1,160,460	0	0	1,358,146
Unrealised income in intra-group operations	673,644	0	82,404	0	0	756,048
Fiscal adjustment in transition 'snc'	602,526	0	0	0	0	602,526
Total deferred tax assets	50,632,306	56,398	2,303,861	-609,822	-104,865	52,277,879

DEFERRED TAX LIABILITIES

Difference from the fair value of investment properties	69,650,152	0	-340,385	54,230	12	69,364,009
Monetary adjustment (IAS 29 - Angola)	17,849,241	0	-1,222,553	-5,923,322	0	10,703,366
Adjustments and other provisions not fiscally accepted	0	0	0	9,846	0	9,846
Difference from the fair value of intangible assets	17,360,307	0	-354,052	0	0	17,006,255
Free revaluation reserves	12,606,864	0	-1,221,823	69,387,628	-113,944	80,658,725
Fiscal adjustment in transition 'snc'	1,155,393	0	0	0	0	1,155,393
Unrealised income in intra-group operations	244,314	0	-80,652	0	0	163,662
Changes in exchange rates not accepted for tax purposes	635,846	0	-59,646	11,287	-17,598	569,890
Total deferred tax liabilities	119,502,117	0	-3,279,111	63,539,669	-131,529	179,631,146

The increase in the deferred tax liability of the free revaluation reserves is mainly due to the revaluation made to the assets of TVCabo Angola and TVCabo Moçambique.

The currency devaluation which has occurred in Angola during the last three years has led to negative profit and loss, regarding this country's subsidiaries, which led to the recognition of 6.3 million euros during 2019 expiring between the years of 2022 and 2023.

	2019
Results before taxes	59,947,038
Nominal rate of tax on profits	21.0%
Current tax	-12,588,878
Differentiated nominal tax rates*	-2,627,600
Differences between more and less tax and accounting	328,504
Autonomous Taxation	-721,272
Non-deductive financial charges	2,331,194
Local tax	-1,622,505
Tax benefits	885,692
Other	123,652
Total non-current	-13,891,214
Deferred tax	5,582,972
Income tax for the financial year	-8,308,241

*Differentiated tax on profits: France and Belgium 31%; Mozambique 32%; Angola 30%; UK 19%; Italy 27,9%; Denmark 22%.

21. Tangible assets

	Land	Buildings	Basic equipment	Transportation equipment	Administrative equipment
Opening balance as of January 1, 2018	31,929,547	317,109,552	91,078,391	24,334,879	11,325,416
Increases	1,554,172	11,718,166	8,336,497	10,218,803	792,495
Disposals / Transfers	0	-349,921	-390,858	-657,720	-60,189
Changes in the scope of consolidation*	-2,697,555	-17,735,568	635,905	58,463	537,965
Monetary adjustment (IAS 29 - Angola)	89,062	11,852,518	2,328,306	292,693	72,493
Exchange rate effect	-120,510	-50,717,892	-6,941,906	3,511,571	-603,955
Impairment	-6,000	2,022,012	-926,170	3,829	-2
Depreciations in the financial year	-667,033	-13,771,046	-9,902,962	-7,887,748	-2,364,950
Closing balance as of December 31, 2018	30,081,684	260,127,821	84,217,201	29,875,770	9,699,273
As of December 31, 2018					
Acquisition cost	33,300,766	420,591,749	245,052,906	75,779,417	32,863,875
Accumulated depreciation	3,163,563	157,520,293	159,900,683	45,856,668	23,164,528
Impairment losses	55,519	2,943,635	935,022	46,979	74
TANGIBLE ASSETS	30,081,684	260,127,821	84,217,201	29,875,770	9,699,273
Opening Balance on 01 January 2019	30,081,684	260,127,821	84,217,201	29,875,770	9,699,273
Reclassifications for right-of-use assets	0	-17,335,788	-3,299,173	-17,511,017	-30,991
Increases	213,750	18,352,390	18,141,973	704,368	730,221
Disposals / Transfers	-958,703	-5,354,231	28,094,058	-2,072,217	-744,301
Changes in the scope of consolidation*	0	8,399,918	1,583,560	758,283	77,690
Revaluations	0	147,595,650	65,809,859	0	154,459
Exchange rate effect	-290,700	-28,362,170	-4,725,384	-896,265	-181,248
Impairment	3,842	-4,298,078	-1,532,703	982	-14,486
Depreciations in the financial year	-753,127	-12,350,366	-13,890,626	-1,572,360	-1,893,442
Closing balance on 31 December 2019	28,296,746	366,775,146	174,398,766	9,287,545	7,797,175
On 31 December 2019					
Acquisition cost	30,438,006	367,833,487	286,501,037	48,194,728	31,740,835
Accumulated depreciations	2,089,582	140,166,016	174,697,386	38,861,186	24,081,522
Impairment losses	51,678	3,225,728	1,463,833	45,997	76
Net effect of revaluations	0	142,333,403	64,058,948	0	137,938
TANGIBLE ASSETS	28,296,746	366,775,146	174,398,766	9,287,545	7,797,175

	Other tangible fixed assets	Tangible assets in progress	Advance payments on account of tangible assets	TOTAL
Opening balance as of January 1, 2018	17,946,997	43,420,175	598,213	537,743,170
Increases	1,636,933	40,849,495	0	75,106,561
Disposals / Transfers	-307,935	-20,933,184	0	-22,698,808
Changes in the scope of consolidation*	-41,552	-282,016	0	-19,524,359
Monetary adjustment (IAS 29 - Angola)	151,263	0		14,786,335
Exchange rate effect	103,014	-13,982,486	-155,465	-68,907,630
Impairment	-214,166	0	0	879,503
Depreciations in the financial year	-3,490,280	0	0	-38,084,019
Closing balance as of December 31, 2018	15,784,273	49,071,983	442,748	479,300,753
As of December 31, 2018				
Acquisition cost	53,173,878	49,071,983	442,748	910,277,322
Accumulated depreciation	37,174,990	0	0	426,780,725
Impairment losses	214,614	0	0	4,195,844
TANGIBLE ASSETS	15,784,273	49,071,983	442,748	479,300,753
Opening Balance on 01 January 2019	15,784,273	49,071,983	442,748	479,300,753
Reclassifications for right-of-use assets	-184,191	0	0	-38,361,159
Increases	495,144	17,979,689	0	56,617,535
Disposals / Transfers	7,385,667	-28,688,283	-68,828	-2,406,837
Changes in the scope of consolidation*	171,683	0	0	10,991,134
Revaluations	16,641,737	0	0	230,201,705
Exchange rate effect	-2,051,351	189,899	0	-36,317,218
Impairment	-9,440	0	0	-5,849,883
Depreciations in the financial year	-8,239,972	0	0	-38,699,892
Closing balance on 31 December 2019	29,993,550	38,553,287	373,920	655,476,137
On 31 December 2019				
Acquisition cost	52,690,012	38,553,287	373,920	856,325,313
Accumulated depreciation	38,814,664	0	0	418,710,357
Impairment losses	224,055	0	0	5,011,366
Net effect of revaluations	16,342,257	0	0	222,872,547
TANGIBLE ASSETS	29,993,550	38,553,287	373,920	655,476,137

* It was decided to present the accumulated tax amortizations amounts associated with the assets acquired.

With the implementation of IFRS 16, replacing IAS 17, assets related to leasing started to be presented under the caption "Assets under rights of use" (note 22).

In view of this change, at the beginning of a lease contract, the liability related to the lease payments and the asset that represents the right to use the underlying asset over a certain period of time is assessed. Under a lease agreement, the lessee must recognize an asset under right of use and a lease liability because all the risks and benefits inherent in the ownership of an asset are transferred to the lessee. The title deed may or may not be transferred. Thus, the line "Reclassification for rights of use assets" presents an amount of 38.4 million euros, which were reclassified.

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.

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. The disposals were not significant.

