

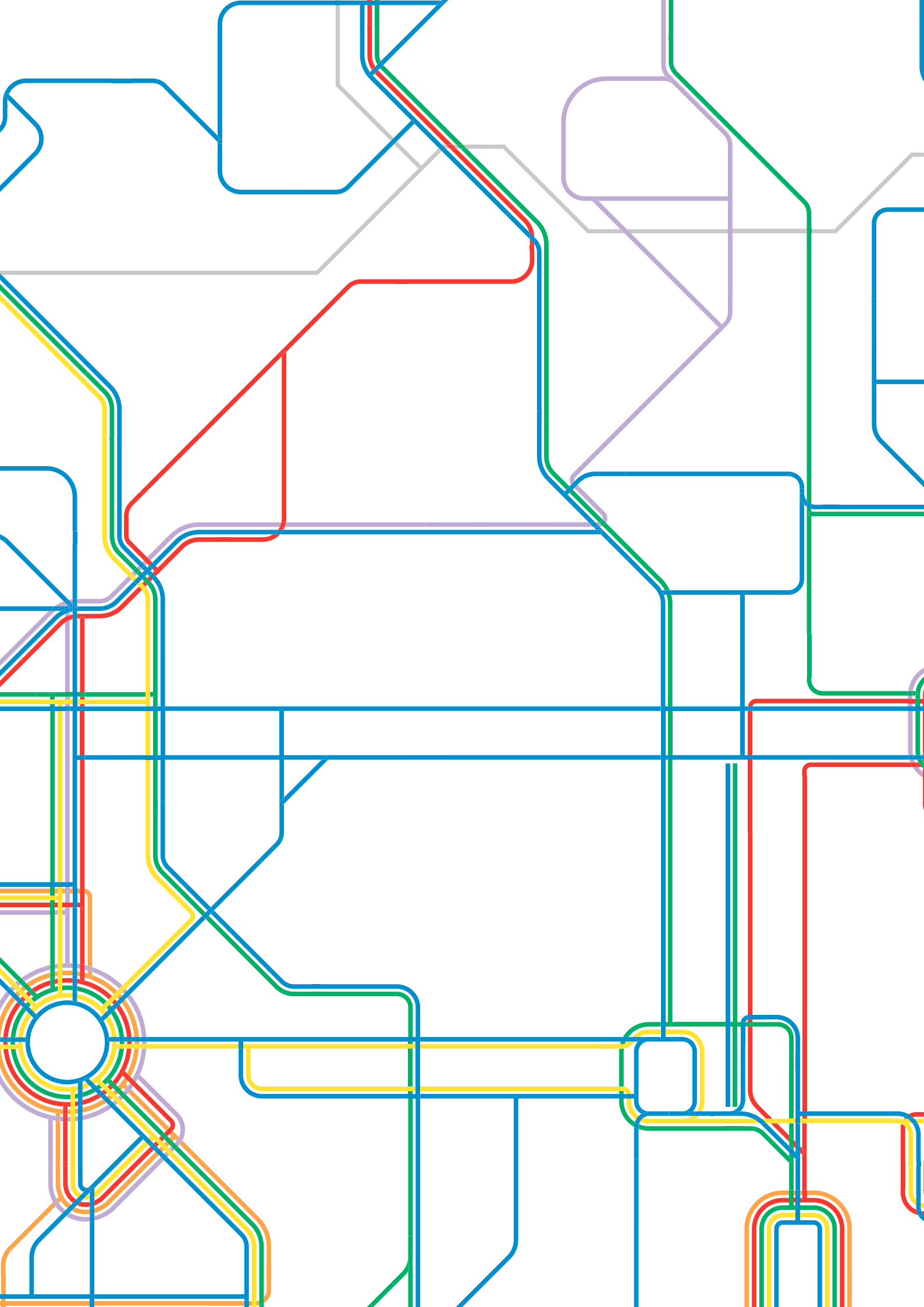


INTELLIGENT MOBILITY

ANNUAL REPORT

2019







2019

ANNUAL REPORT

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MESSAGE FROM THE CHAIRMAN



Manuel Queiró
Chairman of the Directors' Board

MESSAGE FROM THE CHAIRMAN

The present Annual Report refers to the yearly exercise of a Board of Directors during which occurred a change of President, and it is up to the person currently in charge of the position the responsibility for submitting a report that covers to that entire period, despite only having direct intervention in one third of its duration.

This message aims to address this dual responsibility. On one hand, to present the results obtained by a management that, for the most part, is marked by the choices of a previous leader, who holds most of the credits for the goals pursued and achieved. On the other hand, to depict the extent to which very important changes and perspectives have subsequently been developed, arising from the changes occurred in the institutional context in which the company makes its decisions.

In the investment chapter, was given continuity to the **Renewal Programme of STCP's fleet**, initiated in 2018. At the end of the year, 15 electric buses were received, the entire order, and 94 natural gas buses; 109 new buses (58%) out of the total 188 planned for the first phase of the STCP's renewal programme, which has the non-reimbursable co-financing of POSEUR Portugal 2020 - Operational Program for the Efficient and Sustainable the Use of Resources. With the renewal of the fleet, STCP will be able to provide a superior service, both in economic and environmental terms, reducing, furthermore, its carbon emissions, while continuing to actively contribute for Portugal to achieve the proposed goals in terms of energy efficiency.

This equipment was part of a global **investment effort that amounted to 16.3 million euros**. The acquisition of new buses, under the aforementioned fleet renewal program, represented 81% of the total investment made, and it should also be noted that the construction of the new natural gas supply station at the Via Norte Collection Station and the installation of electricity charging stations correspond to 16% of the annual investment.

In terms of operational performance, STCP carried a total of 76.7 million passengers, which means a growth of 4.5% (3.3 million) compared to the previous year. This growth is mainly explained by the increase in demand, on the customers-end, supported by the availability of new social tariffs, as of April 1st, within the scope of the Public Transport Tariff Reduction Support Program (PART), and, nonetheless, for the enhanced bus service compliance service.

The bus sector continued to be the main responsible for this increase, corresponding to the overwhelming majority (76 million passengers, plus 3.3 million), with the tram sector having a total of 738 thousand passengers (7 thousand less, - 0.9%, than the previous year).

Due to the global increase in passengers, revenue from the transport service amounted to 49.5 million euros, thus representing an increase of 3.4% compared to 2018 (once again, only the bus sector registered an increase, representing 3.3%, - plus EUR 1.5 million). Public passenger transport service, measured in km vehicles, represented 22.2 million, slightly lower (0.7%) than the previous year, 2018.

The operational activities must also integrate the management of human resources, which continued to be based on qualifications, the increase in the number of employees, and the renewal of the company's workforce. As of December 31st of 2019, STCP's staff included 1,289 workers (excluding governing bodies), which corresponds to an increase of 18 employees compared to 2018 (of which 10 are drivers and 2 are brakemen).

In terms of financial performance, and in relation to the results for the year 2019, the following stand out: a positive recurring EBITDA of EUR 3.5 million representing an improvement, when compared to 2018, of EUR 1.5 million (80%), a negative current operating income of EUR 1.2 million, showing an improvement of EUR 521 thousand (30%) compared to 2018, a negative net result of EUR 3.2 million, registering an increase compared to 2018 of EUR 1.3 million (74%).

Regarding debt evolution, should be noted: the financing obtained through three capital increases and a loan provided by the Portuguese State (for payment of interest under a swap contract), a change in indebtedness, calculated in compliance with DLEO 2019 (DL no. 84/2019, of June 28), 0.54% (excluding interest-bearing loans, the debt contracted to pay SWAP charges).

In the area of industrial relations, was maintained a tight link, throughout 2019, with various Organizations Representing Workers (ORT), counterbalancing the interests of the company and its staff, and thus contributing to achieve social peace in the company. From the negotiations started, the following results stand out: an agreement signed on January 10th that prevented a strike from taking place on January 9, which covered all daily services every day of the week, and the agreement signed in April, concerning the end of the strike that covered the last two hours of each daily service, decreed on August 5 of 2017.

Finally, it was possible, at the end of 2019, to enter an agreement to end strikes during weekends, thus starting a period intended as a motto for the future, where labor conflicts ceased to exist.

Beginning of the STCP intermunicipalization process. On August 28, the Portuguese Government and the six municipalities corresponding to STCP's area of activity (Porto, Gaia, Matosinhos, Maia, Gondomar and Valongo) signed a Memorandum of Understanding regarding the company's transfer of ownership to those Municipalities. It was, thus, undertaken a commitment for a new Public Service contract between the aforementioned six Municipalities and STCP, effective as of January 1, 2020. This memorandum contained, as an attachment, an Economic and Financial Framework, which served as the basis for establishing the amounts of Public Service Obligations to be charged to the Municipalities until the end of the contract.

Unfortunately, the schedule concerning the approval of all the necessary documentation for the implementation of the memorandum (reports from regulatory authorities, approvals by the local authorities, prior approval by the Court of Auditors), and for which a government decree was approved, came to fall short for the completion of the whole process, and as such, the aforementioned intermunicipality could not be initiated by January 1 of the following year.

I end this message with a word of appreciation to all the employees and collaborators of the company, without exception, who welcomed me with open arms during a critical moment of STCP, when a change in the governing bodies occurred on top of radical transformation to the strategic and institutional assumptions of their livelihood. The tranquility and serenity with which they maintained the normal course of their tasks was essential for the preservation of the confidence, and sets the foundations for this great company to face the future, its project and its strategy.



MANAGEMENT REPORT

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C1

INTRODUCTION



MANAGEMENT REPORT

1. INTRODUCTION

The present **Management Report** intends to be concise and succinct, highlighting the fundamental aspects of the activity carried out in 2019.

It features in chapter **2. STCP IN NUMBERS** and in chapter **3. MAIN EVENTS** a summary of the year under analysis, describing the most striking values and events.

Chapter **4. MODEL OF GOVERNMENT** lists the composition of the governing bodies, relegating all complementary information to the Corporate Governance Report.

From the point of view of the company's activity, chapter **5. STCP'S SERVICE** describes the main characteristics of the service provided, its customers and passengers.

Chapters **6. THE EMPLOYEES** and **7. THE FLEET**, break down the human and material resources available for the provision of the public transport service, those which allow the company to fulfill its object.

In chapter **8, SUSTAINABILITY** addresses, in detail, various aspects, with reference to the GRI Elaboration Guidelines (Global Reporting Initiative), in version 4 (G4), whose matrix is presented at the end of the Annual Report. Thus, the **Integrated Management System** is described in the initial part, after which it proceeds to the assessment of **Environmental** aspects, an approach that is considered fundamental both from the perspective of society at-large, and from the perspective of the company. Subsequently depicted the profile of the remaining stakeholders in the company's activity: **Shareholder, Community and Suppliers**. The chapter ends with a summary of **Featured Projects**.

In chapter **9. ECONOMIC-FINANCIAL PERFORMANCE**, is analyzed the evolution registered, from the perspective of the company's management, displaying the performance of the main indicators by mode of transport.

Chapter **10. LEGAL OBLIGATIONS** features the provisions of Decree No. 770, of March 11, 2020, of the Directorate-General for the Treasury and Finance (DGTF), regarding compliance with the managerial rules set on State business sector.

The **Management Report** ends in chapter **11. SUBSEQUENT FACTS AND OUTLOOK FOR 2020**.

The **Non-Financial Statement**, under the terms of article 66-B of the Portuguese Companies Code, comprises the content of chapters 3 to 9, inclusive, of this management report.



C2

STCP IN NUMBERS

2. STCP IN NUMBERS

Public Service Network as of 31/12	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Network Extension (km)	488	485	492	7	1,4%
Number of Lines [1]	73	73	73	0	0,0%
Number of Stops	2 491	2 456	2 484	28	1,1%

[1] Over the last three years, 70 in bus sector and 3 in tram sector

STCP Service	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Bus Passengers (thousand)	71 679	72 672	75 985	3 313	4,6%
Tram Passengers (thousand)	729	745	738	-7	-0,9%
STCP Revenue (thousand €)	72 408	73 418	76 723	3 306	4,5%
Bus Revenue (thousand €)	43 884	45 965	47 497	1 532	3,3%
Tram Revenue (thousand €)	1 660	1 857	1 971	114	6,2%
STCP Revenue (thousand €)	45 544	47 822	49 468	1 646	3,4%
Bus Kilometers in Service (thousand)	22 216	22 215	22 065	-149	-0,7%
Tram Kilometers in Service (thousand)	148	162	152	-10	-6,4%
STCP Kilometers in Service (thousand)	22 365	22 377	22 217	-160	-0,7%

Staff on 31/12 [2] [3]	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Bus Sector Staff	1 200	1 225	1 243	18	1,5%
Tram and Museum Staff	42	46	46	0	0,0%
STCP Employees	1 242	1 271	1 289	18	1,4%

[2] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

[3] Permanent employees allocated to STCP support areas are included in bus mode.

Parked Fleet on 31/12	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Bus Fleet [4]	417	420	425	5	1,2%
Tram Fleet	6	6	7	1	17%
Fleet as of 31/12	423	426	432	6	1,4%

[4] In 2018, STCP's fleet was composed by 419, and in 2019 was 420, with the return of a vehicle borrowed to CMP. However, from 31/12/2018 to 31/12/2019, the total park fleet was of 420 and 425, respectively, due to the temporary lag between the reception of new buses and the scrapping of the existent ones, as a result of the fleet renewal project

EBITDA and Result (thousand €)	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Bus EBITDA	-1 323	1 233	2 690	1 456	118%
Tram and Museum EBITDA	398	703	792	89	13%
STCP EBITDA	-925	1 937	3 482	1 545	80%
Bus Result	-4 058	-1 605	-1 167	437	-27%
Tram and Museum EBITDA	-616	-127	-43	83	-66%
Non-Current Result STCP	-6 156	6 802	2 689	-4 113	-60%
Financial Result STCP	-4 081	-6 890	-4 641	2 249	-33%
Net Result STCP	-14 911	-1 820	-3 163	-1 343	74%

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C3

MAIN EVENTS 2019

3. MAIN EVENTS 2019

JANUARY 24TH

Approval of the Application for POSEUR-07-2018-10, relating to the **acquisition of 86 new standard buses, 81 using natural gas and 5 electric buses**, the **renovation of the natural gas filling station** located in the Collection Station of Francos, and the **acquisition of new charging stations for electric buses**.

The total investment associated with this project is approximately **EUR 23 million**.

APRIL 1ST

Entry into force of the **Public Transport Tariff Reduction Support Program (PART)**, published in Order No. 1234-A / 2019, of 4 February.

APRIL 12TH

Launch of the **International Public Tender for the acquisition of 81 new Compressed Natural Gas vehicles**, 62 low-floor and 19 low-entry vehicles. To mark the occasion, a ceremony was organized by the Metropolitan Area of Porto (AMP) and STCP, which took place at the Portuguese Tram Museum. The event was attended by the Minister for the Environment and Energy Transition, João Pedro Matos Fernandes, the Secretary of State and Mobility, José Gomes Mendes, the President of the Metropolitan Council of AMP, Eduardo Vítor Rodrigues, the Mayor of Porto and UTS-STCP, Rui Moreira, as well as other mayors and personalities.

This acquisitions represents a total **investment** of approximately **EUR 20 million**.

MAY 31ST

The **STCP General Meeting** was held, approving the individual and consolidated accounts for 2018 and Activities and Budget Plan for 2019. The new members of the Board of the General Meeting and the Statutory Council were elected for the 2019-2021 period.

JUNE 3RD

Signing of the **loan agreement with the Portuguese State** in the amount of EUR 20,561,848.52.

JUNE 17TH TO 19TH

The 2019 **Follow-up Audit** was accomplished, carried out by the Certifying Entity to the Certifications of the **Integrated Management System of STCP**, in the references: NP EN ISO 14001: 2015 (Environmental Management), NP EN ISO 9001: 2015 (Quality Management) and NP 4397: 2008 / OHSAS 18001: 2007 (Occupational Health and Safety Management). The Certification Body considered that the conditions for maintaining the three certifications were satisfied.

JULY

Launch of the **International Public Tender for the acquisition of 5 electric buses**, respective charging and maintenance infrastructures for buses and infrastructures. The total associated investment is approximately EUR **3.5 million**.

Payment of the financial offset of EUR 2.9 million, underlying the **Agreement signed between STCP and the Alsa Group**, regarding the closure of the legal proceeding filed by that entity, following the cancellation of the sub-concession contract in 2016.

Two capital increases, in cash, by the Portuguese State shareholder, in the total amount of EUR **14,504,285**.

AUGUST 28TH

Was hosted the Ceremony to celebrate the **Signature of the Memorandum of Understanding on the Inter-municipality of STCP**.

The event, which took place at the Tram Museum, marked the start of the process to transfer, by the Portuguese State, the powers of public transport authority within the scope of the public service provided by STCP to the six municipalities, on which the company operates, namely: Porto, Gaia, Gondomar, Maia, Matosinhos and Valongo. The event was attended by the Prime Minister, António Costa, who was accompanied by the Minister of Environment and Energy Transition, João Pedro Matos Fernandes, by the Secretary for Mobility, José Mendes, as well as by the Presidents of the municipalities that will assume STCP's new management model.

Following this signature, was published the **Decree-Law no. 151/2019 of 11 October**, establishing the conditions for the transfer of the entire share capital of STCP, SA by the State to the municipalities of Gondomar, Maia, Matosinhos, Porto, Valongo and Vila Nova de Gaia, regulating the regime applicable to STCP and the financial obligations of the State and municipalities, among other matters. **Decree-Law no. 175/2019, of December 27**, suspended the entry into force of Decree-Law no. 151/2019 of October 1, making it subject to obtaining a prior opinion by the Court of Auditors.



SEPTEMBER 1ST

Swearing in of the Executive Chairman of the Board of Directors of STCP, Manuel Tomás Cortez Rodrigues Queiró, subject to unanimous written decision, as of July 31, 2019.

The former Executive Chairman of the Board of Directors, Paulo de Azevedo, resigned from his position at the end of June, effective as of July 31, 2019.

DECEMBER

Cash capital increase, by the Portuguese State, in the amount of **EUR 3,924,375**.

JANUARY TO DECEMBER

Fleet renewal in progress. At the end of the year, 15 electric buses were received, the total for the order, and 94 natural gas buses, completing **109 new buses** (58%) of the total 188 planned for the first phase of renewing the STCP bus fleet.

This renewal contributes significantly to increasing the **percentage of energy used in transport, coming from renewable sources**.



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C4

**COMPANY
GOVERNANCE**

4. COMPANY GOVERNANCE

STCP's Company Governance is fully detailed in the 2019 Corporate Governance Report.

4.1 GOVERNING BODIES

GOVERNING BODIES FROM JANUARY 31ST TO MAY 30TH OF 2019

Position	Governing Bodies	Election
Board of the General Meeting		
President	José António Ferreira de Barros	25-jan-16
Vice-President	Maria Teresa Vasconcelos Abreu Flor Morais	25-jan-16
Secretary	Carlos Maria Rocha Pinheiro Torres	25-jan-16
Board of Directors		
Executive Chairman	Paulo de Azevedo Pereira da Silva	15-jan-18
Executive Voting Member	Ângelo Augusto Santos Oliveira	01-jan-18
Executive Voting Member	Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	01-jan-18
Non-Executive Voting Member	Paula Cristina David Vaz Ribeiro Ramos	01-jan-18
Non-Executive Voting Member	Avelino José Pinto de Oliveira	01-jan-18
Supervisory Board		
President	Pedro Romano Martinez	25-jan-16
Executive Voting Member	Ana Alexandra Filipe Freitas	25-jan-16
Executive Voting Member	Paulo Jorge Rodrigues Mateus	25-jan-16
Deputy Voting Member	Dino Jorge Ramos Santos	25-jan-16
Statutory Auditor		
	Baker Tilly, PG & Associados, SROC S.A. [1] Represented by partner Fenando Manuel de Sousa Matos, ROC nº 757	30-may-16
	RCA - Rosa, Correia & Associados, SROC, S.A. Represented by partner Gabriel Correia Alves, ROC nº 784	19-mar-19

[1] Resigned from the position on 30-Aug-18

The Board of Directors was elected for the 2018-2020 term, pursuant to article 13 (6) of the Statute of the Public Manager, by Unanimous Written Company Decision of December 29, 2017 and January 12, 2018, in accordance

with the will expressed by the Portuguese State, pursuant to article 54 (1) of the Portuguese Companies Code.

The presidency of the Board of Directors was appointed by

the Town Council of Porto. The executive Voting Member, Ângelo Oliveira, was appointed by the other municipalities within the Metropolitan Area of Porto, and Isabel Botelho Moniz, was appointed by the Government.

This corporate body also comprises the non-Executive Voting Members Avelino Oliveira and Paula Ramos, appointed by the group of municipalities referred to in the previous paragraph.

GOVERNING BODIES AS OF MAY 31ST OF 2019, EXCEPT FOR THE BOARD OF DIRECTORS, WHICH IS MODIFIED ON SEPTEMBER 1ST OF 2019

Position	Governing Bodies	Election
Board of the General Meeting		
President	Cristina Maria Pereira Branco Mascarenhas Vieira de Sampaio	31-may-19
Vice-President	Ana Sofia Lameira dos Santos Palrinhas	31-may-19
Secretary	Carlos Maria Rocha Pinheiro Torres	31-may-19
Board of Directors		
Executive Chairman	Paulo de Azevedo Pereira da Silva	15-jan-18
Executive Voting Member	Ângelo Augusto Santos Oliveira	01-jan-18
Executive Voting Member	Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	01-jan-18
Non-Executive Voting Member	Paula Cristina David Vaz Ribeiro Ramos	01-jan-18
Non-Executive Voting Member	Avelino José Pinto de Oliveira	01-jan-18
Supervisory Board		
President	Luís Manuel Abrantes	31-may-19
Executive Voting Member	Ana Alexandra Filipe Freitas	31-may-19
Executive Voting Member	Paulo Jorge Rodrigues Mateus	31-may-19
Deputy Voting Member	Maria Teresa Vasconcelos Abreu Flor Morais	31-may-19
Statutory Auditor		
	RCA - Rosa, Correia & Associados, SROC, S.A. Represented by partner Gabriel Correia Alves, ROC nº 784	19-mar-19

The members of the Board of the General Meeting and the Supervisory Board were elected at the General Meeting, on May 31, 2019.

The Executive Chairman of the Board of Directors,

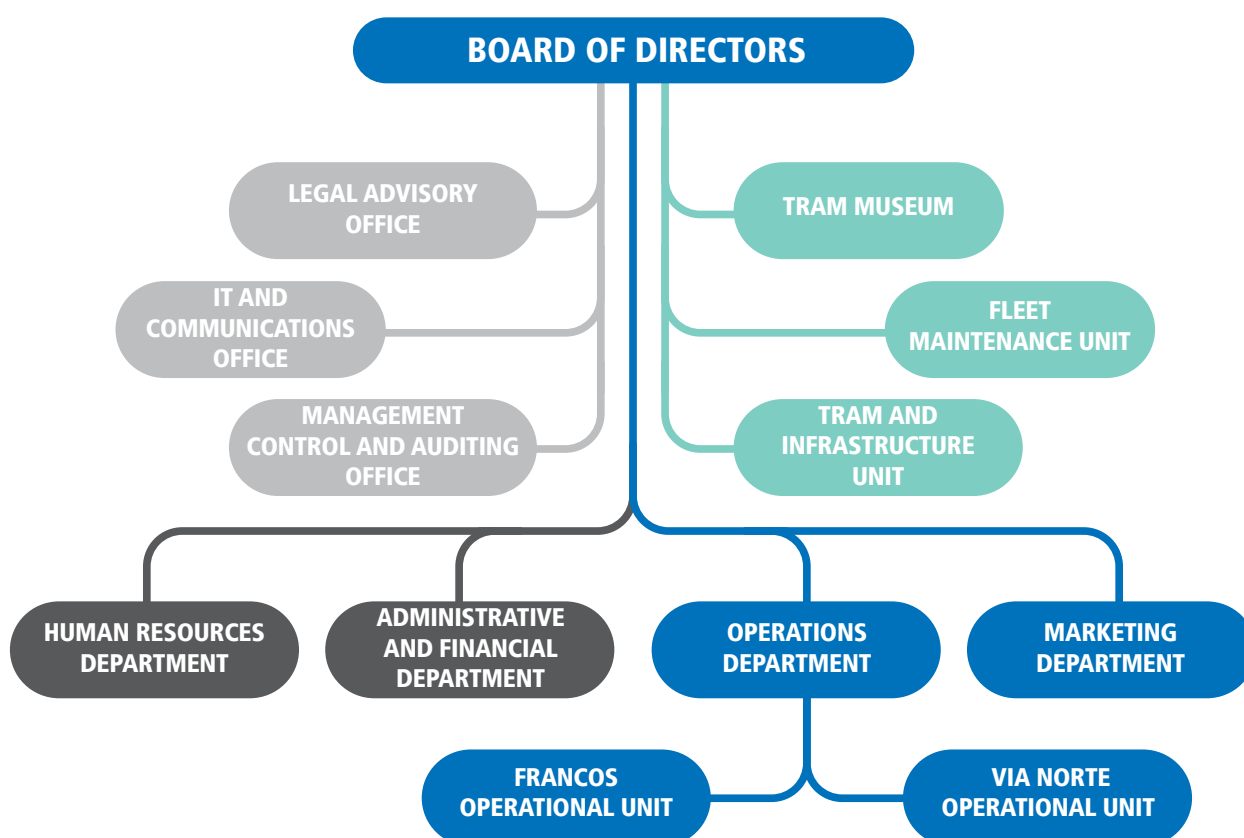
Manuel Tomás Cortez Rodrigues Queiró, was elected by Unanimous Written Company Decision of July 31, 2019, with effect on September 1, 2019, due to the resignation of Paulo de Azevedo Pereira da Silva, effective July 31, 2019.

BOARD OF DIRECTORS AS OF SEPTEMBER 1ST OF 2019

Position	Governing Bodies	Election
Board of Directors		
Executive Chairman	Manuel Tomás Cortez Rodrigues Queiró	01-sep-19
Executive Voting Member	Ângelo Augusto Santos Oliveira	01-jan-18
Executive Voting Member	Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	01-jan-18
Non-Executive Voting Member	Paula Cristina David Vaz Ribeiro Ramos	01-jan-18
Non-Executive Voting Member	Avelino José Pinto de Oliveira	01-jan-18

4.2 MACROSTRUCTURE

As of December 31st of 2019, the macrostructure of the company was as follows:



● Operating bodies ● Back office bodies ● Staff bodies ● Complementary Activities or Specific Activities Bodies

The macrostructure of the company is functionally dependent on the Board of Directors.

4.3 ATTRIBUTIONS OF THE EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS

Executive Chairman of the Board of Directors, Manuel Tomás Cortez Rodrigues Queiró: Marketing Department, Tram Museum, and Legal Advisory Department.

Executive Voting Member, Ângelo Oliveira: Operations Department, Fleet Maintenance Unit, Tram Unit, Computer and Communications Office and is the

board's representative for the Integrated Management System.

Executive Voting Member, Isabel Botelho Moniz: Management and Audit Control Office, Human Resources Department and Administrative and Financial Department.



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C5

STCP'S SERVICE

5.1 PUBLIC TRANSPORTATION

STCP explores two public service public transport sectors, Bus and Tram.

5.1.1 NETWORK AND AREA COVERED

STCP serves **six municipalities** of the Metropolitan Area of Porto (AMP): Porto, Gondomar, Maia, Matosinhos, Valongo and Vila Nova de Gaia.

The **network covers an extension of 492 km**, serving **2.484 stops**, with a total fleet of 425 buses and 7 trams.

STCP operates 73 lines, 70 bus lines and 3 tram lines.



STCP is the largest public transport operator within AMP, and in 2019 was responsible for the transport of **76,7 million passengers**.



5.1.2 PASSENGERS, REVENUE AND STCP OFFER

TARIFF CHANGES UPDATES

On January 1, the **tariff was updated by 1.14%** according to the established in Ordinance No. 298/2018, of November 19, and the indications of the Metropolitan Area of Porto. Tickets sold on board of the buses went up to 2.00 euros.

As of April 1, the **Public Transport Tariff Reduction Support Program (PART)** was implemented, published in Ordinance No. 1234-A / 2019, of February 4, establishing the following monthly subscriptions:

- On April 1, the **Andante Z3** subscription, valid for three contiguous zones selected by the customer at the time of purchase, with a price of EUR 30;
- On April 1, the **Andante Metropolitano** subscription, valid throughout the metropolitan area of Porto served by the Andante intermodal network, with a **price of EUR 40**;
- On 1 May, the **Andante Municipal** subscription, valid in all areas of a municipality served by the Andante intermodal network, with a **price of EUR 30**.

With the introduction of PART, some **single-sector subscriptions were discontinued**, without commercial interest, as customers currently have available more rewarding alternatives for their travels: Under 13, Student, Senior Citizen / Retired and Pensioner and Combined STCP/ CP fares.

The Normal subscription, currently without sales, and the STCP / CP 3rd Age - Retired and Pensioner subscription, were maintained, with no new members.

On 1 May, the new walking zoning and the change in the designation of the zones also came into force, to allow the extension of the Intermodal Andante System (SIA) to the entire Metropolitan Area of Porto. This change in the nomenclature of the new zoning map allowed customers to get familiar with the limits of the zones and their links with each municipality, in a more intuitive way.

On September 1, the following signatures came into effect:

- **Andante Sub13**, monthly subscription for children between the ages of 4 and 12 (inclusive) that allows free use of public transport integrated in the Andante intermodal system, throughout the Metropolitan Area of Porto.
- **Porto.13-15**, an exclusive Andante card from the Municipality of Porto for young people between 13 and 15 years old that allows free use of public transport integrated in the Andante intermodal system, within a limit of 3 zones, upon validation of the card on all journeys.

The sale of tickets on board of buses and trams were maintained.

It should be noted that the **Public Transport Tariff Reduction Support Program (PART)**, implemented after the publication of Ordinance No. 1234-A / 2019, of February 4, was **established by article 234 of the State Budget Law for 2019, for the financing of public transport**, for the year 2019. PART's implementations aim to:

"overcome the negative externalities linked to mobility, such as traffic, emission of greenhouse gases, air pollution, noise, energy consumption and social exclusion."

"attract passengers to public transport, supporting the Transport Authorities with an annual budget, which allows them to operate a careful adjustment of tariffs and supply, within the framework of the competences attributed to them (...)."

"be a tool for territorial cohesion, looking for a financing model that guarantees equity between the Metropolitan Areas of Lisbon and Porto and the rest of the national territory."

The availability of new social tariffs by public passenger transport companies and, in particular, STCP, within PART, are subject to **financial offset, to be attributed**

by the Metropolitan Authorities, in order to avoid negative impacts on the companies' operating results.

PASSENGERS

In 2019, **STCP carried 76.7 million passengers**, registering an increase of about 3.3 million passengers, that is, plus 4.5% compared to 2018. This variation is mainly explained by the availability of new tariffs due to PART, which encouraged the demand for public transport. As a result of the tariff changes that have occurred, the

passenger profile has changed significantly. The validations of intermodal subscriptions amounted to almost 60 million. These tickets represented in 2019 about 78% of the total passengers, and in 2018, about 69%, thus registering an increase of 9.1 pp compared to the previous year.

					VARIATION 2019/2018	
STCP Passenger Indicators	Unit	2017	2018	2019	abs.	%
Intermodal Subscriptions	thousands	49 312	50 274	59 530	9 256	18,4%
Other Titles	thousands	23 096	23 144	17 194	-5 950	-25,7%
Passengers	thousands	72 408	73 418	76 723	3 305	4,5%
% of Intermodal Subscriptions	%	68,1%	68,5%	77,6%	9,1 pp	13,3%
Average Route per Passenger	Km	3,71	3,72	3,74	0,01	0,3%
Passenger Km	thousands	268 383	273 384	286 576	13 192	4,8%

The **average journey per passenger** registered a slight increase of 0.3%. **Km Passengers** increased by 4.8% as a result of the increase in demand and the average

route per passenger. **Recipe Revenue** was EUR **49.5 million**, plus EUR **1.6 million (+ 3.4%)** than 2018.