During 2018, the main increases in the year relate mainly to the expansion works of the factories Ria Stone, Cerutil and Bordallo Pinheiro (30 million euros). Also worthy of note are the investments in the expansion of the TVCabo network in Angola and Mozambique (12 million), in the area of telecommunications and energy, in vehicles, transport equipment and other equipment essential for the activity to the amount of 14 million euros, Tourism and Real Estate (10 million euros) in the requalification and improvement of the areas and also in the expansion and new hotels and restaurants.

The decreases are explained by the sale in the health

area, and by the transfer of the project from the Parque Desportivo de Aveiro to Investment Properties.

At the end of the year, the amount in progress relates to the aforementioned expansion works of the Grupo Vista Alegre's subsidiaries.

Revaluation of TVCabo Angola and TVCabo Moçambique networks assets.

As of the current year, the Grupo started to measure the TVCabo Angola and TVCabo Moçambique networks 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 group'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 43.9 million euros and 27.5 million euros, respectively.

As a result of the revaluation, carried out by reference to the 31st of October 2019, the amortizations for the year were increased by 3.2 million euros.

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 Board of Directors, under the following assumptions:

With regard to assets located in Angola, sensitivity tests indicates that:

Assumptions impairment test	Angola	Mozambique
Period	2020 -2024	2020 -2024
Sales growth rate (CAGR)	9.5%	7.1%
Average inflation rate	8.6%	5.9%
Perpetuity growth rate	6.0%	5.5%
Perpetuity discount rate	14.0%	14.9%

- 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 0.2 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 5.8%.

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 0.2 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 5.3%.

22. Right-of-use assets

The heading "Assets under rights of use", in 2019, has the following composition:

	Land	Buildings	Basic equipment	Transportation equipment	Administrative equipment
Opening Balance on 01 January 2019	24,441	49,077,225	944,851	1,866,345	82,978
Reclassifications for right-of-use assets	0	17,335,788	3,299,173	17,511,017	30,991
Increases	0	3,779,487	1,332,469	10,388,803	359,455
Exchange rate effect	1,416	55,477	0	0	3,779
Depreciations in the financial year	16,299	10,284,939	800,783	8,230,107	141,832
Closing balance on 31 December 2019	9,558	59,963,039	4,775,710	21,536,059	335,370
On 31 December 2019					
Acquisition cost	24,441	75,255,951	8,336,967	39,061,857	498,091
Accumulated depreciation	14,883	15,292,912	3,561,257	17,525,798	162,721
RIGHT-OF-USE ASSETS	9,558	59,963,039	4,775,710	21,536,059	335,370

	Other tangible fixed assets	Tangible assets in progress	Intangible assets	TOTAL
Opening Balance on 01 January 2019	121,426	0	0	52,117,267
Reclassifications for right-of-use assets	184,191	0	0	38,361,159
Increases	281,466	138,415	103,261	16,381,356
Exchange rate effect	-2,484	0	0	58,189
Depreciations in the financial year	164,273	0	2,868	19,641,101
Closing balance on 31 December 2019	420,326	136,415	100,393	87,276,870
On 31 December 2019				
Acquisition cost	637,064	136,415	103,261	124,054,047
Accumulated depreciation	216,738	0	2,868	36,777,177
RIGHT-OF-USE ASSETS	420,326	136,415	100,393	87,276,870

The initial recognition, on the 1st January 2019, was carried out in accordance with the policy described in note 4.1. The reclassified of assets related to finance leases (IAS 17) was carried out based on the carrying amounts on the 31st of December 2018.

23. Goodwill

	Year of acquisition	Value of goodwill 2019	Value of goodwill 2018
MJ Quinn - Integrated Services, Ltd	2018	56,004,828	53,130,938
Viatel - Tecnologia de Comunicações, SA	1997, 2002	14,997,178	14,997,178
Grupo Constructel Modal	2017	5,666,717	5,666,717
Visabeira Moçambique, SARL	2001, 2002	3,390,676	3,390,676
Empreendimentos Turist. Montebelo, SA	1998, 2002	2,768,845	2,768,845
Granbeira – Soc. Expl. Com. Granitos, SA	1992, 1998, 2002	3,116,383	3,116,383
Toft Hansen, ApS	2019	2,609,671	-
Martifer-Visabeira, SA	2019	2,281,775	-
Mob - Indústria de Mobiliário, SA	1998, 2002	1,320,221	1,320,221
IEME, SRL	2017	1,263,270	1,263,270
Granbeira II - Rochas Ornamental, SA	1992, 1998, 2001, 2002	905,101	905,101
PDA - Parque Desportivo de Aveiro, SA	2008	894,659	894,659
Edivisa - Empresa de Construções, SA	1993, 2002	888,354	888,354
Gatel, SAS	2008	752,778	869,778
Others		1,428,808	1,250,157
TOTAL		98,289,267	90,462,279

For the purpose of impairment tests, the goodwill amount was distributed among the cash-generating units that correspond to the reportable business segments. The 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 December 2018, 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 2020	38.10%
CAGR sales 2021-2024	2.00%
Growth rate in perpetuity	2.00%
WACC used in perpetuity	7.18%

On the 31st December 2019, 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 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 7 million euros.

No acquisitions have been carried out since the 31st of December 2019.

24. Investment properties

	2019 Level 3*	2018 Level 3*
Opening balance	445,214,935	331,050,555
Transfer to tangible fixed asset	0	100,543,883
Transfer of inventories	986,000	0
Acquisitions	4,433,165	279,995
Foreign currency translation reserves	169,468	403,096
Alienation	-26,977,397	-1,796,552
Change in fair value	12,011,690	14,733,959
TOTAL	435,837,861	445,214,935

* Classified according to the fair value hierarchy defined in IFRS 13 (not applicable to investment properties measured at acquisition cost)

	Appraisal method	2019	2018
Palácio do Gelo Shopping	DCF Method	158,300,000	146,400,000
Projeto Parque Desportivo	DCF Method	76,710,185	75,191,000
Montebelo Resort Golf Project	DCF Method	64,484,614	64,464,614
Urbeira Project	Comparative method	33,500,000	33,500,000
Quinta dos Areais Project	Comparative method	19,360,000	18,875,000
Land held for capital appreciation	Comparative method	19,211,145	18,536,613
Vista Alegre Buildings	Comparative Methods and DCF Method	19,170,600	19,639,600
Project for Quinta do Bosque	DCF Method	13,594,726	14,399,726
Santa Luzia Project	Comparative method	13,290,000	13,290,000
Condomínio de Belo Horizonte development (Mozambique)	Cost method	8,983,382	8,813,913
Alagoa II Project	Replacement cost method	5,117,139	5,080,001
Mozambique commercial space project	DCF Method	4,069,000	0
Agrovisa (Xinavane land)		47,071	47,072
Hospital building	DCF Method	0	26,977,397
TOTAL		435,837,861	445,214,935

Investment properties in use are measured at fair value, calculated using the discounted cash flow (DCF) 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 appraisals were conducted by accredited, independent appraisers (PricewaterhouseCoopers Assessoria de Gestão, Lda., Figueira Center Imobiliária, J. Curvelo e J.F, Lda and Envisábio – Engenharia, Lda) with the required qualifications and expertise in property appraising. The appraisal models used are consistent with the principles set out in IFRS 13.

In 2019, 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 Board of Directors predicts for the assets as the one that maximizes its recoverable value for the Grupo.

PALÁCIO DO GELO SHOPPING

The appraisal of the Palácio do Gelo Shopping was based on the following assumptions:

	2019	2018
Discount rate	6.70%	7.15% - 7.14%
Perpetuity discount rate	6.70%	7.14%
Occupancy rate	96%	96%
Sales growth rate	2% to 4%	0% to 7%
Rent perpetuity growth rate	1.7%	2.4%

The variation at fair value of this investment property is justified by the reduction of the discount rate thus reflecting its market conditions.

A 0.5 pp reduction on the discount rate (WACC) would increase the evaluation amount from 158.3 million euros to 175.7 million de euros. Likewise, an increase of 0.5 pp on the WACC would reduce the evaluation amount to 144 million euros.

A 2.5 pp decrease or increase in the occupancy rate would represent a minimum amount of 153 million euros, and a maximum amount of 161.8 million euros.

An increase of 10pp in variable income would increase the evaluation amount to 159.9 million euros. However, a decrease of 10pp in variable income would reduce the evaluation amount to 156.6 million euros.

An increase or decrease of 0.75 pp in the "g" growth rate, on the other hand, would result in an increase in the evaluation to 176 million euros, or a decrease to 145.2 million euros, respectively.

The increase or decrease in the Average Collection Period and the Average Payment Period to Suppliers does not have much influence on the evaluation value. Even so, the sensitivity analysis concluded that the 20-day decrease in the Average Collection Period would decrease approximately 100 thousand euros in the evaluation, reaching 158.2 million euros. The 20-day increase in the Average Collection Period would not have an impact on the evaluation value that would remain at 158.3 million euros. With regard to the Average Payment Period to Suppliers, a decrease or increase of 50 days would translate into a maximum amount of 158.4 million euros and a minimum value of 158.1 million euros, respectively.

During 2019, the rents regarding Palácio do Gelo's commercial areas amounted to around 11.5 million euros (2018: 11 millions euros). The number of visitors increased again in 2019. This was the best year since the opening of the Shopping.

From April 2008 to date, the number of visitors to Palácio do Gelo already surpassed 105.7 million people.

Ignoring the increase in the commercial area, the occupancy rate would have rise to 92.8% during 2019. However, with this GLA increase and considering contracts signed on 12/31/2019, the occupancy rate is now 89.2%.

PDA - 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.

PDA 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 2019
Polo 2 Horse riding facilities	31,448	7,572,852
Polo 3 Ludo Parque	48,246	10,031,700
Polo 5 Central	74,750	13,678,897
Polo 6 South central	71,175	14,827,336
Polo 7 Golf Resort	68,478	30,599,400
Hotel	24,000	
TOTAL	318,097	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 69.5 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 66.6 million euros (+ 5% in construction prices plus 1 p.p. in the discount rate) and with a maximum amount of 87.4 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 64.6 million euros and

a 5 p.p. increase of these same sales prices would result in an amount of 88.7 million combined with an increase of 1p.p. discount rate would be 85.2 million euros. The 5 p.p. increase in sales prices with the reduction of the 1 p.p. discount rate would increase the appraisal amount of 92.6 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 71.3 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 67.7 million euros (10% advances in the sales, plus 1 year trading plus 1p.p. in discount rate) and a maximum amount of 82.1 million euros (5% in advance of the sales and less 1 p.p. in the discount rate).

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	2019	2018
Land for houses	68.913 m ²	45,880,000	44,940,000
Land for apartment buildings	70.506 m ²	15,840,000	16,740,000
Land for hotel	29.003 m ²	1,880,000	1,900,000
Additions for the construction of infrastructures		884,614	884,614
TOTAL	168.422 m²	64,484,614	64,464,614

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 59.6 million euros and a 5 p.p. increase of these same sales prices would result in an amount of 69.2 million combined with an increase of 1p.p. discount rate would be 66.5 million euros. The 5 p.p. increase in sales prices with the reduction of the 1 p.p. discount rate would increase the appraisal amount of 72.2 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 61.2 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 58.5 million euros (10% advances in the sales, plus 1 year trading plus 1p.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).

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 244 euros per m², considering the construction area.

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 308 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 341 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	Assumption	Intervals (average in euros)
Pine forest	970,000	Cost method	J. Curvelo	Alcobaça	price per m ²	€ 26.17
L. Barão Quintela	6,170,000	Comparative method	J. Curvelo	Lisbon	price per m ²	1.635,46 €
Real Estate	2,592,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 182.70
Rural plots of land	19,300	Comparative method	J. Curvelo	Ílhavo	price per m ²	€ 1.90
Vale do Ílhavo Plots of Land	144,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 72.00
R. Neves Ferreira	380,000	Comparative method	J. Curvelo	Lisbon	price per m ²	€ 527.78
RAN Plots of Land	130,000	Comparative method	J. Curvelo	Ílhavo	price per m ²	€ 2.45
Housing estate I	1,433,300	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 226.25
Housing estate II:			J. Curvelo			
Bairro Allotment and annex plots	5,023,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 77.63
Murteira Allotment	919,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 28.70
Rua Fáb. VA Allotment VA	1,390,000	Cost method	J. Curvelo	Ílhavo	price per m ²	€ 80.80
TOTAL	19,170,600					

During the year 2019, the Angola "Fábrica" building amounting to 469 thousand euros was transferred to inventory, with the purpose of sale.

PROJECT FOR QUINTA DO BOSQUE

The so-called "Projeto para a Quinta do Bosque", which is divided into two lots, has 29,197 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 493 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 345 euros per m², considering the construction area.

EMPREENDIMENTO CONDOMÍNIO DE BELO HORIZONTE PROJECT (MOÇAMBIQUE)

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 8,9 million euros.

ALAGOA II PROJECT

This plot of land, owned by Movida, has a total area of about 6,769 m² and a built-up area of 9,149 m². Its location is between Palácio do Gelo and the new CUF Viseu Hospital.

Its fair value was determined using the comparative method, with an average price of 555 euros per m², considering the construction area.

MOZAMBIQUE COMMERCIAL SPACE PROJECT

There are two commercial stores which are not used in the usual business activity of the Grupo, that are leased to third parties.

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.

HOSPITAL BUILDING

In December 2014, the Grupo concluded a contract with Grupo José de Mello Saúde for the construction and subsequent leasing of the hospital CUF - Viseu. The property is leased to José de Mello Saúde for an initial period of 25 years, extendible for another 10 years. This property with a built-up area of 20,234 m² opened in June 2016, and was officially opened on 29 November 2016.

Its fair value was determined using the DFC method, based on the negotiated lease amounts.

In 2019, this investment property was sold with an asset of 1.1 million euros.

INVESTMENT PROPERTIES PROVIDED AS COLLATERAL AND CONTRACTUAL RESPONSABILITIES

On 31 December 2019 and 31 December 2018, only Palácio do Gelo was pledged as collateral for bank loans.

On 31 December 2019 and 31 December 2018, 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 fair value changes identified above and presented in the line "Change in the fair value of investment properties", it is important to mention, in 2019:

- i) income from investment property rents, namely from the Palácio do Gelo Shopping and the hospital building, amounting to 11.5 million euros and its direct operating expenses (including repairs and maintenance), which were around 3.3 million euros; and
- ii) an increase of 1.1 million euros with the sale of the Hospital Building.

Regarding the other investment properties, they did not generate income during the period and the corresponding direct expenses were of immaterial value.

25. Intangible assets

	Development projects and computer programmes	Other intangible assets	Tangible assets in progress	Total
Opening balance on 01 January 2018	813,381	100,191,958	230,161	101,235,499
Increases	912,975	786,337	308,368	2,007,681
Disposals / Transfers	577,725	-522,075	-251,206	-195,556
Changes in the scope of consolidation	-5,223	6,783,429	0	6,778,206
Exchange rate effect	0	4,391,766	0	4,391,766
Impairment	266,208	-9,119,935	452	-8,853,275
Depreciations in the financial year	-906,183	-3,102,096	0	-4,005,280
Closing balance as of December 31, 2017	1,661,882	99,409,383	287,775	101,359,041
As of December 31, 2018				
Acquisition cost	7,188,310	106,409,965	287,775	113,886,050
Accumulated depreciation	5,526,427	7,000,582	0	12,527,009
INTANGIBLE ASSETS	1,661,882	99,409,383	287,775	101,359,041
Opening balance on 01 January 2019	1,661,882	99,409,383	287,775	101,359,041
Increases	0	728,547	144,761	808,114
Disposals / Transfers	-429,231	1,254,406	-103,261	721,914
Changes in the scope of consolidation	0	14,183	0	14,183
Exchange rate effect	64,077	-3,638,198	3,326	-3,505,599
Impairment	0	-194,191	0	-194,191
Depreciations in the financial year	-1,019,040	-3,869,921	0	-4,888,961
Closing balance on 31 December 2019	277,689	93,704,208	332,602	94,314,500
On 31 December 2019				
Acquisition cost	6,598,065	102,274,988	332,602	109,205,655
Accumulated depreciation	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

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 an impairment test, the brand value was assessed using the DCF method, based on business plans approved by the Grupo's Board of Directors, with the following assumptions: discount rate of 8.1%, projections until 2024 with sales growth rate of 3%; perpetuity growth of 2%.