REVENUE

Revenue represented **EUR 49.5 million, increasing EUR 1.6 million (+ 3.4%) compared to 2018.** Furthermore, the **composition of the revenue has**

also modified substantially due to the tariff changes. Direct ticket sales revenue totaled EUR 40.9 million in 2019, about EUR 3 million euros than in 2018.

					VARIATION 2019/2018	
STCP Revenue Indicators	Unit	2017	2018	2019	abs.	%
Intermodal Subscriptions w/out Offsets	thousands €	20 813	21 633	22 417	784	3,6%
Other Titles	thousands €	20 837	22 180	18 461	-3 719	-17%
Ticket Office Revenue	thousands €	41 651	43 814	40 878	-2 935	-6,7%
Andante Tariff Offset	thousands €	3 893	4 008	3 598	-411	-10%
Tariff Reduction Support Programme (PART) Offset	thousands €	0	0	4 992	4 992	-
Revenue	thousands €	45 544	47 822	49 468	1 646	3,4%
% Ticket Office Revenue	%	91%	92%	83%	-9,0 pp	-9,8%
Average Revenue per Passenger	cents €	62,9	65,1	64,5	-0,7	-1,0%

OFFER

22.2 million **kilometers of service** were covered in 2019. Compared to 2018, there was a slight decrease of 160 thousand kilometers (-0.7%).

Service Hours performed in the production of the 2019 public transport service amounted to more

than 1.4 million, equivalent to a 0.4% increase compared to 2018. In 2019, the **Occupancy Rate increased 0.9 pp compared to 2018**, standing at 14.3% for the company's overall.

					VARIATION 2019/2018	
STCP Offer Indicators	Unit	2017	2018	2019	abs.	%
Km of Service Vehicles	thousands €	22 365	22 377	22 217	-160	-0,7%
Service Hours	thousands €	1 425	1 424	1 430	6	0,4%
Service Places Km	thousands €	2 041 631	2 038 567	2 001 033	-37 534	-1,8%
Number of Vehicles Used During Rush Hour	thousands €	389	390	391	1	0,3%
Average Capacity of Vehicles	thousand €	91	91	90	-1	-1,1%
Occupation Rate	%	13,1%	13,4%	14,3%	0,9 pp	6,8%
Average Service Speed	Km/H	15,7	15,7	15,5	-0,2	-1,1%

IN SUMMARY, STCP'S OPERATIONAL ACTIVITY IN 2019:

- Carried an average of 3.45 passengers per kilometer of service, an increase of 5.3% compared to 2018;
- On average, each service crew member carried almost 80 thousand passengers per year, a slight reduction of 0.8% compared to 2018.
- The average revenue per kilometer of service was EUR 2.2, 4.2% more than in 2018;

SALES NETWORK

STCP manages the sale of tickets on board of Buses and Trams. The remainder of the ticket sales network is managed by TIP, Transportes Intermodais do Porto, ACE which manages the Intermodal Transport System (SIA).

At the end of 2019, approximately there were 1,563 locations available to purchase tickets, scattered through the various municipalities and parishes of the Metropolitan Area of Porto. Sale channels are distributed among Andante

Stores, Vending Machines (MVA), CP Ticket Offices with Andante sales, Airport Tourist Office, Authorized Agents and Terminals of Private Road Operators, in addition to the 12,800 Multibanco-ATMs that can be used to re-load subscriptions, since September 2019. Furthermore, there is also available the ANDA app, for mobile phones with android system 5.0 or higher, equipped with NFC and Bluetooth technologies.

COMBATING FRAUD

In 2019, more than 1 million passengers were inspected, corresponding to an increase of 16% compared to 2018. The Fraud Rate decreased 0.1 p.p., in the same period.

Infractions committed by fraudulent clients refer to: overpassing the zone (60%), no transport ticket (19%), no valid ticket (16%) and invalid ticket (5%).

					VARIATION 2019/2018	
Inspections [1]	Unit	2017	2018	2019	abs.	%
Inspected Passengers	thousands	993	928	1 072	144	16%
Number of Fines	thousands	6	4	4	-0	-0,2%
Rate of Passengers Inspection [2]	%	1,40%	1,30%	1,41%	0,1 pp	8,5%
Rate of Fraud [3]	%	0,60%	0,50%	0,39%	-0,1 pp	-22%
Journeys Inspected	thousands	72	63	68	5	8%
Rate of Journeys Inspection [4]	%	3,60%	3,20%	3,49%	0,3 pp	9,1%

[1] Includes Buses and Trams

[2] Passengers Inspected + Passengers Carried

[3] Journeys Inspected + Journeys Undertaken

[4] Viagens Fiscalizadas ÷ Viagens Realizadas

5.2 BUS SECTOR

At the end of 2019, STCP had 70 bus lines in operation, serving 2,444 stops.

Out of 70 STCP bus lines, 11 are available between 12:30 am and 6:00 am, the called the Late Night Network. Of the remaining 59, only 1 is not functional during the

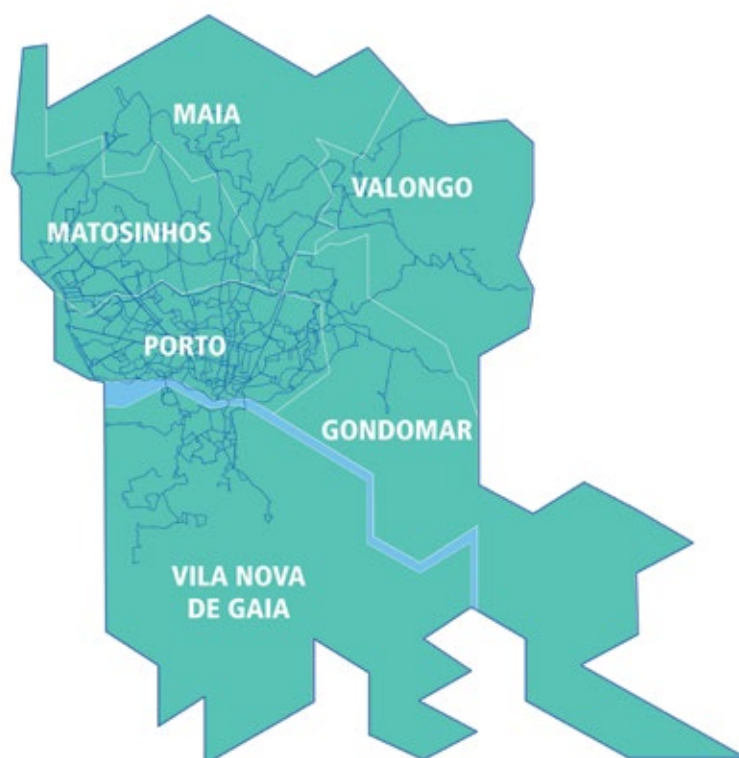
entire weekend and 6 are not available on Saturday afternoons, Sundays and holidays.

Of these 59 lines, 37 also operate at night, between 9 pm and midnight.

5.2.1 BUS NETWORK

The **Bus Network's** extension total to 489 kilometers.

It covers **33 parishes within 6 municipalities of AMP:** Porto, Vila Nova de Gaia, Matosinhos, Gondomar, Valongo and Maia.



CHANGES TO THE BUS NETWORK

The location of STCP bus stops in the Mercado do Bolhão area changed places in February. This reorganization of the stops occurred following the planning of works to be carried out by the Porto Town Council, implying several changes, namely the impediment of the circulation of buses on Rua de Alexandre Braga.

Line 703, towards Sonhos, in November, started going through the route crossing Rua de Camões and S. Brás, thus **being closer to the Hospital de Santa Maria, in both directions.**

Line 906 had a change of route in the Madalena area, in Gaia, starting in November.

- On December 11, four lines benefited from changes, allowing the territorial expansion of this network, without the need for an increase in the means allocated:
 - Line 5M Aliados-The 5M Aliados-Ermesinde (Station) line started to guarantee better territorial coverage within Ermesinde.
 - The 10M Aliados-Vila D'Este line changed part of its route with the 11M line, thus achieving a faster connection time between Vila D'Este and the Aliados.
- Line 11 M Hospital S. João-Coimbrões, also had a simplified route and adopted a circular route near the end at Hospital S. João, ensuring greater mobility to University Campus of Asprela.
- Line 13M Av. Aliados-Matosinhos (Mercado) had two route simplifications, one in the center of Matosinhos and the other in Ramalde, without penalizing its users.

BUS CORRIDORS

BUS Corridors	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Extension (km)	25,5	25,0	24,8	-0,2	-0,8%

The STCP network has 145 corridors reserved for the circulation of public transport, extending over 24.8 km. These corridors are located predominantly in the municipality of Porto, where there are 81 corridors totaling to 19.5 km (79%) in length.

Of the 145 existing corridors, 55 have a total length of 2 km, serving only to define stop zones. Most of these types of corridors are located outside the municipality of Porto.

DEVIATIONS

Information about traffic interruptions, construction works and events are provided on a daily basis by all town councils of the municipalities served by the STCP network, whenever the diversion of the route or several lines is impacted.

In 2019 there were 329 deviations, + 28 than in 2018, which caused temporary changes in the route of the company's network lines.

The average duration of deviations, represented in days, had a significant increase of 12 days in 2019. This increase is due to more time-consuming requalification works, such as those in the Bolhão area, at Avenida Fernão de Magalhães and at Arca d'Água, in the municipality of Porto, and at Rua Cândido dos Reis, in Vila Nova de Gaia.

Deviations	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
No. of Deviations due to Works	190	160	174	14	8,7%
No. of Deviations due to Events	165	141	155	14	9,9%
No. of Deviations	355	301	329	28	9,3%
Average Duration of Deviations (in days)	11	9	21	12	133%

PARTNERSHIP WITH THE TOWN COUNCIL OF PORTO (CMP)

In 2019, partnerships with CMP were maintained aimed at promoting public passenger transport, either through work meetings to discuss traffic problems or through the existing protocol with the Municipal Police, known as *Operação Via Livre*.
Operação Via Livre, where STCP assigns vehicles drivers,

and the Municipal Police inspectors, work side-by-side to combat irregular parking on roads reserved for public transport, at stops, or in places with greater circulation. When an irregular situation is detected, and it requires the use of towing, the average response time was of 30 minutes.

The following table shows the evolution of the interventions of Via Livre Operation, from 2017 to 2019:

Operation	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Fines	3 061	3 029	2 661	-368	-12%
Blockings [1]	4	2	6	4	200%
Towing [1]	45	114	83	-31	-27%
Corrective Measures [2]	3 158	3 152	2 772	-380	-12%
Pedagogical Interventions	97	123	111	-12	-10%

[1] Towing is always preceded by blocking and fine. A blocking is preceded by a fine.

[2] Includes fine and waning actions.

In 2014, was appointed a working group that aligns STCP, the Municipal Police and the Municipal Department for the Management of Mobility and Transport, with the objective of finding solutions that end the constraints

associated to the circulation of Public Transport. This group has managed to drastically reduce the times when buses are blocked due to abusive parking and has created better stopping conditions.

5.2.2 PASSENGERS, REVENUE AND BUS OFFER

BUS PASSENGERS

In 2019, **approximately 76 million passengers were transported on STCP buses**, an increase of about 3.3 million passengers **(4.6%) compared to 2018**.

The increase in passengers is explained mainly by the availability of new social fares, created under PART, which encouraged the demand for public transport, and also by the improvement in the rate of execution of scheduled trips, thus enhancing the confidence of customers on the service provided by the company, and consequently, a demand increase.

Due to the tariff changes that have occurred, the **profile of bus passengers has changed significantly**, using more intermodal signatures and less single-sector signatures and occasional tickets.

The validations of intermodal subscriptions were 59.4 million, showing an increase of about 9.3 million (+18%), compared to the previous year. These tickets and transportation represented 78% of total passengers in 2019, i.e. +9.2 pp compared to 2018.

The **average journey per passenger** registered a slight increase of 0.3%.

Km Passengers increased by 4.9%, due to the growth

of passengers and the increase in the average route per passenger.

					VARIATION 2019/2018	
Bus Passengers Indicators	Unit	2017	2018	2019	abs.	%
Intermodal Signatures	thousands	49 192	50 164	59 418	9 253	18%
Other Titles	thousands	22 488	22 508	16 568	-5 940	-26%
Passengers	thousands	71 679	72 672	75 985	3 313	4,6%
% of Intermodal Signatures	%	69%	69%	78%	9,2 pp	13%
Average Journey per Passenger	Km	3,73	3,74	3,75	0,01	0,3%
Passageiros Km	thousands	267 103	272 067	285 269	13 202	4,9%

BUS REVENUE

Bus **Revenue** was **EUR 47.5 million**, more **EUR 1.5 million (3.3%)** than 2018.

The **composition of the revenue also changed substantially due to the tariff changes that occurred**. Ticket office revenue, derived from direct payments made by customers, represented EUR 38.9 million in 2019, about EUR 3 million less than in 2018.

The amounts accounted by the traveling tariff and PART compensations accounted to approximately EUR 8.6

million in 2019, equivalent to 18% of total bus mode revenue.

It should also be noted that the **Average Revenue per Bus Passenger**, including Andante and PART Fare Compensation, was 62.5 cents in 2019, 1.2% less than in 2018. The reduction in this indicator also reflects the tariff changes that occurred.

					VARIATION 2019/2018	
Bus Revenue Indicators	Unit	2017	2018	2019	abs.	%
Intermodal Signatures w/out Offsets	thousands €	20 775	21 597	22 388	791	3,7%
Other Titles	thousands €	19 223	20 366	16 534	-3 832	-19%
Ticket Office Revenue	thousands €	39 998	41 964	38 922	-3 041	-7,2%
Andante Tariff Offset	thousands €	3 886	4 002	3 592	-410	-10%
Tariff Reduction Support Programme (PART)	thousands €	0	0	4 983	4 983	-
Revenue	thousands €	43 884	45 965	47 497	1 532	3,3%
% Ticket Revenue	%	91%	91%	82%	-9,3 pp	-10%
Average Revenue per Passenger	cents €	61,2	63,3	62,5	-0,7	-1,2%



The bus sector covered 22.1 million kilometers of service in 2019.

BUS OFFER

The bus sector covered **22.1 million kilometers** of service in 2019. Compared to 2018, there was a slight decrease of 166 thousand kilometers (-0.7%). This variation is mainly explained by the addition of provisional deviations in the route of lines, due to works and events, which took place in 2019.

Naturally, the kilometers traveled by natural gas vehicles and electricity are increasing and those of diesel vehicles are decreasing, as a result of the **fleet renewal program**, representing in 2019 around 67.3% of the total kilometers, against 64, 6% in 2018.

The hours of service performed in 2019 amounted to more than 1.4 million, registering an increase of about 6 thousand hours (0.4%) compared to 2018. This variation is justified by the adjustment of breaks, between the end and the beginning of each trip, and by reducing the commercial speed.

The average service speed reached 15.6 Km / H in 2019, when in 2018 it had been 15.8 Km / H, reducing 1.1%. The degradation of this indicator is justified on the one hand, by the worsening of the circulation difficulties, especially in the center of Porto, and by the adoption of offset measures by the increase in the travel times of the lines, due to the increase in the time of the traffic lights intended for to pedestrians.

In 2019, the **Occupancy Rate increased 0.9 p.p. compared to 2018**, standing at 14.3%, as a result of increased demand.

The **Bus Sector Service Completion Rate (travel) was 96.2%** in 2019, registering an increase of 0.2 percentage points compared to 2018.

					VARIATION 2019/2018	
Bus Offer Indicators	Unit	2017	2018	2019	abs.	%
Natural Gas Vehicles Km of Service	thousands	14 271	14 299	14 465	166	1,2%
Electricity Vehicles Km of Service	thousands	0	59	380	322	548%
Diesel Vehicles Km of Service	thousands	7 946	7 856	7 220	-637	-8,1%
Vehicles Km of Service	thousands	22 216	22 215	22 065	-149	-0,7%
Hours of Service	thousands	1 407	1 406	1 412	6	0,4%
Capacity Km Service	thousands	2 035 409	2 031 752	1 994 651	-37 101	-1,8%
Number of Vehicles Used during Rush Hour		384	385	386	1	0,3%
Average Capacity of Vehicles		92	91	90	-1	-1,2%
Occupation Rate	%	13,1%	13,4%	14,3%	0,9 pp	6,8%
Average Service Speed	Km/H	15,8	15,8	15,6	-0,2	-1,1%
Service Compliance Rat [1]	%	97,4%	96,0%	96,2%	0,2 pp	0,2%

[1] (Scheduled Journeys – Lost Journeys) + Scheduled Journeys.