26. Inventories

	Raw Material	Goods	Finished products	Products and work in progress	Total
31st December 2018					
Cost	25,163,116	23,854,818	81,928,755	6,450,765	137,397,454
Adjust	-3,076,209	-3,625,885	-19,471,188	-834,137	-27,007,420
Inventories valued at either the acquisition cost or realisation value, whichever is lower	22,086,906	20,228,933	62,457,567	5,616,628	110,390,035
31 December 2019					
Cost	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

We should highlight the contribution of the sub-holding Visabeira Turismo, Imobiliária and Serviços to this line item (note 10.a).

27. Customers

	2019	2018
Customers - current account	133,070,440	127,622,271
Customers - doubtful debts	10,919,255	13,630,615
Customers - securities receivable	0	54,957
	143,989,694	141,307,844
Debtor allowances	-14,471,889	-21,081,623
TOTAL	129,517,805	120,226,221

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 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:

	Not yet over-due	Months after the maturity date				Total
		< 6	6 – 12	12 – 18	> 18	
Customers - current account and other debtors - non-current (See note 29)						
2019	70,337,486	26,439,496	4,989,919	4,549,766	26,753,773	133,070,440
2018	74,092,674	20,901,718	9,445,651	3,135,432	23,614,129	131,189,603

The Board of Directors finds the debt adjustment appropriate, and its evolution is detailed as follows:

	Initial Balance	Increases / Decreases	Final balance
Debtor allowances	21,081,623	-6,609,734	14,471,889

28. State and other public entities

	Assets		Liabilities	
	2019	2018	2019	2018
Income tax	6,105,685	2,069,655	0	1,397,466
Total - Income tax	6,105,685	2,069,655	0	1,397,466
Third-party income tax withholding	0	0	964,590	161,203
Value-added tax	0	2,219,558	8,434,319	13,172,797
Social security Contributions	0	0	7,059,159	7,521,891
Total - State and other public entities	0	2,219,558	16,458,069	20,855,891
TOTAL	6,105,685	4,289,213	16,458,069	22,253,357

29. Other Assets

	2019	2018
NON-CURRENT		
Other debtors	0	3,567,332
	0	3,567,332
CURRENT		
Shareholders - loans	287,668	46,346,510
Other specialisations	19,320,009	13,775,728
Other debtors	9,875,841	7,351,845
Advances from suppliers	2,379,714	1,656,644
Outstanding balances from suppliers	1,965,761	645,799
State and other public entities (except income tax - see note 28)	0	2,219,558
Subsidiary companies - loans	5,372,568	1,337,370
	39,201,560	73,333,455
TOTAL	39,201,560	76,900,787

30. Cash and cash equivalents

	2019	2018
Bank deposits	60,157,246	32,489,476
Term deposits	5,860,957	5,709,013
Cash	586,738	350,710
Treasury investments	3,211,066	2,521,833
TOTAL	69,816,007	41,071,032

31. Share capital and Share issue premiums

The authorised share capital is represented by 23,025,126 bearer shares, with a nominal value of five euros and the amount paid up is 115,125,630 euros.

On 31 December 2019, the majority shareholder Fernando Campos Nunes held, directly and indirectly, 99.45% of Grupo Visabeira (2018: 99.45%), with 22.898.487 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 of 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:

	2019	2018
Basic		
Net income of the year for the purpose of calculation	47,481,112	53,944,846
Weighted average number of shares for the purpose of calculation	23,025,126	23,025,126
Basic earnings per share	2.062	2.343
Diluted		
Net income of the year for the purpose of calculation	47,481,112	53,944,846
Weighted average number of shares for the purpose of calculation	23,025,126	23,025,126
Diluted earnings per share	2.062	2.343

33. Retained earnings and other reserves

	2019	2018
Retained earnings	166,216,788	193,976,504
Financial investments – Swaps	74,355	99,131
Reserves	132,100,268	66,525,447
Fair value reserve of financial assets	-2,094,363	-1,350,819
Foreign currency translation reserves	-113,005,743	-96,411,192
TOTAL	183,291,305	162,839,072

Under Portuguese law, the amount of distributable reserves is determined based on the individual financial statements of Grupo Visabeira, S.A., 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 2019, it was decided to distribute free reserves amounting to 89.6 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 2020.

34. Non-controlling interests

	% Non-controlling interests		Book value		Attributed results	
	2019	2018	2019	2018	2019	2018
VISABEIRA GLOBAL						
TVCabo Angola, Lda	50.00%	50.00%	65,569,144	23,655,450	-1,983,323	-5,713,280
Visabeira, Lda	40.00%	40.00%	4,453,535	3,940,671	590,432	214,205
TVCabo Moçambique, Lda	50.00%	50.00%	29,480,403	2,567,618	1,013,491	1,009,500
Televisa, Lda	50.00%	50.00%	1,047,928	-1,760,896	1,852,846	375,268
Modal	20.00%	40.00%	258,061	515,822	150	-40,196
Cabling	20.00%	40.00%	272,767	532,346	6,594	135,273
VISABEIRA INDÚSTRIA						
Vista Alegre Atlantis, SGPS, SA	14.40%	5.88%	19,621,714	7,031,754	1,300,699	345,493
Ambitermo, SA	49.00%	49.00%	3,575,090	3,411,317	176,536	608,440
Faianças Artísticas Bordalo Pinheiro, SA	26.26%	16.01%	0	65,955	0	65,955
VISABEIRA TURISMO, IMOBILIÁRIA E SERVIÇOS						
PDA, SA	45.00%	45.00%	20,600,464	20,515,318	85,147	624
Others			1,820,518	463,948	1,115,112	473,495
TOTAL			146,699,623	60,939,303	4,157,685	-2,525,224

It's important to highlight the increase in the value of the non-controlling interests of TVCabo Angola and TVCabo Moçambique, as a result of the revaluation of the networks of both companies during 2019.

35. Debt

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
Commercial paper	47,004,975	194,625,660	241,630,634	20,841,523	199,659,311	220,500,834
Bank loans	61,970,106	151,275,226	213,245,332	75,510,503	112,633,775	188,144,278
Bond loans	9,300,401	244,437,959	253,738,360	20,705,445	213,794,095	234,499,540
Repayable subsidies	2,403,042	7,041,311	9,444,354	2,410,508	6,852,637	9,263,145
Finance lease	-	-	-	7,253,737	47,198,277	54,452,014
TOTAL	120,678,524	597,380,157	718,058,680	126,721,715	580,138,095	706,859,810

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.

On the 1st of January 2019, the amount of 54.5 million euros related to financial leases was reclassified to "Leasing Liabilities".

During the period 2019, the evolution of indebtedness can be represented as follows:

	Bank loans
Opening balance	652,407,796
Transactions with cash impact:	
Investing activities	
Receipts of refundable subsidies	7,563,848
Financing activities	
Receipts of loans	417,379,100
Amortisation and repayment of loans	-359,351,961
	65,590,986
Transactions without cash impact:	
Exchange rate variation	-43,795
Recognition of amortised cost	-4,005,447
Changes to the perimeter	4,109,140
	59,898
FINAL BALANCE	718,058,680

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, issuing commercial paper is presented as chargeable at the medium and long term.