Source: Operations Department. Includes entry and exit trips from lines and excludes

INDICATORS OF BUS SECTOR OPERATIONAL ACTIVITY

In 2019 the Bus sector

- Carried on average per kilometer of service almost 13 passengers / km, an increase of 5.6% compared to 2018;
- It had an average revenue per kilometer of service of 2.2 euros, 4.2% more than in 2018;
- On average, each driver transported more than 80 thousand passengers in the year, a slight reduction of 0.6% compared to 2018;
- Was responsible for 99% of passengers transported, for 99% of km km carried out and for 96% of STCP's revenue.

					VARIATION 2019/2018	
Bus Operational Activity Indicators	Unit	2017	2018	2019	abs.	%
Average of Passengers per Vehicle km Service	n°	3,2	3,3	3,4	0,2	5,3%
Revenue per Vehicle Km Service	€	2,0	2,1	2,2	0,1	4,0%
Average of Vehicles Km per Service per Driver	n°	24 878	24 738	23 350	-1 388	-5,6%
Average of Passengers per Driver	n°	80 268	80 927	80 408	-519	-0,6%



STCP

IDSTOP
CORD4

zona
PRT1
andante

CORDOARIA

305

HOSPITAL SÃO JOÃO

12M

ALIADOS

13M

ALIADOS

5.3 TRAM SECTOR

5.3.1 TRAM NETWORK

Trams serve the municipality of Porto, on a route from the mouth of the Douro River, to the historic center of the city. There are three functional lines.

The network covers 9 kilometers, serving 42 stops in total, 34 exclusive and 8 shared with the bus sector.



Caption: map of tram lines, signaled in green, red and blue.

CHANGES TO TRAM NETWORK

Tram lines number 1 and 18 began stopping in front of the Tram Museum, in **new with platforms**, installed by

the Porto Town Council, allowing to improve the waiting conditions and accessibility to the trams.

In 2019 the real-time connection of the Tram Exploration Support System (SAE) to the Integrated Management Center (CGI) of the Porto City Council was completed.

The Tram operation started to be monitored in real time by the authorities present at the CGI, namely the Municipal Police, PSP, Firefighters and Civil Protection.

Depending on the events reported by brakemen, using the tablet installed inside the tram, the authorities can send the adequate means to support and resolve any disputes.

With the opening of the events, the communication sent to the CGI by the SAE features, in addition to the geographic location, the mobile number of the tram, so that the authorities, if so they wish, can be able to communicate directly with the brakemen who submitted the occurrence. The implementation of this functionality has allowed for a faster and more efficient monitoring and treatment of the occurrences verified on tram service, by the authorities.

5.3.2 TRAM PASSENGERS, REVENUE AND OFFER

TRAM PASSENGERS

In 2019, **around 738 thousand passengers were transported in trams**, registering a decrease of around 7 thousand passengers, -0.9% compared to 2018. The validations of tram tickets in 2019 represented

around 84% of total passengers, as in 2018. Passengers with subscriptions are residual.

Km Passengers also decreased, by 0.7%.

Tram Passengers Indicators	Unit	2017	2018	2019	VARIATION 2019/2018	
					abs.	%
Tram Tickets	thousands	596	626	622	-5	-0,8%
Monomodal and Intermodal Subscriptions	thousands	133	119	117	-2	-1,9%
Passengers	thousands	729	745	738	-7	-0,9%
% of Tram Tickets	%	82%	84%	84%	0,2 pp	0,2%
Average Journey per Passenger	Km	1,76	1,77	1,77	0,00	0,2%
Passengers Km	thousands	1 281	1 317	1 307	-10	-0,7%

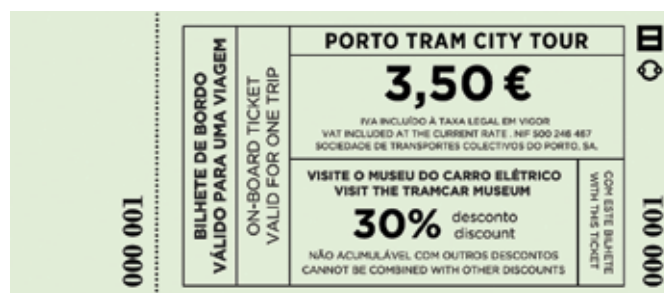
TARIFF UPDATED OCCURRED IN FEBRUARY

- Increase in the price of the ticket for a trip to **EUR 3.50, plus 50 cents;**
- Creation of a new ticket for 2 trips, with a price of EUR 6.

TRAM REVENUE

Tram Revenue represented almost EUR 2 million, increasing **EUR 114,000 (6.2%) compared to 2018**. 98% of tram revenue derives from tickets sold.

In view of the tariff changes that occurred, the Average Revenue per Passenger of a Tram **increased 7.2% in 2019**, standing at 2.7 euros, compared to 2.5 euros in 2018.



					VARIATION 2019/2018	
Tram Revenue Indicators	Unit	2017	2018	2019	abs.	%
Tram Tickets	thousands €	1 610	1 811	1 926	115	6,4%
Monomodal and Intermodal Subscriptions	thousands €	50	46	45	-1	-2,4%
Revenue	thousands €	1 660	1 857	1 971	114	6,2%
% of Tram Tickets	%	97%	98%	98%	0,2 pp	0,2%
Average Revenue per Passenger	cents €	2,3	2,5	2,7	0,2	7,2%

TRAM OFFER

In 2019, the tram sector covered 152 thousand kilometers of service, registering a reduction of 10,000 kilometers (6.4%) by comparison to 2018. This reduction was essentially due to the lack of available brakemen, caused by long-term illness. 19 thousand Service Hours were carried out in 2019, registering less 0.8% than 2018.

In 2019, the Occupancy Rate increased by 1.2 pp compared to 2018, standing at 20.5%. The Tram Sector Service Completion Rate (travel) was 89.9% in 2019, down 0.3 percentage points from 2018.

					VARIATION 2019/2018	
Tram Offer Indicators	Unit	2017	2018	2019	abs.	%
Vehicles Km of Service	thousands	148	162	152	-10	-6,4%
Hours of Service	thousands	17,6	18,9	18,7	-0,2	-0,8%
Seat Km Service	thousands	6 223	6 816	6 383	-433	-6,4%
Number of Vehicles used in Rush Hour		5	5	5	0	0,0%
Maximum Capacity of Vehicles		42	42	42	0	0,0%
Occupation Rate	%	20,6%	19,3%	20,5%	1,2 pp	6,0%
Average Service Speed	Km/H	8,4	8,6	8,1	-0,5	-5,6%
Service Compliance Rate [1]	%	92,1%	90,2%	89,9%	-0,3 pp	-0,3%

[1] (Scheduled Journeys – Lost Journeys) + Scheduled Journeys.
Source: Tram Unit. Scheduled journeys do not include extra journeys.

INDICATORS OF TRAM OPERATIONAL ACTIVITY

In 2019, the Tram sector:

- Carried an average of 4.9 passengers per kilometer of service, representing an increase of 5.8% compared to 2018;
- Had an average revenue per kilometer of service of EUR 13.0, 13% more than in 2018;
- On average, each brakeman carried more than 43 thousand passengers in the year, registering a slight reduction of 13% compared to 2018;
- Was responsible for 1% of passengers transported, for 1% of km km carried out and for 4% of STCP's revenue.

VARIATION 2019/2018

Tram Operational Activity Indicators	Unit	2017	2018	2019	abs.	%
Average of Passengers per Vehicle km Service	n°	4,9	4,6	4,9	0,3	5,8%
Revenue per Vehicle Km Service	€	11,2	11,4	13,0	1,5	13%
Average of Vehicles Km per Service per Driver	n°	11 397	10 818	8 939	-1 879	-17%
Average of Passengers per Brakemen	n°	56 056	49 682	43 421	-6 261	-13%

Taking advantage of the renewal of the image, STCP chose to go further and also innovate in the information available at stops...

5.4. COMMUNICATION AND INFORMATION TO CUSTOMERS

STCP BRAND RENEWAL

The renewal project for the STCP brand continued in 2019 with the **total renovation of the image in four series of existing buses** that will not be scrapped until the end of 2021 (standard MAN buses, all articulated buses, double decks and mini-buses, for a total of 122 vehicles), information to the public, digital and printed, and internal communication.

STCP is taking on the new green, characteristic of the new image, on buses and in all communication with the customer, associated with a new modern design.

Taking advantage of the renewal of the image, STCP chose to go further and also innovate in the **information available at stops**:

- The old maps were replaced by new **maps of schematic representation**, after an intense work of definition of rules, concepts and image.
- The simplification of information and its readability by

a wider audience were the objectives associated with the new design adopted, always bearing in mind the ecological positioning assumed by the brand.

- The stop signs underwent a renovation, which consisted of an increase in the numbers and color rectangles of the lines, with the aim of giving greater emphasis to the service available.

The image change was also transposed to the **STCP website**.

The **internal stationary** was progressively updated, as the stock of existing materials ran out. The definition of the image of the company's stationary was also the subject of a reflection, taking the opportunity to redefine the layout of various printed materials and reduce the number of models in use, as well as the use of paper. The new signage of the company's facilities awaits the remodeling works planned for the Collection Stations.



DADE INTELIGENTE

VALONGO



GAMA



CUSTOMER COMMUNICATION

Information on the service changes on the lines, definitive and provisional, is numerous and has a daily basis, so that customers can move around our network safely and with knowledge.

The digital media became increasingly important in 2019, however, the updating of **information in all STCP stops**, as well as customer service through the telephone helpline, called Blue Line, deserved equal attention.

The communication carried out reinforced the new image of STCP and the concern for a closer relationship with the customer. Emotional communication was also carried out, with the promotion of special days, such as Mother's Day, Father's Day, Women's Day, among others.

It is also worth mentioning the **attention paid by the "media" to the multiple press notes** of STCP.

Hereunder is highlighted some of the information disclosed:

- **395 published notices**
- **8.000 update dschedules at stops**
- **1.500 maps placed at stops**
- **400.000 "Service Changes" alert email**
- **More than 6 million visits to the STCP website**
- **95.000 Blue Line contacts**
- **18.000 followers on Facebook**

- **Nearly 800 thousand Wi-Fi users**
- **Approximately 5.4 million internet sessions**
- **135.3 TB of internet traffic**
- **28 million searches with STCP results on Google Transit**



Valentine's Day 2019

COMPLAINTS

In 2019, were registered 2,390 complaints, 280 more complaints (13%) than in 2018.

VARIATION 2019/2018

Customer Complaints	2017	2018	2019	abs.	%
Bus	1 330	2 108	2 378	270	13%
Tram	7	2	12	10	500%
Total Complaints	1 337	2 110	2 390	280	13%

About 81% of complaints received in 2019 related to non-compliance with service hours. Complaints on this topic increased 16% over the previous year.

The increase of vehicle circulation times directly impacted compliance with timetables, thus resulting in an increase of complaints.

**DISCLOSURE CAMPAIGNS**

STCP marked Valentine's Day, Father's Day, Mother's Day, Grandparents' Day and Environment Day, with various hobbies on social networks and initiatives that involved

customers and some of the employees, inside buses and at stops.



C6

EMPLOYEES

6. EMPLOYEES

6.1 EVOLUTION OF PERMANENT EMPLOYEES

STCP, S.A.'s staff on December 31 was 1,289 workers, representing an increase of 18 elements over the end of the previous year.

Permanente Staff on December 31 st [1]	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Total	1 242	1 271	1 289	18	1,4%
Operational Vehicle Crew	915	944	956	12	1,3%
Drivers	900	928	938	10	1,1%
Brakemen	15	16	18	2	13%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

The average headcount in 2019 was 1,267 workers, representing an increase of 36 elements compared to the end of the previous year.

Average Permanent Staff [1]	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Total	1 226	1 231	1 267	36	2,9%
Operational Vehicle Crew	906	913	942	29	3,1%
Drivers	893	898	925	27	3,0%
Brakemen	13	15	17	2	11%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

By December 31, 2019, 73 workers had left STCP (including unpaid leave). During the year, 91 workers entered the company (including returning from unpaid leave). During 2019, 22 professional internships and 18

curricular internships were made available, the majority in cooperation with professional schools and educational institutions.

STAFF RENEWAL

STCP, through Order N° 452/2019 of the Secretary of State for the Treasury (SET), of 28 May, authorized personnel hiring to replace workers who ceased their roles with the company during 2019, as well as for seven workers whose contract ended in 2018 and for whom admission was not possible to guarantee during that year.

It was not possible to make all replacements authorized in 2019, namely in the repair areas, since there is a lack of skilled workers in the market.

The second phase of reinforcing the number of crew members, initiated in 2018, was also carried out, totaling 20 workers under the same Order referred to above.

On October 16, 2019, STCP sent to the sectorial tutelage, Ministry of Environment and Climate Action, a request for authorization to increase the number drivers, which is awaiting a response.

6.2 STAFF STRUCTURE

6.2.1 ASSIGNMENT OF STCP'S STAFF PER ACTIVITY

The following table shows the evolution of the number of employees by type of activity. The number of employees allocated to the operation increased 2.1% (22) in 2019:

Permanent Staff Structure on December 31 st [1]	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Vehicle Crew	915	944	956	12	1,3%
Inspectors/Coordinators	35	33	41	8	24%
Suppliers	32	34	37	3	8,8%
Other Services	27	24	23	-1	-4,2%
Operation Staff	1 009	1 035	1 057	22	2,1%
Vehicle and Premises Maintenance Staff	119	115	113	-2	-1,7%
Remaining	114	121	119	-2	-1,7%
Total	1 242	1 271	1 289	18	1,4%
% Operation Staff	81,2%	81,4%	82,0%	0,6 pp	0,7%
% of Vehicle and Premises Maintenance Staff	9,6%	9,0%	8,8%	-0,3 pp	-3,1%
% Remaining	9,2%	9,5%	9,2%	-0,3 pp	-3,0%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

6.2.2 STRUCTURE OF STCP'S PERMANENT STAFF PER TRANSPORT SECTOR

The evolution of the number of employees by sector of transport is shown in the following table, which is stable over the period 2017 to 2019:

Permanent Staff per Sector on December 31 st [1] [2]	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Bus Sector Permanent Staff	1 200	1 225	1 243	18	1,5%
Tram and Museum Sector Permanent Staff	42	46	46	0	0,0%
STCP Total	1 242	1 271	1 289	18	1,4%
% of Bus Sector Permanent Staff	96,6%	96,4%	96,5%	0,1 pp	0,1%
% of Tram and Museum Permanent Staff	3,4%	3,6%	3,5%	-0,1 pp	-2,8%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

[2] Employees assigned to STCP support areas are included in bus sector.

6.2.3 STCP'S PERMANENT STAFF ASSIGNED BY TRANSPORT SECTOR AND ACTIVITY

Should be noted, in the bus sector, the addition of 8 inspectors and 10 drivers during 2019.

Permanent Staff per Sector and Activity on December 31 st [1] [2]	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Drivers	900	928	938	10	1,1%
Inspectors and Coordinators	35	33	41	8	24%
Suppliers	32	34	37	3	8,8%
Other Operation	27	24	23	-1	-4,2%
Operation Employees	994	1 019	1 039	20	2,0%
Vehicle and Premises Maintenance Employees	96	90	90	0	0,0%
Remaining [2]	110	116	114	-2	-1,7%
Bus Sector Permanent Staff	1 200	1 225	1 243	18	1,5%
Brakemen	15	16	18	2	13%
Vehicle and Premises Maintenance Employees	23	25	23	-2	-9,3%
Museum	4	5	5	0	0,0%
Tram and Museum Permanent Staff	42	46	46	-1	-1,4%
STCP Total	1 242	1 271	1 289	18	1,4%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

[2] Employees assigned to STCP support areas are included in bus sector.

6.3 PERMANENT STAFF PROFILE

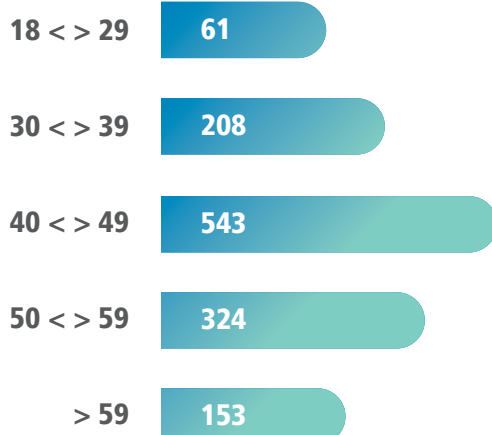
The average age of employees at December 31, 2019 was 46.6 years, with 16.7 years of experience at the Company. The hiring policy followed has allowed the average age to be reduced over the past few years. The level of education

maintained the upward trend in 2019. As of December 31, 45% of workers had Secondary or Higher Education qualifications.

	VARIATION 2019/2018				
Profile of Permanent Staff on on December 31 st [1]	2017	2018	2019	abs.	%
Age Structure					
18 < - > 29	30	53	61	8	15%
30 < - > 39	171	194	208	14	7,2%
40 < - > 49	537	543	543	0	0,0%
50 < - > 59	297	311	324	13	4,2%
> 59	207	170	153	-17	-10%
Total	1 242	1 271	1 289	18	1,4%
Average Age (years)	48,2	47,1	46,6	-0,5	-1,0%
Average Longevity in the Company (year)	20,0	18,0	16,7	-1,4	-7,6%
% Employees with Secondary of Higher Education	37,8%	41,9%	44,7%	2,8 pp	6,6%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

AGE STRUCTURE 2019



PERMANENT STAFF BY GENDER

As of December 31, 2019, 124 women worked at STCP, corresponding to 9.6% of the total workforce. That year registered an increase of 12 women, + 11% compared to 2018.

In 2019, the first woman to work as inspector of the network's control center was selected via internal competition.

			VARIATION 2019/2018		
Permanent Staff by Gender on on December 31 st [1]	2017	2018	2019	abs.	%
Women	99	112	124	12	11%
Men	1 143	1 159	1 165	6	0,5%
Total	1 242	1 271	1 289	18	1,4%
% Women	8,0%	8,8%	9,6%	0,8 pp	9,2%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

50% of the women at STCP exercise work as vehicle crew.
Of the total number of male workers in the company, 76.7% work as crew members.

			VARIATION 2019/2018		
Women's Position on on December 31 st [1]	2017	2018	2019	abs.	%
Manager	2	2	2	0	0,0%
Vehicle Driver	43	52	62	10	19%
Others	54	58	60	2	3,4%
Total of Women	99	112	124	12	11%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

			VARIATION 2019/2018		
Men's Position on on December 31 st [1]	2017	2018	2019	abs.	%
Manager	8	8	8	0	0,0%
Vehicle Driver	872	892	894	2	0,2%
Others	263	259	263	4	1,5%
Total of Men	1 143	1 159	1 165	6	0,5%

[1] Does not include governing bodies, seconded employees and unpaid leave. Includes transferees.

ABSENTEEISM

Global absenteeism stood at 9.3% in 2019, rising 0.4 pp compared to the previous year. Absenteeism is justified by absences due to sick leave, accident due to absence, strikes and justified absences. Sick leave remains the main cause of total absenteeism, accounting for 67% of absenteeism in 2019, which represents an increase of

2 p.p. compared to the previous year. It is worth noting the reduction in absenteeism due to accident leave, responsible for 5% of absenteeism in 2019, when in 2018 it was responsible for 8% of absenteeism.

Absenteeism	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Company Total	8,4%	8,9%	9,3%	0,4 pp	4,8%
Driver Staff [1]	8,1%	9,5%	10,2%	0,7 pp	7,6%
Other Staff	9,2%	7,3%	6,7%	-0,6 pp	-7,6%

[1] Drivers and Brakemen

OVERTIME WORK

In 2019, 61 thousand overtime hours were worked, down 19% (14 thousand hours) compared to 2018. The decrease of 16 thousand overtime hours, in the crew, reflects the reinforcement of personnel obtained

since 2018.

The cost of extra work amounted to around 458 thousand euros in 2019, decreasing 16% (89 thousand euros) compared to the previous year.

Overtime (in thousands)	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Total Overtime Hours	57	75	61	-14	-19%
Vehicle Crew Overtime	49	67	51	-16	-25%
Total Cost [1] euros	395	547	458	-89	-16%
Total Vehicle Crew Cost [1] euros	322	473	357	-116	-24%

[1] Does not include expenses with Social Security.

TRAINING

Considering the paramount role of training for professional development, STCP, in 2019, sought to contribute to the training of its workers at various levels of the company.

Training Hours	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Vehicle Crew	20 358	26 636	31 562	4 926	18%
Other Employees	1 398	2 288	3 473	1 185	52%
Total	21 756	28 924	35 035	6 111	21%
% Vehicle Crew	94%	92%	90%	-2,0 pp	-2,2%

Number of Employees Involved in Training	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Vehicle Crew	683	829	571	-258	-31%
Other Employees	121	123	128	5	4,1%
Total	804	952	699	-253	-27%
% Vehicle Crew	85%	87%	82%	-5,4 pp	-6,2%

Number of Hours on average of Employee per Training	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Vehicle Crew	30	32	55	23	72%
Other Employees	12	19	27	9	46%
Total	27	30	50	20	65%

More than 35 thousand hours of training were carried out in 2019, corresponding to an increase of 21% (+ 6,111 hours) compared to the previous year, with 90% of these hours being directed to vehiclecrew members.

The number of workers subject to training actions was

699, corresponding to about 55% of the total average workforce in 2019.

The workers who received training completed an average of 50 hours of training in 2019. This number increased by 65% in 2019, from 30 hours in 2018 to 50 hours in 2019.

Among the actions taken, the following stand out:

- drivers and brakemen, which involved a total of 571 workers, and about 31 thousand hours, with a special focus on behavioral aspects, on operational units and on the new MAN Buses using natural gas.
- Formation of the STCP network, enabling all workers to become aware of the entire company network, with a view to reorganizing lines between Operational Units, which involved 52 workers for a total of 14,209 hours.
- 45 safety training and awareness actions, namely training related to self-protection measures, safety in driving vehicles and safety in driving forklifts, involving 239 workers.
- Other actions were also carried out in the following areas: The Choice - Service Awareness; qualification for obtaining the drivers aptitude certificate (CAM); legal and accounting training and completion of the Executive MBA by 2 company staff.
- Participation of several company staff in programs, fairs and international events related to the bus fleet and advanced training promoted by UITP - *Union Internationale des Transports Publics*.

6.4 OCCUPATIONAL HEALTH AND SAFETY

Hygiene and Safety at Work (HST) collaborates closely with Occupational Medicine, namely in the assessment of occupational risks, working conditions, and the evaluation and analysis of occupational accidents.

In this context, HST assesses the risks associated with workplaces, inspects work stations and equipment,

prepares and implements recommendations on prevention matters, reports on working conditions and action plans. During the year, 60 inspections were carried out on installations, workstations and equipment.

						VARIATION 2019/2018		
Indicators of Occupational Accidents				2017	2018	2019	abs.	%
Frequency rate (Tf)	=	(N° of occupational resulting in absence / N°of hours actually worked) x 1.000.000	=	36,0	36,3	36,5	0,2	0,5%
Severity rate (Sr)	=	(N° of days missed / N° of hours actually worked) x 1,000,0000	=	970	1 187	748	-439	-37%
Incidence rate (Ir)	=	(Total n° of accidents / Total n° of employees) x 1,000	=	74,0	69,6	70,0	0,4	0,5%

In 2019, there was a decrease in the severity rate, corresponding to a decrease in the days lost due to work accidents, despite the number of accidents being practically the same as the previous year (+3).

In 2019, investment was approved to improve working conditions. Of note is the **installation of lifelines in the Massarelos** facilities for cleaning and repairing the roof.

6.5 PROMOTING BALANCE BETWEEN PERSONAL AND PROFESSIONAL LIFE

Health: provision of free access to medical and nursing specialties at the STCP Clinical Post, as well as the reimbursement of medicines, in the cases provided for. In 2019, **Occupational Medicine** ensured 1,852 consultations to workers, being equally responsible for the evaluation of all admissions.

In 2019, at the **STCP Clinical Post**, 5,843 consultations were carried out in the various medical specialties and nursing care was provided every day at the Collection Station of Francos, and twice a week at the Via Norte Collection Station.

A fixed contribution was paid to workers with children, up to 6 years old, who attend day care centers.

The **Christmas Party** was held on December 8, at the Coliseu do Porto, and the **Summer Camp** for the children of workers up to the age of 12, was made available during the summer period. These and other activities were promoted by the **Cultural and Sports Center STCP Workers (CCDT)**, with financial and logistical support from STCP.

The **STCP Equality Plan**, 2017, and the 2018 **Code of Good Conduct for the Prevention and Combat of Harassment at Work**, were both disclosed to workers.

POST-EMPLOYMENT BENEFITS

The company has had a defined benefit plan since 1975, which provides for the granting of complementary retirement and disability pensions to all workers, as provided for in the company's agreements. In December 1998, the company transferred its responsibility to the BPI Valorização Open Pension Fund (Adhesion N° 24), having been contributing annually, and since that date, in accordance with the financing requests required by the Fund.

As of December 31, 2019, the accounting responsibilities for past services of the BPI Open Pension Fund were 1,537,988 euros.

Decree-Law n° 151/19, of October 3, which operates the STCP Intermunicipalization, stipulates in its article 12, that the Caixa Geral de Aposentações, IP (CGA, IP), will assume the financial burden with the Fund's responsibilities of Pensions and defines that the Social Security Institute, IP (ISS, I.P.) recognition of the right to pension supplements, calculation, updating, payment, suspension and termination thereof.

By Article 18 (1), which came into force 30 days after the publication of that Decree-Law, all information related to the transfer of such responsibilities was provided by STCP, SA and the Open Pension Fund BPI - Valorização, with the Fund assumed responsibility for the information to be provided, relating to payments to be made up to 31 December and the communication to be addressed to the beneficiaries of the Fund, culminating in the provisions of article 17, paragraph 1, of the transfer in the amount of

1,253,080,05 euros, in favor of CGA, IP, to settle STCP's position, which occurred on January 9, 2020.

Despite the publication of Decree-Law N° 175/2019, on December 27, suspending the entry into force of Decree-Law No. 151/2019, making it subject to obtaining a prior opinion by the Court of Auditors, the entire administrative process the transfer of responsibilities with the supplements of retirement and disability pensions was already administratively in its final phase, so the process of transferring responsibilities was completed.

Thus, since January 2020, ISS, I.P., Has been paying the STCP retirement pension supplements.

RELATIONSHIP WITH ORGANIZATIONS REPRESENTING WORKERS (ORT)

The representatives of the Trade Union Organizations undertook, through a Memorandum of Understanding signed on August 14, 2018, to deepen the negotiations with the representatives of the Board of Directors, with a view to achieving social peace in the company.

In this sense, a set of measures was sought to try to reach an agreement to put an end to the strikes in progress,

and it was possible to obtain, in April 2019, with a union organization, the necessary consensus in order to be able to call a strike, which was in force since August 2017, indefinitely, which partially covered services on weekdays and all services on weekends and holidays.



The background is a solid teal color. It features several white geometric lines. A single line starts from the top left and extends diagonally towards the top right. Another line starts from the middle left and extends diagonally towards the bottom right. A series of connected line segments on the left side form a jagged, step-like pattern that extends from the middle left towards the bottom left. A horizontal line segment is located in the lower right area.

C7

THE FLEET

7. THE FLEET

7.1 STCP'S FLEET

STCP has three collection stations, two for buses at **Francos** and **Via Norte**, and one for trams at **Massarelos**.



Hereunder is presented the evolution of STCP's fleet, from 2017 to 2019:

STCP Fleet available on 31/12	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Natural gas standard	228	220	239	19	8,6%
Natural gas articulated	29	29	29	0	0%
Natural gas buses	257	249	268	19	8%
Electricity standard	0	12	15	3	25%
Electricity Bus	0	12	15	3	25%
Diesel standard	117	116	99	-17	-15%
Diesel articulated	20	20	20	0	0%
2-Deck	15	15	15	0	0%
Diesel mini-bus	8	8	8	0	0%
Diesel buses	160	159	142	-17	-11%
Bus Fleet [1]	417	420	425	5	1,2%
Tram Fleet	6	6	7	1	17%
STCP Fleet on 31/12	423	426	432	6	1,4%

[1] In 2018, STCP's fleet was composed by 419, and in 2019 was 420, with the return of a vehicle borrowed to CMP. However, from 31/12/2018 to 31/12/2019, the total park fleet was of 420 and 425, respectively, due to the temporary lag between the reception of new buses and the scrapping of the existent ones, as a result of the fleet renewal project.

7.2. BUS FLEET

The Bus Fleet Renewal Programme has been underway since 2018.

The Bus Fleet Renewal Program has been running since 2018.

As of December 31, 2019, the fleet consisted of 425 buses. 26% of the fleet has already been renewed, 109 vehicles,

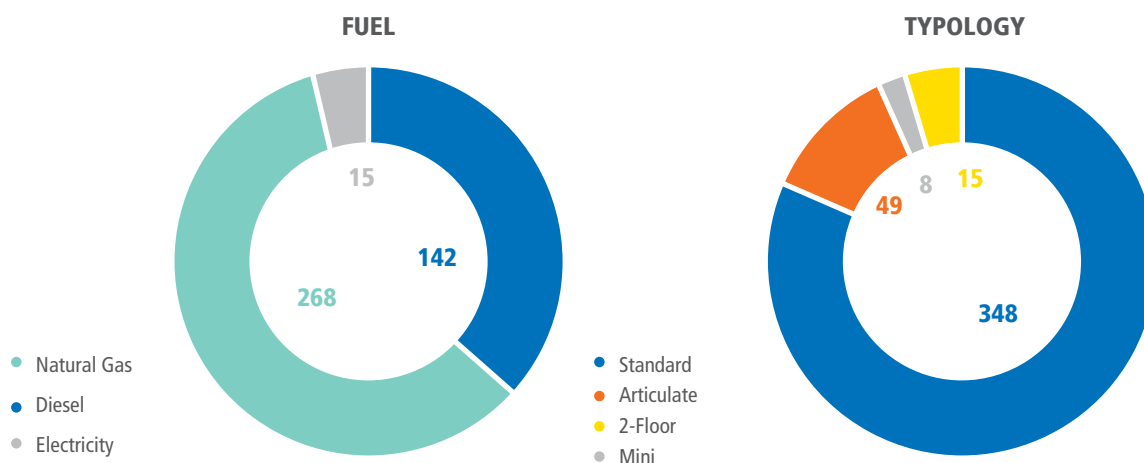
94 on natural gas and 15 on electricity. It should be noted that the percentage of gas and electricity buses at the end of 2019 represents 67% of the total fleet, while in 2018 it represented 62%.