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 2019, 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 3.7 years. 4.4 years).

35.1 COMMERCIAL PAPER

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
Grupo Visabeira, SA	37,700,000	82,850,000	120,550,000	12,311,111	71,738,889	84,050,000
Viatel, SA	1,780,000	8,860,000	10,640,000	1,860,000	8,640,000	10,500,000
Visabeira Global, SGPS, SA	1,550,000	34,450,000	36,000,000	1,700,000	36,000,000	37,700,000
Movida, SA	5,000,000	66,800,000	71,800,000	4,000,000	77,000,000	81,000,000
Pinewells, SA	1,000,000	2,000,000	3,000,000	1,000,000	3,000,000	4,000,000
Faianças Artísticas Bordalo Pinheiro, SA	0	0	0	0	3,850,000	3,850,000
Amortised cost and fair value	-25,025	-334,340	-359,366	-29,588	-569,577	-599,165
TOTAL	47,004,975	194,625,660	241,630,634	20,841,523	199,659,311	220,500,834

35.2 BANK LOANS

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
BANK OVERDRAFTS						
AUTHORISED	4,320,075	0	4,320,075	3,616,988	0	3,616,988
Portugal	3,418,839	0	3,418,839	2,400,810	0	2,400,810
Africa	587,375	0	587,375	593,234	0	593,234
Europe	313,862	0	313,862	622,945	0	622,945
LOANS OBTAINED	57,650,031	151,275,226	208,925,257	71,893,514	112,633,775	184,527,289
Portugal	46,405,371	124,455,871	170,861,242	61,829,800	97,132,218	158,962,018
Africa	9,399,175	23,872,892	33,272,066	6,936,752	12,166,244	19,102,996
Europe	1,845,485	2,946,464	4,791,949	3,126,963	3,335,313	6,462,276
TOTAL	61,970,106	151,275,226	213,245,332	75,510,503	112,633,775	188,144,278

35.3 BOND LOANS

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
Grupo Visabeira, SA	5,818,236	143,071,765	148,890,001	19,570,000	155,600,000	175,170,000
Constructel – Contruções et Telec., SARL	0	55,000,000	55,000,000	0	54,859,178	54,859,178
Visabeira Moçambique, SA	3,550,000	0	3,550,000	0	3,577,500	3,577,500
Visabeira Global, SGPS, SA	0	0	0	1,385,000	0	1,385,000
Vista Alegre Atlantis, SGPS, SA	0	50,000,000	50,000,000	-	-	-
Amortised cost and fair value	-67,835	-3,633,806	-3,701,640	-249,556	-242,583	-492,139
TOTAL	9,300,401	244,437,959	253,738,360	20,705,445	213,794,095	234,499,540

The bond loans includes a syndicated issue for Grupo Visabeira amounting to 100 million euros maturing on 22/07/2026; 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 (Alternative Market of 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 instalments 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 general, these issues include the covenants that are common in this type of financing, namely pari passu, cross default, negative pledge and ownership.

35.4 FINANCE LEASE

	2019			2018		
	Current	Non-current	Total	Current	Non-current	Total
Portugal	-	-	-	1,966,741	38,166,166	40,132,907
Europe	-	-	-	5,276,758	9,022,042	14,298,799
Africa	-	-	-	10,239	10,069	20,308
TOTAL	-	-	-	7,253,737	47,198,277	54,452,014

In 2018 the balances are presented in the statement of financial position under the line item 'Other liabilities' (note 37).
On the 1st of January 2019, the reclassification of the leases was carried out to the line item "Rental liabilities" (see note 38).

35.5 DEBT MATURITY

	Portugal	Europe	Africa	Total
2020	104,982,628	13,536,549	2,159,347	120,678,524
2021	109,319,509	7,153,656	944,654	117,417,819
2022	78,641,796	5,724,870	648,058	85,014,723
2023	107,014,986	5,099,377	490,102	112,604,465
2024 and following years	222,831,689	5,894,989	53,616,470	282,343,149
TOTAL	622,790,608	37,409,441	57,858,631	718,058,680

The amount of short-term debt includes the amount of 11.6 million euros, related to pledged current accounts and authorised overdrafts, and the amount of 4.6 million euros, related to bond loan operations, a commercial paper programme in which there is understanding with the counter parties to refinance the respective operations, and 22 million euros of debt placed with institutional investors with a revolving nature. The short-term residual debt will amount to 87 million euros, representing about 11% of the consolidated debt.

The 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.

On this date, new lines of credit amounting to 36 million were contracted, which includes the renewal of a 3.5 million euros bond issue maturing in March 2020, with repayment beginning in June 2021 and ending in March 2026.

36. Suppliers

	2019	2018
Suppliers - current account	151,248,609	143,772,038
Suppliers - securities payable	15,290	34,039
TOTAL	151,263,899	143,806,076

37. Other liabilities

37.1 OTHER NON-CURRENT LIABILITIES

	2019	2018
Leases (See note 35)	-	47,198,277
Investment grants	10,191,372	10,418,545
Deferred payments on acquisitions of subsidiaries	9,515,035	13,790,238
Others	9,219,995	39,184,642
TOTAL	28,926,401	110,591,702

OTHER NON-CURRENT LIABILITIES

	2019	2018
Margin accrual	51,644,322	44,218,312
<i>Factoring</i>	23,001,893	39,405,692
Discount on export shipments	14,055,213	20,085,963
<i>Express Bill</i>	1,712,542	2,248,940
<i>Confirming</i>	40,973,275	43,218,228
Investment suppliers	13,514,231	15,325,082
Remunerations payable	15,985,014	14,076,448
Investment grants	1,132,375	1,157,616
Leases (See note 35)	0	7,253,737
Derivative financial investments (See Note 39)	24,776	29,881
Advances on account of sales	350,153	344,126
Associated and subsidiary companies	607,087	444,997
Deferred payments on acquisitions of subsidiaries	3,162,120	16,452,558
Post-employment benefits	97,293	195,557
Customer creditors balances	58,931	15,847
State and other public entities (except income tax - see note 28)	16,458,069	20,855,891
Personnel	8,072,619	8,002,041
Others	31,871,913	16,420,236
TOTAL	222,721,824	249,751,155

The amount of margin accrual in 2018 is mainly related to the telecommunications business.

Liabilities regarding repurchase options from the holdings of Visabeira Global SGPS, SA and Visabeira Indústria, SGPS, SA under "Others", which amounted to 23.3 million euros on the 31st December 2019, approximately 3.2 million euros were paid in the first quarter of 2020, with a rescheduling of around 7.9 million euros for 2021 and following years.

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.

Reclassification of non-current leases	47,198,277
Reclassification of current leases	7,253,737
Lease liability (IFRS 16)	52,117,267
Closing balance on 01 January 2019	106,569,280
Increases	18,544,654
Debt amortization	-22,132,818
CLOSING BALANCE ON 31 DECEMBER 2019	102,981,116
Non-Current lease liabilities	84,972,131
Current lease liabilities	18,008,985
TOTAL LEASE LIABILITIES	102,981,116

On the 31st of December 2019, if the company still applied IAS27, the financial lease liability would be 56.6 million euros, of which 8.2 million euros at short term, and 48.4 million euros at medium and long term.