The following table shows the evolution of the fleet by vehicle type, series, and fuel type, from 2017 to 2019:

Available Bus Fleet on 31/12	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
MAN NL 233 GNC 1 st Series	77	42	0	-42	-100%
MAN NL 310 Gas - 2 nd S	51	50	45	-5	-10%
MAN NL 310 Gas - 3 rd S	50	50	50	0	0%
MAN NL A22 Gas - 4 th S	50	50	50	0	0%
MAN A69 GNC LE 5 th Series	0	28	94	66	236%
Natural gas standard	228	220	239	19	8,6%
MAN LCG 1 st Series Artic Gas	29	29	29	0	0%
Articulados a gás natural	29	29	29	0	0%
Autocarros a Gás Natural	257	249	268	19	7,6%
Caetano Bus E. City Gold	0	12	15	3	25%
Electricity Bus	0	12	15	3	25%
MAN NL 263	5	4	4	0	0%
Mercedes Citaro 6 th Series	2	2	2	0	0%
Mercedes Citaro 5 th Series	75	75	63	-12	-16%
Mercedes 4 th Series	35	35	30	-5	-14%
Diesel Standard	117	116	99	-17	-15%
Articulated Volvo 89	20	20	20	0	0%
Diesel articulated	20	20	20	0	0%
MAN Lion City 2-Floor	15	15	15	0	0%
Diesel 2-deck	15	15	15	0	0%
Volkswagen Mini	8	8	8	0	0%
Diesel mini-bus	8	8	8	0	0%
Diesel Bus	160	159	142	-17	-11%
Bus Fleet on 31/12 [1]	417	420	425	5	1%
% of gas and electricity Buses	61,6%	62,1%	66,6%	4,4 pp	7,2%
New Fleet	0	40	109	69	173%

[1] In 2018, STCP's fleet was composed by 419, and in 2019 was 420, with the return of a vehicle borrowed to CMP. However, from 31/12/2018 to 31/12/2019, the total park fleet was of 420 and 425, respectively, due to the temporary lag between the reception of new buses and the scrapping of the existent ones, as a result of the fleet renewal project

FUEL AND TYPOLOGY ON 31/12/2019



EASY ACCESS NETWORK

STCP has instituted a policy of integration and generalization of public transport for people with reduced mobility. At the end of 2019, about 93% of the fleet consisted of buses with a ramp and a reserved place for wheelchairs. Note that all buses have a low floor between

doors and allow a stroller to travel open. **The scrapping of the latest vehicles without a ramp, scheduled for 2020, will start a fully accessible STCP bus network, at all times and routes.**

"By the end of 2019, 26% of the bus fleet had already been renewed".

AVERAGE AGE OF THE BUS FLEET

As a result of the implementation of the **Bus Fleet Renewal Program**, the average age of the bus fleet has

been decreasing. The 12/31/2019 was 11.9 years, 14% less than the 12/31/2018, when it reached 13.9 years.

Average age of the Bus Fleet (years)	2017	2018	VARIATION 2019/2018		
			2019	abs.	%
Natural gas standard	15,0	13,6	9,9	-3,8	-28%
Natural gas articulated	10,8	11,8	12,8	1,0	8,5%
Natural Gas Buses	14,5	13,4	10,2	-3,3	-24%
Electricity standard	0,0	0,4	1,3	0,8	195%
Electricity Buses	0,0	0,4	1,3	0,8	195%
Diesel standard	17,6	18,6	19,6	1,0	5,4%
Diesel articulated	7,4	8,4	9,4	1,0	12%
Diesel 2-floor	6,8	7,8	8,8	1,0	13%
Diesel mini-bus	5,7	6,7	7,7	1,0	15%
Diesel buses	14,7	15,7	16,3	0,7	4,2%
Average age of bus fleet (years)	14,6	13,9	11,9	-2,0	-14%



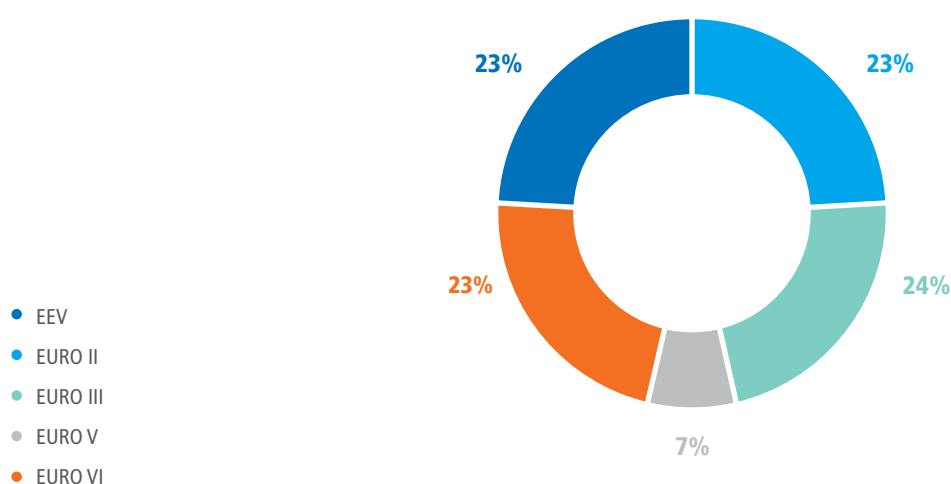
EURO STANDARDS

In order to minimize the harmful effects of emissions from road vehicles, the European Union establishes standards that set the limits for the various pollutants that must not be exceeded, depending on their date of manufacture.

In 2019, and with the Fleet Renewal Program, there is a gradual growth in vehicles that comply with the Euro VI

Standard, a trend that will continue to be evident until 2021. At the end of the year, all 15 electric buses also circulated, giving thus, STCP's transport activity is more harmonized with the environment, both in terms of atmospheric emissions and energy efficiency.

EURO STANDARDS 2019



VARIATION 2019/2018

Fleet by Euro Standards	2017	2018	2019	abs.	%
Euro II	192	156	97	-59	-38%
Euro III	103	102	97	-5	-5%
Euro V	28	28	28	0	0%
EEV	94	94	94	0	0%
Euro VI	0	28	94	66	236%
Fleet by Euro Standards	417	408	410	2	0%
Trams	0	12	15	3	25%
Bus Fleet	417	420	425	5	1%

RATE OF IMMOBILITY AND BREAKDOWNS

In 2019 the immobilization rate of the bus fleet was 15.7%, 4 p.p. higher than the rate recorded in 2018. About 16% of the immobilization rate, refers to vehicles immobilized for scrapping.

				VARIATION 2019/2018		
Immobility - Bus	unit	2017	2018	2019	abs.	%
Fleet [1]	número	417	418	426	8	2%
Rate of Immobility	%	10,2%	11,7%	15,7%	4,0 pp	34%
Breakdowns /1.000 km [2]	1/10 ³ km	1,37	1,46	1,69	0,23	16%

[1] Average Fleet (considers specific dates for the entry and scrapping of vehicles)

[2] Considers the total kilometers made by the entire bus fleet.

COLLISIONS

In 2019 there were 58 collisions for every million kilometers of service covered. Crash accidents increased by 20% (+215).

				VARIATION 2019/2018		
Collisions	unit	2017	2018	2019	abs.	%
Accidents due to collisions	número	1 190	1 075	1 290	215	20%
Collisions/Vehicles km Service	1/10 ⁶ km	54	48	58	10	21%

The background is a solid teal color. It features several white geometric lines. A single line starts from the top left corner and extends diagonally towards the top right. Another line starts from the middle left edge and extends diagonally towards the bottom right. A third line starts from the bottom left edge and extends diagonally towards the bottom right. There are also several horizontal and vertical lines that create a stepped or staircase-like pattern on the left side of the page.

C8

SUSTAINABILITY

8. SUSTAINABILITY

The sustainability analysis is described throughout several chapters of this management report, and in particular in this chapter.

8.1. INTEGRATED MANAGEMENT SYSTEM

The Integrated Management System of STCP, S.A. is Certified in Quality, Environment and Safety and Occupational Health, according to the following Standards:

NP EN ISO 9001: 2015 - **Quality Management Systems**

NP EN ISO 14001: 2015 - **Environmental Management Systems**

OHSAS 18001: 2007 / NP 4397: 2008 - **Occupational Health and Safety Management Systems**. In 2019, STCP successfully completed its fourth three-year certification cycle for its Integrated Management System.

In 2019, the company consolidated the philosophy of risk-based thinking, introduced in the previous year with the transition to the new versions of the management standards in Quality and Environment.

One of the most important changes in these new standards was to establish a systematic approach to identifying,

assessing and controlling opportunities and risks. All areas of the company collaborated in the elaboration of the **matrix of risks and opportunities**, and in the identification of important situations to be the object of monitoring and actions.

In 2020, the transition to the normative reference for Occupational Health and Safety Management Systems, the recent NP EN ISO 45001: 2019 standard, is expected. This standard has a structure identical to that of Quality and Environment, giving priority to risk-based thinking, context analysis and stakeholders in the management of companies.

In this way, STCP expects to continue to implement the continuous improvement of its processes, meeting the expectations of its customers, workers, shareholders and the community with which it somehow impacts the municipalities in which it operates.

8.2. ENVIRONMENT

8.2.1 ENERGY

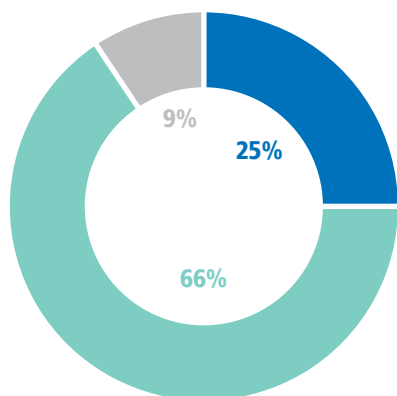
The public transport activity performed by STCP is, by its nature, characterized by considerable energy consumption. In the table below, it is possible to analyze the evolution

of the total energy consumption of STCP, measured in toe (equivalent ton of oil).

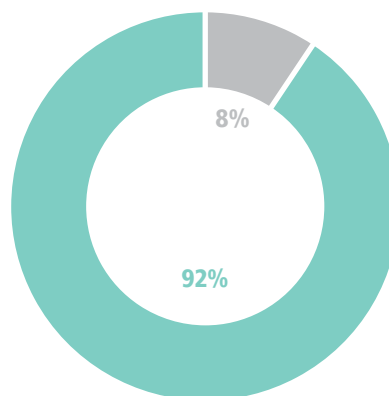
Energy Consumption (TOE) [1]	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Electricity	1 029	1 079	1 238	159	15%
Natural gas	9 478	9 520	9 655	135	1,4%
Diesel	3 828	3 805	3 638	-168	-4,4%
Total	14 335	14 404	14 530	126	0,9%
‰ of Electricity and Natural gas	73%	74%	75%	1,4 pp	1,9%

TOE - Tone of oil equivalent. Calculation made according to the converters provided by the Directorate-General for Energy and Geology (DGEG) in the scope of the POSEUR 2018 application.

ENERGY MIX 2019



ENERGY DISTRIBUTION 2019



- Natural gas
- Diesel
- Electricity

- Fixed Premises
- Public Service Fleet

ENERGY CONSUMPTION OF PUBLIC SERVICE FLEET

VARIATION 2019/2018

Energy Consumption (TOE) [1]
Public Service Fleet

	2017	2018	2019	abs.	%
Tram	99	98	91	-6,8	-7,0%
Electric Buses	0	5	53	48	911%
Natural gas Buses	9 464	9 502	9 633	132	1,4%
Diesel Buses	3 828	3 805	3 638	-168	-4,4%
Total	13 391	13 410	13 416	5	0,04%
Fleet Energy Consumption (toe) /Passengers km Total⁶	50	49	47	-2	-4,6%

TOE - Tone of oil equivalent. Calculation made according to the converters provided by the Directorate-General for Energy and Geology (DGEG) in the scope of the POSEUR 2018 application.

It appears that in 2019 the energy consumption of the public service fleet per km passenger transported decreased by 4.6%, thus distinguishing another of the positive effects of the Bus Fleet Renewal Program.

ENERGY CONSUMPTION OF FIXED PREMISES

Energy Consumption (TOE) [1] Fixed Premises	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Electricity	930	975	1 093	118	12%
Natural gas	14	18	21	3	18%
Total	944	994	1 115	121	12%

TOE - Tone of oil equivalent. Calculation made according to the converters provided by the Directorate-General for Energy and Geology (DGEG) in the scope of the POSEUR 2018 application.

In 2019, there was an increase in the energy consumption of fixed installations. It should be noted that electricity used by natural gas filling stations is included here and electricity from public service vehicles.

natural gas filling station at the Via Norte Station will allow a lesser energy effort from the compressors of the current compressed natural gas filling station at the Franco Collection Station.

The Franco Collection and Via Norte Stations, which are associated with the highest electrical consumption, being quite old industrial installations, will be subject to restructuring works, in the short term, which will focus, among other points, on an improvement and updating of the electrical infrastructures. On the other hand, it is estimated that the construction of the new liquefied

Piped natural gas is only used at the Frank Collection Station, intended for heating air in the vehicle's paint booth and for various uses, such as food cooking and sanitary water heating. In 2019, there was an increase in bus painting activity with the growth of the fleet maintenance team, reflected in an increase in the consumption of natural gas.

CO₂ EMISSIONS

CO ₂ Emissions [1]	unit	VARIATION 2019/2018				
		2017	2018	2019	abs.	%
Fixed Premises Natural gas	Ton	37	49	57	9	18%
Bus Natural Gas	Ton	22 231	22 320	22 629	309	1,4%
Bus Diesel	Ton	11 873	11 804	11 284	-520	-4,4%
CO₂ Emissions	Ton	34 142	34 172	33 970	-202	-0,6%
CO₂ Emissions / Passengers Km Bus	g / Pass km	128	126	119	-7	-5,2%

[1] Re-calculation of values since 2017 based on the coefficients used for 2018, in the scope of the POSEUR 2018 application.

In 2019, CO₂ emissions per passenger km transported decreased by 5.2%, thus proving another positive effect of the Bus Fleet Renewal Program.

8.2.2 WATER

At STCP, there is a culture of saving water, shared both by the company's own employees and by internal service providers.

In 2019, STCP consumed a total of 28,900 m³ of water.

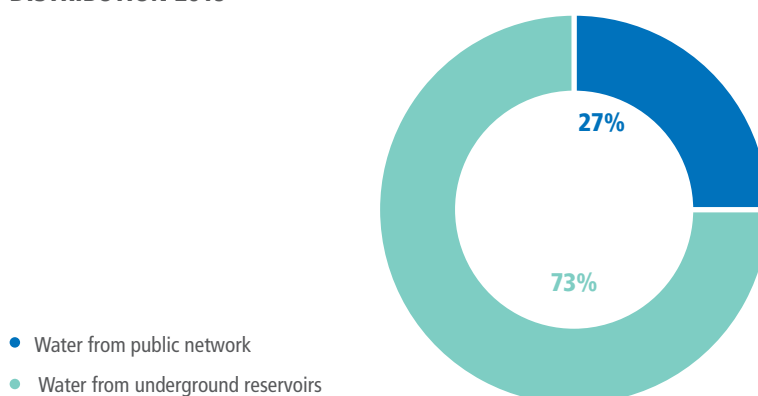
Water Consumption m ³	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Public Network Water Consumption	6 764	6 733	7 825	1 092	16%
Underground Reservoirs Water Consumption	16 182	17 461	21 075	3 614	21%
Total Water Consumption	22 946	24 194	28 900	4 706	19%

The water used by STCP comes from the public supply and collection network duly authorized by the Portuguese Environment Association.

Water from the public supply network is intended for human consumption, while water from reservoirs is

used in the washing and cleaning activities of the public transport fleet. This activity is necessarily characterized by high water consumption. In 2019, 73% of the total water consumed by STCP came from reservoirs.

WATER CONSUMPTION DISTRIBUTION 2019



The highest consumption of water is registered at the Collection Station of Franco and Via Norte Station. With the restructuring of these facilities, it is expected that the respective water distribution systems will improve and that this will result in a reduction in consumption.

There was a total increase of 19% in the water consumed in 2019. The biggest increases, compared to 2018, were registered at the Collection Stations of Via Norte and at the Tram Museum of Massarelos due to the following factors:

- At the Via Norte Collection Station, construction work on the new liquefied natural gas station was an

anomalous situation that led to greater consumption of abstraction water.

- At the Massarelos Tram Museum, significant increases were noted both in the consumption of water from the public network and from the mine. The higher consumption of this was influenced by the fact that the washing routine of historic trams started to include intensive washing of bogies and front grills. On the other hand, the increase in the consumption of water from the public supply network was justified by the increase in public visits to the Museum, resulting in greater use of the showers.

8.2.3 WASTE

As an organization certified in Environmental Management, STCP complies with all applicable legal and normative provisions, including the segregation of waste at source, the preparation of electronic waste guides (GAR) and the exclusive referral to management operators who demonstrate that they are qualified to receive and treat them. Most of the waste produced by STCP is forwarded to specialized operators, with a fraction still being collected by the municipal collection system.