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 2019 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 2.2 million euros, contracted in 2015 with a mark-to-market value of -25 thousand euros, as follows:

Company	Description	Nominal value	Operation type	Average maturity	Economic target
Naturenergia, SA	Swap Euribor 3M	1,750,494	Interest Rate Swap	8 years	Eliminate interest rate risk in financing

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

Company		Book value 2019	Book value 2018
Naturenergia, SA	Swap Euribor 3M	-24,776	-29,881
TOTAL		-24,776	-29,881

In October 2008, the 3-month Euribor rate started to drop, as a result of successive cuts to the reference rate by the European Central Bank, in response to the international financial crisis, which has led to a downward trend in recent years, reaching negative values in 2015. This downward trend continued until 2019, having started the year at -0.310%, and settling at -0.383% at the end of the year. 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 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. However, in Mozambique, during the previous year, there was a slight appreciation of 0.24% of the metical against the US dollar and 2.09% of the metical against the euro. In Angola, the official exchange rate set by the National Bank of Angola for the Kwanza remained unchanged from the first quarter of 2016 to the end of 2017. The European currency became the reference for the Angolan market, since the beginning of 2017, under the new exchange floating regime. 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 from October 2019, 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. In 2019, the Angolan currency accumulated a depreciation of 53.20% against the Euro and 56.26% against the Dollar. Consolidated financial results include a currency impact from Angola of 21. million euros. The expression of the adjustment to the exchange rate level, especially in the last two 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 2020, but it should not have the same expression as that already occurred. The Angolan economy was classified in 2017 and 2018 as hyperinflationated, so it is necessary to restate the value of the assets of Angolan companies.

On the other hand, there is 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 1,118 Euros and ended the year at 1,175 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. The Grupo Visabeira maintains the policy underwriting in Portugal, Germany, Spain, the United States of America, Brazil and France (Vista Alegre), 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. The hedging of this risk enables a compensation for unpaid customer loans, which is 85% for the domestic market and 90% for the foreign market, except Angola. Recent years have been marked by increased restrictions on lending in general, with credit limits having undergone significant unfavourable revisions. In light of this scenario, and in order to meet the credit risk hedging requirements for which the limits granted under basic policies are insufficient, Grupo Visabeira has contracted additional instruments, which allow increasing the partial hedging of its risks complementing up to twice the amount covered by basic policies, for integrated customers both in the domestic and foreign markets. At the same time, it is the intention to obtain hedges for risks that have no amount attributed in the aforementioned policy, or obtain an amount greater than double the existing hedging, up to a limit of 100,000 euros for customers in foreign markets. The greater restrictions on the external coverage of the credit granted imply of increased rigor and a greater requirement in the appraisal of the requests for the concession is 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 9% 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 2019, a weight of 0.4%. Companies in the Grupo Visabeira that operate as infrastructure and telecommunications service providers sell to entities of recognised financial probity, which accounted for about 53% of consolidated turnover in 2019. 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: Examples of this are Orange (France Telecom); British Telecom; Próximus (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.

31st December 2019 and 2018, the Grupo's liquidity position was as follows:

	2019	2018
Non-current loans	597,380,157	580,138,095
Current Loans	120,678,524	126,721,715
Debt of confirming	40,973,275	43,218,228
Listed shares	-1,231,757	-2,458,941
Debt allocated to real estate, investments in progress and not yet generating EBITDA	-96,512,032	-127,400,207
Availabilities	-69,816,007	-41,071,032
OPERATING DEBT	591,472,159	492,711,402
Investment grants	11,323,746	11,576,161
Total equity	489,610,135	383,397,581
CAPITAL AND GRANTS	500,933,882	394,973,743
OPERATING DEBT / TOTAL CAPITAL	1.2	1.2

The maturity of the debt is disclosed in Note 35.4.

In 2017, the Grupo sold its shares of NOS Multimédia, EDP and partially in Pharol, and reimbursed the financing in the form of Commercial Paper associated with these shares. Credit lines with longer maturities were also contracted, which significantly reduced liquidity risk:

- I. The real estate leasing related to the Palácio do Gelo Shopping, with an outstanding capital of 35.1 million euros, became an operation with a residual amount, payable only in 2026;
- II. in connection with this asset, a commercial paper program, in the amount of 85 million euros was contracted, with increasing reductions in the nominal value until 2026 and with a bullet value of 42.5 million euros;
- III. the Grupo contracted a 20 million euros loan with a refund until 2023 and a Commercial Paper Programme in the amount of 32.3 million with a plan to reduce the annual nominal value of 5% up to and including 2021, and the remainder in the following two years; the commercial paper that was due in December 2017 was extended by five years and a bullet will now fall due in 2022, in the amount of 21.75 million euros.

During 2019 were implemented several initiatives aiming at diversifying financing sources. Noteworthy is the first bond issue guaranteed to the amount of 50 million euros by VAA - *Vista Alegre Atlantis SGPS, SA*. issued in two tranches: Class A to the amount of 45 million euros with a maturity bullet in 2024 registered in Spain in the *Mercado Alternativo de Renta Fija (MARF)* and Class B to the amount of 5 million euros, with amortization starting in 2022 and ending in 2024. In December, the Grupo also registered a 50 million euro commercial paper program with the *MARF* in Spain, having issued 15 million euros, reinforcing the strategy of progressively reducing the dependence on national banks. In 2018, the Grupo had already issued a bond loan to the amount of 55 million euros, with a maturity bullet in 2004, with corporate investors, which in addition to providing greater maturity to the debt, allowed the Grupo to further diversify its financing sources. The Grupo also contracted syndicated bond issues with national banks, to the amount of 27 million euros and 54 million euros, both maturing in 2024, in addition to several other refinancing operations.

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

Taking into account that the amount of the debt, presented in the statement of financial position on the 31st of December 2019 as payable in the short term, incorporates 11.6 million euros regarding secured current accounts and authorized overdrafts, as well as 4.6 million euros regarding bond loans and commercial paper - in which there is an agreement with the counterparties for its refinancing -, and 22 million euros of debt with corporate investors with a revolving nature, we believe that during 2020 the short term debt that may be subject to refinancing will amount to 87 million euros, representing about 11% of the consolidated debt. Under the same assumption, considering cash and cash equivalents (although around 8.7 million euros may be subject to the restrictions that currently remain in currency transfers from Angola and Mozambique), the residual short-term net debt which may be subject to refinancing will amount to 17.5 million euros, which can also be addressed with the operating 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 lines of credit approved under the *Portugal 2020* program, and under financial institutions, which amount to 35 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. The Grupo also has support lines for cash holdings, under factoring, payment to suppliers and discount of documentary remittances to the amount of 37 million euros, available at the end of 2019. The use of factoring, on the other hand, allows for a reduction in the average payment 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 2019, amounts paid in advance by customers in this format stood at 23 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 68.4 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 "A3" by ARC Ratings, which means that the Group currently has extremely strong ability to meet its financial commitments. ARC Rating also assigned a medium- and long- term rating. The ability to meet short-, medium- and long-term financial commitments of the Group was rated "BBB-", with a positive trend. The general liquidity ratio in the consolidated accounts was 0.8 in 2019, which demonstrates the adequacy of the financing of current assets by current liabilities.

COVID-19 pandemic

In Portugal, more or less generally, Grupo Visabeira has complied with the moratorium under no. 1, al. b) of Article 4 of Decree-Law no. 10-J / 2020 published in *Diário da República* in 2020-03-26, which establishes exceptional credit protection measures, as well as a special regime of personal guarantees of the State, under COVID-19 pandemic.

In Europe (France and Belgium) the capital and interest moratorium is expected to be applied, but the level of indebtedness is residual. At Constructel França, the company that concentrates the large slice of the debt, 55 million euros are financed in a five-year bullet structure under a bond loan maturing in 2024 and the remainder are essentially repayment leasing operations. In Mozambique, although there is no equivalent legal framework, we have requested the main banks and financing for a capital shortage for a period of 6 months.

In Angola there are no changes in the level of ongoing financing, the most relevant being the financing of the European Investment Bank to TVCABO, and the operation itself was not materially affected by the effects of the Pandemic.

Although the repayment conditions are not fully clear, since it was not officially communicated by the funders, we estimate that around 28 million euros of short term debt should be rescheduled for the following years under the government support measures.