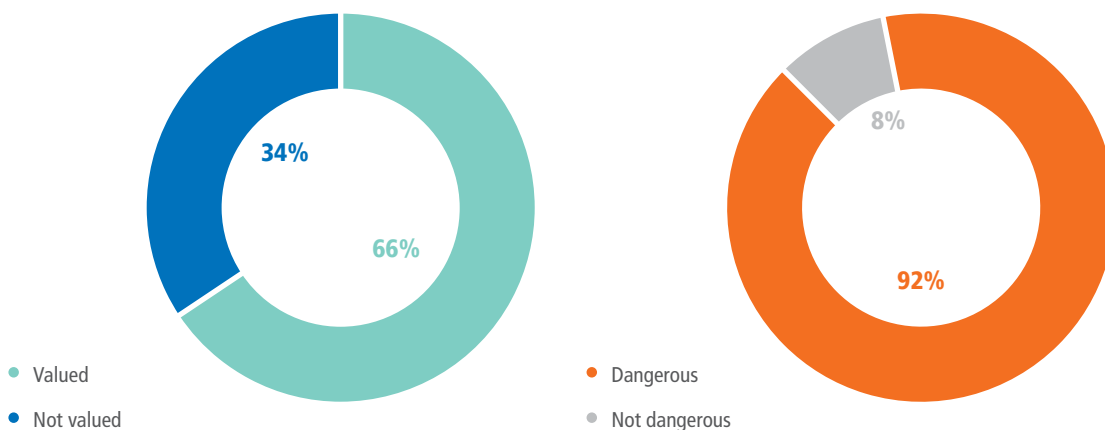
Operating in four different locations, Torre das Antas, Franço Collection Station, Via Norte Collection Station and Massarelos Building, STCP adopts a fluid and adaptable waste separation and management strategy, integrated

in a vision of analysis and continuous improvement. Priority is given to the recovery of waste over disposal. There is also a continuous analysis of work processes and methods regarding the possibility of using non-hazardous products, in order to avoid the consequent production of hazardous waste.

An environmental responsibility policy is also properly instructed in the company; this concern being extended to service providers.

In 2019, STCP produced a total of 1,118 tons of waste, distributed in terms of **Recovery and Hazard** according to the following graphs:

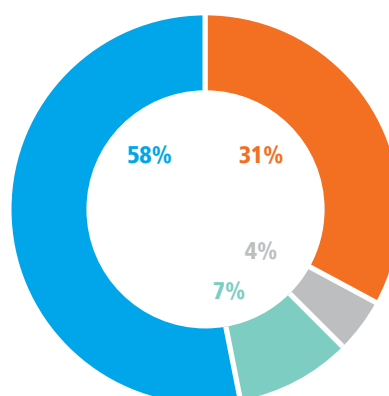
WASTE



Within the totality of waste produced by STCP, are highlighted the following:

WASTE DISTRIBUTION 2019

- End of life buses
- Oily waters and sludge
- Ferrous scrap
- Other



END OF LIFE BUSES

Fleet renewal involves the killing of buses. In 2019, 56 end-of-life buses were re-scraped, making a total of about 645 tones. This type of waste, although dangerous due to possible dangerous substances inside the bus,

has a high recovery potential. STCP guarantees that all scrapping centers that received the buses are duly licensed by Valorcar.

OILY WATERS AND SLUDGE

In 2019, approximately 345 tons of Water and Oily Sludge were produced, due to the cleaning of infrastructure dedicated to the treatment of industrial effluent (decanters, separators, visit boxes). This effluent results mainly from the washing activities of STCP's public transport fleet, as well as from workshop activities. Thus, the production of this waste, although dangerous,

demonstrates the effort exerted by STCP to ensure that its activities have the least environmental and economic impact on municipal treatment systems.

In the management operators that receive this waste, the water is sent to treatment plants, while the sludge is inerted for later landfill.

FERROUS SCRAP

In 2019, about 41 tons of ferrous scrap were produced. Being a waste with different origins (parts of obsolete infrastructure, and components of disused buses), it is also commonly produced in large quantities, being

subsequently managed by duly licensed operators. The amount of waste produced in 2019, as well as its allocation to the activity that generated it, can be analyzed in the following table:

(TONES)		VARIATION 2019/2018			
Activity	Residue	2018	2019	abs.	%
Fleet Renewal	End of life buses	213	654	442	208%
Premises Maintenance	Oily Waters and Sludge	214	345	131	61%
	Fluorescent Light Bulb	0,4	0,3	-0,1	-20%
Repair	Ferrous Scrap	19	41	22	113%
	Used Lube Oils	11	11	0,2	2%
	Suspension Folles	2,9	7,1	4,2	148%
	Lead Accumulators	6,5	6,8	0,3	4%
	Glass	3,2	6,4	3,2	101%
	Wood	1,2	6,4	5,2	425%
	Contaminated Absorbent	2,5	4,0	1,4	55%
	Brake Pads	2,8	1,6	-1,2	-43%
	Contaminated Packages	1,3	1,6	0,3	25%
	Non-Ferrous Scrap	2,1	1,3	-0,7	-36%
	Oil Filters	1,3	1,0	-0,2	-19%
	Air Filters	0,9	0,5	-0,4	-44%
	Paints and Solvents	0,2	0,4	0,2	114%
	Anti-Freeze Liquid	0,2	0,1	-0,1	-40%
General	Undifferentiated	23	22	-1	-3%
	Paper and Cardboard	2,5	3,9	1,5	59%
	Miscellaneous Electronic Equipment	0,4	0,9	0,5	113%
	Plastic Packages	0,8	0,7	-0,1	-10%
	Printing Toners	0,1	0,1	-0,02	-23%
	Batteries	0,00	0,05	0,05	
Medical Station	Medical Waste	0,06	0,04	-0,01	-23%
Total		509	1 118	608	119%

Overall, the main reason for the large increase in production was the renewal of the Bus Fleet, resulting in the re-routing, for scrapping, of 37 more old buses compared to 2018. On the other hand, in 2019 more cleaning of the infrastructures dedicated to reception was carried out. and re-routing of industrial effluent, resulting in a consequent increase in waste water and oily sludge. There was also a greater production of ferrous scrap

waste. The combined growth in the production of these three types of waste was therefore important so that, in 2019, there was an increase of 119% in the production of waste compared to 2018.



8.3 MAIN STAKEHOLDERS

8.3.1. SHAREHOLDER AND METROPOLITAN AREA OF PORTO/ COUNCIL

The **Portuguese State is the sole shareholder** of STCP, S.A..

In accordance with the strategic guidelines received, pursuant to the provisions of article 39 of the RJSPE, the Activities and Budget Plan (PAO) for the year 2019 was prepared, which was approved by the Guardianship, by Order N° 452/19 - SET, May 28th.

The Metropolitan Area of Porto is responsible for the **operational management of STCP, SA, which was delegated** by the State, starting in 2017, partially and temporarily, for a maximum period of 7 years (Decree-Law N° 82/2016, of 28 November).

The operationalization of that management model was carried out with the signing: of the Inter- administrative Contract for the Delegation of Skills, between the Portuguese State and AMP, in 2017; the Inter-administrative Contract Constitution of the Technical Service Unit (UTS) and the Delegation of Skills, signed between AMP and the municipalities of Porto, Vila Nova de Gaia, Matosinhos, Maia, Gondomar and Valongo; the **STCP Operational Management Contract** (CGO), signed between the Portuguese State and AMP, in 2017; of the Second Amendment to the STCP Service Contract between the State, AMP and STCP, whereby AMP assumed

all the legal positions, rights and obligations that the State held in the public service contract, namely the responsibility for financial compensation on public service obligations provided by the company. The inauguration, in early 2018, of the Board of Directors, which includes members appointed by AMP and by the shareholder, the Portuguese State, consolidated the operationalization of this model.

During 2019:

- The indicators defined in the Operational Management Contract (CGO) were monitored and followed up and the respective Report was sent monthly to UTS.
- Compliance with the annual goals defined in the CGO was assessed and the 2018 Execution Report was sent to UTS.
- The evolution of the company's activity and results over the months was presented in several meetings with UTS.
- Several requests for authorization to change the routes and schedules of public service lines were sent to AMP, several mobility proposals to reinforce the offer to various locations and requests for the realization of some special services for events.

The Metropolitan Area of Porto is responsible for the operational management of STCP, SA, which was delegated by the State, starting in 2017.

On September 30, according to the contractually established in STCP's CSP, the Offer Plan for 2020 of the public service lines was sent to AMP.

At the end of June 2019, STCP was informed by the Minister for the Environment and Energy Transition, of the unequivocal desire that the transfer of STCP to the Municipalities should still take place in this legislature, with the company being responsible for presenting by the end of the third week of July, a proposal for a Decree-Law on the Intermunicipalization of STCP and

a Study Demonstrating the Interest and Viability of the Intermunicipalization Operation.

The indications received were complied with, sending to the aforementioned Ministry, on July 15, 2019, a draft Decree-Law on Intermunicipalization of STCP, for consideration, and on July 24, the STCP Economic Feasibility Study and Calculation of compensation for Public Service Obligations, in a new reference framework for the company's Intermunicipalization.

In the second half of 2019, STCP also drafted a proposal to amend the STCP Public Service Contract in force, to adjust it to the company's future legal framework, Intermunicipalization.

On August 28, 2019, a **Memorandum of Understanding on STCP Intermunicipalization** was signed between the Portuguese State, AMP, the six municipalities served by the STCP transport network, Gondomar, Maia, Matosinhos, Porto, Valongo and Vila Nova de Gaia, and STCP. In this memorandum of understanding, the parties involved understand that the current management model of STCP was a transitional solution, designed for a maximum horizon of seven years and that the conditions are met to anticipate that deadline, to fulfill the final objective, being able to operate the definitive transfer of the powers of transport

authority that currently belong to the State, as well as the integration of STCP in the local business sector.

The publication of **Decree-Law n° 151/2019, of October 11, came to operate the Intermunicipalization of STCP**, as of January 1, 2020. This decree-law establishes the conditions for the transfer of all shares representing the share capital of STCP, SA of the State for the municipalities of Gondomar, Maia, Matosinhos, Porto, Valongo and Vila Nova de Gaia, regulating the regime applicable to STCP and the financial obligations of the State and the municipalities, among other matters. However, with the publication of Decree-Law n° 175/2019, of 27 December, the entry into force of DL n° 151/2019, was postponed for 30 days after obtaining the previous visa from the Court of Auditors to the new Amendment to the Public Service Contract.

8.3.2. CUSTOMERS

This content is developed in point 5.1 Public Transport and 5.4. Communication and Information to Customers

8.3.3. COMMUNITY

In 2019, the following points stand out.

SPECIAL BUS OPERATIONS

In 2019, as in the previous years, partnerships were **developed between STCP and several institutions in the Porto Metropolitan Area in order to facilitate and promote mobility in public transport to various events held in the municipalities of the Metropolitan Area**, of which examples are: Queima das Fitas do Porto 2019, 50H NON STOP SERRALVES, NOS PRIMAVERA SOUND, São João Night, League of Nations Final Festival Marés Vivas, UNITE

With Tomorrowland Festival, White Night of Gondomar, Halloween and New Year's Eve.

Once again, at the European Car Free Day celebrations, STCP partnered with Maia City Council, operated a *navette* with an electric bus, throughout the day, linking the events included in the celebrations program to the public transport network. .



S.T.C.P.

Porto Tram City Tour

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MUSEU
DO CARRO
ELÉCTRICO

The Tram Museum, as a cultural institution of STCP, duly accredited as a Museum of the Portuguese Network of Museums by the Directorate General Cultural Heritage since 2001, has been developing its activity of proximity with the various audiences, highlighting the growing interest of the tourist audience. The most important activity in the Museum is linked to the school audience, for which a varied offer of visiting programs is available. The program with the greatest demand was a "Guided Tour of the Museum with dramatization, followed by the experience of a trip in a historic tram along the Douro River side".

The historic tram rental service for groups was highly sought after by agencies and companies.

The Museum's rental space was increasingly considered as a reference space in this type of business (rental of

spaces for meetings, congresses or dinners), given the simplicity and beauty of the two industrial and historical naves where the Museum presents your collection.

In 2019, the Museum was visited by around 28 thousand people. In the year there was a decrease in demand from the school public, but a greater influx of individual national and foreign visitors, who now accounted for around 60% of visits in 2019, when in 2018 it represented around 54%. The entry record as an adult visitor continued to be the most prominent, with an increase in visits by the family group during the year.

In 2019, the Museum was visited by around 28 thousand people.

Evolution of visitors to the Tram Museum, from 2017 to 2019:

Tram Museum Visitors [1]	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Students	11 688	13 099	11 013	-2 086	-16%
Portuguese	3 302	2 869	3 149	280	10%
Foreigners	8 902	12 588	13 425	837	6,6%
Tram Museum Visitors	23 892	28 556	27 587	-969	-3,4%

[1] Does not include free visits.

In 2019, **268 tram rental services were carried out**, which made it possible to reach around **100 thousand euros of revenue** in this product, thus reflecting an increase of about 23% compared to 2018.

In 2019, the Museum's income amounted to 261.5 thousand euros, showing a growth of 10% (about +24

thousand euros) compared to the previous year. Tram rentals, responsible for 41% of the Museum's income, contributed decisively to this increase. School visits and individual visits to the Museum accounted for 23% and 24%, respectively, of the 2019 Museum's income.

The Museum's schedule in 2019 considered:

- The **Trams Parade**, considered a true party in the city of Porto. The 25th edition of this parade took place on May 4, in its traditional model of trips along the waterfront, in trams from the Museum's collection, which opens its doors free of charge to the general public, with an entertainment program.
- Adherence to the invitation to participate jointly, with the museological institutions of the city of Porto, in the celebrations of the **International Museum Day and the European Museum Night** - DIM. Both events were celebrated on May 18, with the "Paper Museums" activity, a treasure hunt open to several museums in the city, and the usual visit and trip by tram, allowing you to enjoy this type of vehicle and get to know the your story and stories outside your normal schedule.
- Participation in the Camélias Week, on March 2nd and 3rd, at the invitation of the Porto City Council.
- The year of 2019 culminated with an expository novelty: **the restoration of a set of three maps of the General Network of Public Transport Services in Porto, dated from the 1960s**. These tables were presented in the initiative "**Um Objeto e Seu Discursos**", event promoted by the Porto City Council and held at the Tram Museum. The central theme of this meeting was one of the most striking episodes in the history of the transport operator in Porto: the municipalization (1946).



"The year 1946 was, without a doubt, a landmark date for the STCP, since it was from this time that the company modernized and restructured, in order to correspond to the new urbanization plans of the city".

DESFILE DE CARROS ELÉTRICOS

TRAMCAR PARADE
PARADE DE TRAMWAYS

4 MAIO

MAY * MAI

15H * 18H30

* INFANTE

* MUSEU

* PASSEIO ALEGRE

BILHETE

TICKET * BILLET

ADULTO
ADULT * ADULTE 6€

CRIANÇA
CHILD * ENFANT 5€

INFO * WWW.STCP.PT



ORGANIZAÇÃO:



MUSEU
DO CARRO
ELÉCTRICO

APOIO:



Porto.



SECURITY

STCP continued to be supported by the **Public Security Police (PSP)** in incidents of a criminal nature, or problems in the performance of passenger inspection, through the maintenance of a protocol established in 2010, with the Porto District Command.

PSP continued to support the operation of special services, ensuring safe shipments and paying special attention to the routes of buses and trams. In these events there is a proximity framework with the inspectors of the STCP Fleet Control Center, and whenever necessary, the presence of a STCP inspector in the room of the CGI (Integrated Management Center) of the Porto City Council.

STCP collaborates with the judicial authorities and criminal investigation entities through the provision of images of the video surveillance system

embedded in its public service vehicles.

In the scope of **civil protection**, STCP participates in the meetings promoted by the Municipal Civil Protection Services of the area served and, as an entity with a duty of collaborating, it integrates the exercises and simulations of the municipal scope promoted by the municipal civil protections.

During the year 2019, **simulations were carried out at the Collection Stations** with the evacuation of all personnel inside the facilities. Being a drill, there was a concern to create the least negative impact on the normal functioning of the entire surrounding area, having previously had preparation meetings and contacts with the security and rescue entities.