OTHER DISCLOSURES ON FINANCIAL INSTRUMENTS

As defined by IFRS 9, the carrying value of each of the categories provided is broken down as follows:

	2019	2018
Financial assets recorded at amortized cost		
Customers	129,517,805	120,226,221
Income tax	6,105,685	2,069,655
Assets associated with contracts with customers and other current assets (except outstanding balances from suppliers and state and other public entities)	160,130,459	173,591,137
Cash and cash equivalents	69,816,007	41,071,032
Other financial investments recorded at fair value through other comprehensive income:		
Listed shares	1,231,757	2,458,941
Financial liability at amortized cost		
Long-term debt	597,380,157	532,939,819
Short-term debt	120,678,524	119,467,978
Suppliers	151,263,899	143,806,076
Cash flow hedging derivatives recorded at fair value	24,776	29,881
Liabilities associated with contracts with customers	105,428,807	84,954,664

MEASUREMENT AT FAIR VALUE

The following table presents the fair value hierarchy of the assets and liabilities held by the Grupo, as a reference to 31 December 2019 and 2018:

	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	1,231,757	1,231,757		
ASSETS MEASURED AT FAIR VALUE				
Financial instruments - Swaps	24,776		24,776	
ASSETS MEASURED AT FAIR VALUE				
	Assets measured at fair value - 2018			
	Total	Level 1	Level 2	Level 3
ASSETS MEASURED AT FAIR VALUE				
Investment properties	445,214,935			445,214,935
Listed shares	2,458,941	2,458,941		
ASSETS MEASURED AT FAIR VALUE				
Financial instruments - Swaps	29,881		29,881	

No transfers between levels 1 and 2 were made in the financial years 2019 and 2018.

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 31 December 2019 and 2018, there were several legal claims and other tax contingencies filed against various companies in the Group, 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 31 December 2019 and 2018, 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:

	2019	2018
Civil liability	269,896	136,390
Other contingencies	23,052,174	22,927,390
TOTAL	23,322,070	23,063,780

No significant losses are expected to result from these proceedings. Moreover, a tax contingency amounting to 8 million euros regarding the special taxation regime for groups of companies should be mentioned as well, to the extent the Board of directors and its legal advisers consider that the unfavourable decision to the demands of Grupo Visabeira made can be reversed.

41. Provisions for other risks and expenses

	2019	Increase / Decrease	2018
Provisions			
Retirement Pensions Vista Alegre	1,194,330	-165,385	1,359,715
Other retirement pensions	1,240,876	244,808	996,068
Others	4,808,568	-219,134	5,027,702
TOTAL	7,243,775	-139,710	7,383,484

41.1 RETIREMENT PENSIONS

The Grupo VAA has in place several retirement benefit plans, some managed by the Pension Fund (Futuro - Sociedade Gestora de Fundos de Pensões, SA) and others by the Group (Defined benefit plan - no funds).

There are two funds managed by Futuro - Sociedade Gestora de Fundos de Pensões, SA:

- One of the funds is called Adesão Coletiva Atlantis and has an indefinite 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.
- Another, called Fundo de Pensões Grupo Vista Alegre, also with an indefinite duration, covers the employees of Vista Alegre Atlantis SA, former employees of Fábrica de Porcelana da Vista Alegre, SA and Grupo Vista Alegre Participações, SA, who were hired until 20 December 1976 and are covered by the CBA for the Ceramic Industry. The Grupo Vista Alegre pension fund is financed by the Grupo Vista Alegre Pension Fund.

The responsibilities of the Grupo are the following:

	2019	2018
Liabilities - Provisions for retirement pensions		
Retirement benefits - Benefit plan managed by Grupo VAA	-1,194,330	-1,359,715
Asset - Accrued income		
Retirement benefits - Defined benefit plan with constituted fund	186,530	142,772

On 31st December 2019 and 2018, Grupo Visabeira maintains a recognized provision, related to the complementation of the retirement pension of a Grupo Vista Alegre (included in the item "without fund") former director, based on the accounting calculation performed by the entity Futuro, Sociedade Gestora de Fundos de Pensões, S.A., approximately in the amount of 736 thousand euros and 737 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 administrator, 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 the amounts due until February 2018, in accordance with the settlement concluded between the parties.

From February 2018, 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 an administrator higher than the high remuneration of the administrator with executive functions.

During the period of 2019, was delivered by the former administrator, 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, having the company presented an appeal to court decision.

The provision constituted on 31st December 2019 approximately to the amount of 736 thousand euros, is the best estimate of the Company's Board of Directors with respect to future expenditures with the complementation of the retirement pension to that former administrator.

The table below summarises the composition of net pension costs for the years ended 31 December 2019 and 2018 recognised in the consolidated income statement as staff costs:

	2019	2018
Operational costs		
Defined benefit plan managed by the Grupo VAA and active staff	-9,400	-9,650
Defined benefit plan with a fund set up	-32,421	-35,742
Operating income		
Defined benefit plan with a fund set up	29,135	25,181
Net Amount	-12,686	-20,211

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 Grupo VAA in the financial year:

	2019	2018
Balance on January 1	1,359,715	1,464,727
Costs with interest + actuarial gains/losses + increase in provisions + corrections on exerc Previous	-142,812	51,814
Retirement benefits paid	-22,573	-156,825
Balance on December 31	1,194,330	1,359,715

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:

	2019	Variation	2018
Present value of bonds	-2,327,411	-50,145	-2,277,266
Market value of the fund	2,513,941	93,903	2,420,038
Assets recognized in the balance sheet	186,530	43,758	142,772

41.2 OTHER RETIREMENT 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.

	2019	Increase / Decrease	2018
Company			
Constructel	529,666	72,836	456,830
Gatel	50,705	6,693	44,012
Escotel	660,505	165,279	495,226
TOTAL	1,240,876	244,808	996,068

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

	2019	2018
Guarantees provided		
Actual guarantees	377,564,426	379,390,551
Financial guarantees	22,542,319	27,291,640
Technical guarantees / good workmanship	18,326,490	15,805,291
TOTAL	418,433,235	422,487,482

In the actual guarantees its important to highlight of 107 million euros regarding the Palácio do Gelo Shopping. At Visabeira Global there are also 20 million euros related to TVCabo Angola and around 60 million euros in advance of customer

receipts.

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.

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 holdings	2019	488,944	1,043,049	4,069,000	14,148	0	17,171,920	2,477,999
	2018	806,686	1,068,272	0	9,567	0	14,751,182	1,629,703
Shareholders	2019	0	0	0	0	2,571,003	2,592,182	4,013,644
	2018	0	0	0	0	2,760,571	82,032,295	440,394

44. Subsequent events

During the first quarter of 2020 the world was surprised by the Covid-19 epidemic, which on the 11th of March 2020 was declared a pandemic by the World Health Organization. This internationally widespread pandemic has a significant impact on the world economy and financial markets, so it is essential to consider the impacts arising from Covid-19. Given the diversity of the Grupo's business activities, Covid-19 pandemic had a direct and indirect impact on our customers, suppliers, employees, local communities as well as other parties involved.

However, the negative effects of the pandemic will have a greater impact on the tourism sector, especially on hotels and restaurants. In the industry area, namely in the Grupo Vista Alegre, there will be also a negative impact, namely in its retail component.

Regarding the most representative area of the Grupo Visabeira, especially in the engineering services of telecommunications and energy networks, which correspond to essential and strategic services for people to carry out their work in this troubled period, impact will be minor.

Grupo Visabeira is monitoring the evolution of this situation on a daily basis, complying with the WHO's and local Authorities' recommendations, as well as informing people on these recommendations. The company is carrying out different actions aimed at minimizing the effects of the pandemic on its employees, on the communities in which it operates, as well as on its assets, with the necessary precautions this uncertainty scenario requires, taking into account the evolution of the emergency situation, as well as the resulting impacts. Its main purpose is to adopt measures which prove appropriate to the Grupo and its shareholders at any moment, promoting the continuity of its business activities, as well as its resilience and sustainability.

The importance, extent and durability of the current moment of uncertainty makes it a very difficult task to assess its direct and indirect impacts. Therefore, as of today, the Grupo has no information available to proceed to its quantification. However, the following aspects should be highlighted:

Operational Activity

In the Telecommunications Network, Energy and Gas Engineering Services segment, the group'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 where it operates, with national contracts for intervention in crisis and emergency scenarios, which will help minimize the activity's breakdown. It should be noted that European operators have reinforced investment plans in order to respond to the growing communication needs and new demands arising from the current pandemic crisis and the growth in teleworking.

During the first quarter of 2020, the activity increased compared to the same period last year. During the second quarter, a slight reduction is expected due to the mobility restrictions imposed by the governments, and it is expected that from June there will be a gradual return to normality.

In the Industry segment, Grupo Vista Alegre, as announced to the market on the 20th of March 2020, adopted the measures that, within the current context, have proved necessary to response to the situation. To reduce the negative impacts, taking into account the postponement of orders and reduction in sales volume, namely in the national and international retail network, it was decided to temporarily close the activity in Portugal, between the 23rd of March and the 9th of April 2020, thus closing its production and commercial activity in Portugal, as well as the commercial activity in other countries in which VAA operates (with the exception of online channels). The 2020 holiday period was anticipated for those dates regarding the majority of Grupo Vista Alegre's employees in Portugal, except in the cases relevant for the purpose of maintaining proper security and contingency safeguards.

After the holiday period, on the 9th of April 2020, production was resumed, with the use of a partial lay-off measure for VAA subsidiaries, which operate in the porcelain, crystal, glass and glazed ceramic segment. In the stoneware oven segment, the production at Cerutil and Cerexport plants was resumed in full, as of the 13th of April 2020.

In the stoneware segment, the plant remained closed using the lay-off system, resuming production on the 4th of May, agreed with Ikea, at around 66% of the plant's current capacity.

The retail chain, which has been closed since March, will be in stages according to the ongoing deconfinement plan, with stores expected to reopen in June.

The hotel and restaurant sectors are being particularly affected by the social distance measures taken by the Government; in fact, the six hotels that the Grupo owns in Portugal have been completely closed since mid-March, as well as all restaurants, using the lay-off measures. In this sector, even in the scenario of reducing the measures associated with the pandemic crisis reported by the Government: social distance 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 3% of the consolidated turnover; In Africa, the telecommunications area which represents around 60% of the business activity recorded a growth during this period. Considering the type of services provided by the two TVCABO companies, telecommunications services which are fundamental within the current scenario, it is expected that the pandemic will not have a significant impact on this business activity. In fact this sector has recorded an increase regarding demand for telecommunications services.

Investments

The Grupo is currently undergoing a process of cautiously reviewing and evaluating the investments it had planned for the 2020, reassessing the cost benefit of these projects in the portfolio, as well as their feasibility, taking into account the current reality;

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 regarding the financial ratios resulting from the bond loan contracted in October 2019 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 Board of Directors believes that such changes will be implemented.

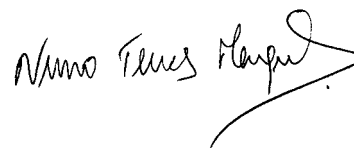
Furthermore, on what the holding company is concerned, there are also contractual conditions related to financial ratios, which the Grupo will continue to monitor, and depending on the evolution of the adverse effects of the pandemic, will assess the need to adapt.

At the date of this report, the Grupo's 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.

The Certified Accountant

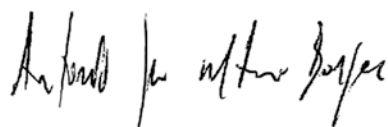
The Board of Directors





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ASSESSMENT AND CERTIFICATION DOCUMENT



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Ernst & Young
Audit & Associados - SROC, S.A.
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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 2019 (que evidencia um total de 1.938.236.449 euros e um total de capital próprio de 489.610.135 euros, incluindo um resultado líquido de 51.638.797 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 2019, o seu desempenho financeiro consolidado e os seus fluxos de caixa consolidados relativos ao ano findo naquela data, de acordo com as Normas Internacionais de Relato Financeiro, 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 sobre a Covid-19

Os recentes desenvolvimentos resultantes da pandemia Covid-19 (Coronavírus) têm um impacto significativo na saúde das pessoas e na sociedade como um todo, aumentando a incerteza sobre o desempenho operacional e financeiro das Organizações. Na Nota 44 das notas às demonstrações financeiras são divulgados os impactos e incertezas resultantes da pandemia Covid-19 (Coronavírus), estimados pelo Conselho de Administração 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, tal como adotadas na União Europeia;
- ▶ elaboração do Relatório 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 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.



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31 de dezembro de 2019

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 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 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 de Gestão com as demonstrações financeiras consolidadas.



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31 de dezembro de 2019

RELATO SOBRE OUTROS REQUISITOS LEGAIS E REGULAMENTARES

Sobre o Relatório de Gestão

Dando cumprimento ao artigo 451, n.º 3, al. e) do Código das Sociedades Comerciais, somos de parecer que o Relatório 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 apreciação sobre o Grupo, não identificámos incorreções materiais.

Porto, 19 de maio de 2020

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'.

Rui Manuel da Cunha Vieira - ROC n.º 1154
Registado na CMVM com o n.º 20160766

**RELATÓRIO E PARECER DO CONSELHO FISCAL DAS 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, as demonstrações financeiras consolidadas apresentados pelo Conselho de Administração do GRUPO VISABEIRA SA (Grupo), referente ao exercício findo em 31 de dezembro de 2018.

No decurso do exercício acompanhámos a atividade do Grupo 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 e na extensão considerada apropriada, a existência de bens ou valores pertencentes à sociedade 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.
- 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 anexas às Demonstrações Financeiras Consolidadas, satisfazem os requisitos legais aplicáveis e refletem a posição dos registos contabilísticos no final do exercício.
- 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 e de outros responsáveis, as informações e esclarecimentos que consideramos necessários.

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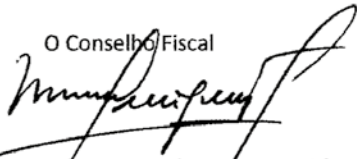
Acompanhámos os trabalhos dos auditores responsáveis pela revisão legal das contas e realizámos as reuniões consideradas necessárias para a obtenção das informações relevantes tendo em vista a Certificação Legal das Contas Consolidadas, sem reservas e sem ênfases e com a qual estamos de acordo.

Face ao exposto somos de parecer que:

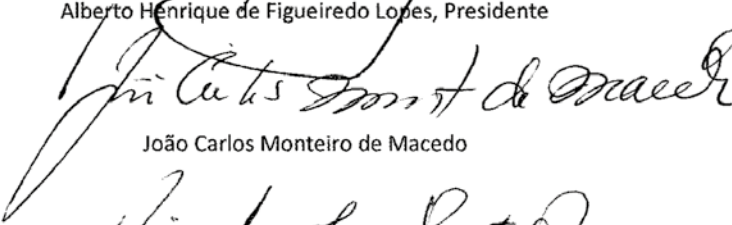
- (a) Os Relatórios de Gestão das contas consolidadas, do exercício findo em 31 de dezembro de 2018, satisfazem os requisitos legais, previstos no Código das Sociedades Comerciais;
- (b) A Demonstração Consolidada de Resultados, a Demonstração Consolidada do Rendimento Integral, a Demonstração da Posição Financeira Consolidada, a Demonstração Consolidada das Alterações do Capital Próprio, a Demonstração Consolidada dos Fluxos de Caixa e as notas anexas às Demonstrações Financeiras Consolidadas, satisfazem os requisitos legais e contabilísticos aplicáveis;

Viseu, 24 de maio de 2019


O Conselho Fiscal



Alberto Henrique de Figueiredo Lopes, Presidente



João Carlos Monteiro de Macedo



Ricardo Jorge Pinto Dias

Grupo Visabeira, SA

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