PARTICIPATION OF STCP IN ASSOCIATIONS

Participation of stcp in associations

AEP

Portuguese Business Association

ACP

Business Association of Porto

APGVN

Portuguese Natural Gas Vehicle Association

CODIPOR

Portuguese Association of Identification of Product Codes

ISQ

Institute of Welding and Quality

ATP

Tourism Association of Porto

INEGI

Institute of Science and Innovation in Mechanical and Industrial Engineering

AMTC

Portuguese Association for the Museum of Transport and Communications

AAADP

Association of Friends of the District Archive of Porto

Association "Amigos do Coliseu do Porto"**Consumer Claims Arbitration Center and Consumption Conflict of Porto****Fundação de Serralves**

Organizations of which STCP is a member

UITP

Union Internationale des Transports Publics

CT 148

Standard Technical Commission

8.3.4. EMPLOYEES

This content is developed in-depth under point 6.

8.3.5 SUPPLIERS

STCP is governed by the Public Procurement Code, when applicable, and by the internal procedures in force.

In the company, a Regulation for Suppliers applies to all entities that supply materials, goods and services to the

company, as well as to all entities that develop their work within the premises of STCP, in turn.

8.4. PROMINENT PROJECTS

PROJECT FABULOS (*FUTURE AUTOMATED BUS URBAN LEVEL OPERATION SYSTEMS*)



In April 2017, STCP participated in the Horizon 2020 European R&I program, which materialized in an application for Community funds to support an R&D project for the design, testing and use of automated bus management systems without an integrated driver in the public transport service fleet.

The application was approved by the European Commission in August 2017, designating itself as FABULOS (Future Automated Buses Urban Level Operation Systems) project, **which consists of the use of minibuses without a driver in a systematic way.**

In 2019, the following phases of the project were developed:

Technical Solutions Feasibility Study

On January 1, 2019, the first phase of the feasibility study of the proposed solutions and technologies started. The objective was to verify the technical, economic and organizational feasibility of the offers of each consortium, by presenting a report describing the results of the feasibility study and the conclusions for the beginning of the development of the prototype. The most promising concepts were transformed into well-defined prototypes and tested in the laboratory during the fall of 2019, in the second phase of the pre-commercial contract.

FABULOS project, which consists of the use of minibuses without a driver.

Main Events - Analysis of the Technical Solutions presented.

The competing consortia presented the solutions in the different areas of the project:

- Phase planning;
- Presentation of the various vehicle possibilities;
- Presentation of the various subcontractors and respective roles in the project;
- Development;
- Systems architecture and implementation;
- Remote control and remote assisted driving;
- Control room.

In the second half of 2019, were made technical evaluations of the prototypes to be chosen for testing in open traffic and real conditions of integration in the offer of public transport.

Technical prototype evaluation meetings took place in October and December, at the facilities of competing consortia (Helsinki / Tampere / Stavanger / Tallinn), and were attended by STCP.

Three consortia were chosen (S4-Shotl, Mobile Civitatem / Modern Mobility OÜ and Saga Consortium) that met the requirements of the Technical Evaluation Committee and will be responsible for carrying out the tests in the participating cities (Helsinki, Tallinn, Stavanger, Helmond, Gjesdal and Porto).

The tests initially planned for the city of Porto will not take place during the year 2020, as Portuguese legislation does not yet provide for testing in the open environment.

However, STCP will continue to actively participate in the technical evaluation team of the FABULOS project, monitoring all developments and their results.

C-ROAD PROJECT

The C-ROADS Platform has as main objective to interconnect the different activities of Cooperative Intelligent Transport Systems (C-ITS). STCP is involved in the following pilot projects:

a) Real-time traffic monitoring:

STCP's participation is related to the provision of bus positioning data and its instantaneous circulation speed and monitoring of data integration in the monitoring and prediction of traffic flows;

b) Implementation of vehicle information exchange services with the infrastructure:

STCP provides an electric bus for the assembly of V2I and I2V communication equipment (communication between

the vehicle and the infrastructure) to give priority to public transport at regulated intersections by luminous information. The bus will also be equipped with a display at the rear that will provide real-time information on the state of traffic circulation in the circulation area.

In 2019 all preparatory and equipment installation work was carried out, both in the vehicle and in the infrastructure, as well as the developments and laboratory tests of the software and communications involved.

During 2020, field tests are expected to be carried out with an electric bus on Line 303, with V2I and I2V communication carried out with the light signaling controllers on Rua do Amial and in the vicinity of Jardim de Arca d'Água.

IMPLEMENTATION OF THE "DEAD MAN'S" DEVICE ON TRAMS

STCP performs the operation of the tram service on a surface urban rail network, in the historic center of the city of Porto, with circulation on high sloping streets, which reach up to 11% inclination.

The fleet of trams is entirely made up of historic vehicles, with all vehicles over 75 years old. The circulation rail channel is shared with road traffic on streets, and with pedestrians on sidewalks, conditions that increase the risk of accidents.

The brake guard assumes exclusive responsibility for controlling the circulation of the tram, with particular emphasis on descents with greater slopes, where

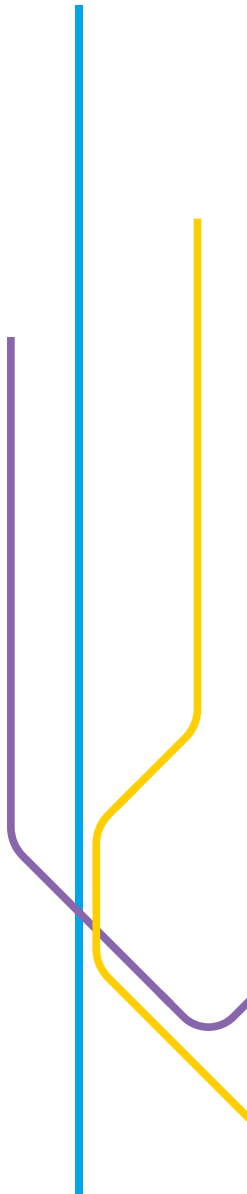
permanent intervention is required to control the vehicle. Although there is no significant history of serious accidents with trams in recent years in Porto, it remains a constant concern for STCP, as responsible for the operation, issues related to the safety of circulation and risk assessment associated with the operation.

Therefore, if the brakeman suffers from a health problem with loss of consciousness or indisposition, which prevents him from controlling the vehicle, a high-risk accident may occur, with serious consequences for passengers and passers-by, in case derailment and / or collision. If we add the factor related to the topography

existing in the historic center of the city, this gravity is particularly important.

In this context, the installation of a system capable of monitoring the physical condition of the brake guard was considered of the utmost importance and, if an indisposition is detected that makes it impossible to control the vehicle, the system called "dead man" can be detected. "Act automatically on the braking systems to cause immobilization and prevent uncontrolled circulation of the tram.

For the development and implementation of this project, INEGI - Institute of Science and Innovation in Mechanical Engineering and Industrial Engineering, was awarded at the end of 2019 the provision of services for the design, development and integration of a "dead man" prototype system for initial installation in a Tram, with a second phase foreseen to be installed in the entire public service fleet.





The background is a solid teal color. On the left side, there are several white geometric lines that create a stepped, staircase-like pattern. These lines start from the top left and extend downwards, with some horizontal segments and some diagonal segments. The overall effect is a modern, minimalist design.

C9

**ECONOMIC AND FINANCIAL
PERFORMANCE**

9. ECONOMIC AND FINANCIAL PERFORMANCE

9.1. BALANCE STATEMENT OF THE YEAR

2019 was marked by the manifestation by interested parties, the Portuguese State, Porto Metropolitan Area, municipalities served by the company's transport network - Gondomar, Maia, Matosinhos, Porto, Valongo and Vila Nova de Gaia - and STCP, to proceed with the Intermunicipalization of STCP. On August 28, 2019, the expression of this will was achieved with the signing between those entities of the Memorandum of Understanding on the Intermunicipalization of STCP, and with the publication of Decree- Law No. 151/2019, of 11 October, which operates the STCP intermunicipalization, meanwhile postponed by Decree-Law No. 175/2019, of 27 December.

During the second half of the year, the internal work necessary to carry out this new stage of the company's life - Intermunicipalization - was developed.

Of note in the year, the reception of 69 new buses, 3 electric and 66 natural gas, which added to the 40 new buses received in the previous year, totaled 109 new vehicles, that is, about 58% of the total of 188 (15 electrical and 173 natural gas) to be received by 2020, which constitute the first phase of renewal of the company's fleet, which has the non-refundable co-financing of POSEUR Portugal 2020 - Operational Program for Sustainability and Efficiency in the Use of Resources. The operationalization of the new buses, replacing the existing fleet for scrapping, had implications for the structure of fuel and maintenance expenses, with the company's bus fleet.

In the year, there was an increase of 4.5% (+3.3 million passengers) compared to 2018, with 76.7 million passengers being transported. Transport service revenue increased by 3.4% (1.6 million euros), compared to

2018, to 49.5 million euros. This result is due to the growth in demand, induced by the introduction, as of April, of the new transport tickets made available under the Tariff Reduction Support Program (PART) and by the improvement in the service fulfillment rate of the lines, but also by the 1.14% tariff increase, effective from January 1, 2019, with a special impact on the ticket price sold on board buses.

The production of the public passenger transport service, measured in km vehicles, was 22.2 million, decreasing slightly, 0.7%, corresponding to 160 thousand kilometers, when compared to the previous year.

With regard to Human Resources, it is worth mentioning, in the year, the reinforcement of the workforce, in 18 workers, authorized by the Guardianships and compliance with the provisions of article 21 of Law no. 42/2016 (LOE 2017), of 29 December, and the OE 2019 Law, regarding the replacement of the rights provided for in collective labor instrumentation. In addition, the negotiations that took place with the Representative Workers' Organizations (ORT) still have to be mentioned, and it was possible to obtain, in April 2019, with a union organization, the necessary consensus in order to be able to call off a strike, which was in force since August 2017, indefinitely, which partially covered services on weekdays and all services on weekends and holidays.

9.2. INVESTMENT AND DISPOSALS

INVESTMENTS

In 2019, the investment made amounted to 16.3 million euros, representing the highest amount in the last 12 years. The increase, compared to 2018, was 11%. The

following table shows the investment disaggregated by the main items:

					VARIATION 2019/2018	
Investment	Unit	2017	2018	2019	abs.	%
Rolling Stock	10 ³ €	112	14 149	13 244	-905	-6%
Infrastructures	10 ³ €	66	184	2 835	2 650	1438%
Others	10 ³ €	251	391	230	-161	-41%
Total	10³ €	428	14 724	16 309	1 584	11%

The acquisition of the new bus fleet, to replace the existing ones at the end of life, and the infrastructures associated with the fleet, relating to the construction of a natural gas supply station at the Via Norte Collection Station and the installation of gas charging stations. electric buses, represent about 97% (15.8 million euros) of the total investment.

The remaining 3% (approximately 510 thousand euros), essentially refer to the acquisition of various office and administrative equipment, the purchase of computer

equipment and software, engineering projects and specialties related to the renovation / reconstruction of the Collection Stations buses from Francos and Via Norte and the reconstruction of historic trams and the installation of their safety equipment.

It should be noted that the investment approved for 2019 was 20.2 million euros. However, part of this investment was carried over to 2020 due to delays in the specifications of some projects and / or in the contracting processes.

DISPOSALS

					VARIATION 2019/2018	
Investment	Unit	2017	2018	2019	abs.	%
Premises / Buildings [1]	10 ³ €	24	1 066	150	-916	-86%
Others	10 ³ €	29	70	66	-5	-7%
Total	10³ €	53	1 136	216	-921	-81%

[1] Includes the receipt of EUR 100,000 regarding the promissory contract made in anticipation of the sale of the urban property located on Travessa da Rua do Loureiro.

The value related to the sale of assets in 2019 was 216 thousand euros, of which 100 thousand euros refer to the advance of a sale promise contract. In the year, the land

of the former S. Caetano Substation was sold, parts of buses scrapped for scrap and various material, with zero book value.

9.3. FINANCIAL FLOWS

The following table depicts the financial flows for the years of 2017 to 2019:

Cash Flows	Unit	2017	2018	2019
Cash Flow from Operating Activities	10³ €	-2 632	4 361	3 030
Receivables	10 ³ €	52 771	60 870	65 903
Payables	10 ³ €	55 403	56 509	62 873
Investment Activities Cash Flows	10³ €	-8 498	-10 383	-14 333
Receivables	10 ³ €	2 312	4 792	6 190
Payables	10 ³ €	10 810	15 175	20 523
Cash Flow from Financing Activities	10³ €	11 703	16 811	15 811
Receivables	10 ³ €	84 578	122 948	39 082
Payables	10 ³ €	72 875	106 137	23 272
Variations in cash flow and cash flow equivalents	10³ €	574	10 789	4 508

The Operating Activities have generated a cash flow of EUR 3,03 million in 2019. The receipts include the amount of EUR 4.87 million of financial compensation paid by the municipalities served by the STCP transport network, as a result of the Public Service Obligations provided under the Public Service Contract. They also include the amount of EUR 3.01 million of compensation paid by the Portuguese State, for the social tariffs made available to customers, under the legislation in force, as well as the amount of EUR 4.55 million of contributions paid by the Metropolitan Area of the Porto, for making reduced tariffs available to customers, within the scope of the Tariff Reduction Support Program (PART). The payments included the amount of EUR 2.9 million, paid to the ALSA group, under the extrajudicial agreement for the annulment of the sub-concession contract for the operation of the STCP transport system.

Cash Flows from Investment Activities were negative, totaling to EUR 14.3 million.

Receipts include the amount of EUR 5.22 million of POSEUR reimbursement, to co-finance the renewal of the bus fleet and installation of electric charging stations and gas station, and the amount of EUR 397.77 thousand, attributed by the Portuguese State, within the scope of chapter 50 of the 2019 State Budget. These receipts also include the value of the sale of assets. Payments refer to almost all investments made in 2019 and a part of

investments made at the end of 2018.

Cash Flow from Financing Activities amounted to EUR 15.11 million.

Included in the receipts are the loan contracted with the Portuguese State in the amount of EUR 20.56 million to pay the commitments related to the swap contract, and the capital increases of EUR 18.4 million, made over the year. In addition to swap charges, payments include charges for the bond loan and interest and charges for the bus leasing loan.

9.4. FINANCING

In 2019, STCP obtained financing from the Portuguese State, through three capital increases and a loan.

CAPITAL INCREASES TOTALING TO EUR 18,428,660.00

The Shareholder, Portuguese State, granted three Capital increases, in the total amount of **EUR 18,428,660**:

- By Order N° 416/19-SET, of May 24, 2019, by the Secretary of State for the Treasury, and N° 776/2019-SEO, by the Secretary of the Budget, the amount of **EUR 2,900,000** was granted in cash, intended to pay the Alsa Group the compensation for costs incurred with the sub-concession process, under the terms of the Agreement entered into by the parties, following the lawsuit filed by said Entity;
- By Order of the Secretaries of State of the Treasury and Deputy and Mobility, of July 30, 2019, the amount of **EUR 11,604,285** was granted, destined to cover the debt services of Bond Loan, Operational Leasing and Investment, foreseen in the Activities Plan and Budget for 2019;
- By Order of the Secretaries of State of the Treasury and Mobility, of December 30, 2019, the amount of **EUR 3,924,375** was granted, intended to cover the debt service of 2020, of the Operational Leasing operations, and the remaining Investment budgeted for 2019.

The Board of Directors was mandated to amend the Company's Articles of Association accordingly, and to promote the competent registration registers for the registration of new capital at the Commercial Registry Office. Despite proceeding in accordance with the indications received, at the current date, it is still awaiting its definitive registration of the last capital change.

The norms associated with the quality of issuer of securities were also complied with, with duties to provide information to the Securities Market Commission and disclosure to the market through a Notice, and the request for registration of new shares at the Central Securities Depository - Interbolsa.

It should also be noted that in January 2019 the registration and information to the market related to the capital increase occurred on December 21, 2018, in the amount of EUR 56,682,010, were completed.

LOAN OF EUR 20.561.846,52

By Order of the Secretary of State for the Treasury n°476/19-SET, of May 31, the medium and long-term loan in the amount of up to **EUR 20,561,846.52** was approved, to meet the financing needs of the company, in 2019, associated with the swap flows contracted with Banco Santander Totta, the payment of which is provided for in paragraph 2 of Clause 3, of the Agreement signed between the State, the Transport Companies and Banco

Santander Totta, SA , on May 2, 2017. The borrowed capital was made available in two tranches:

- **EUR 9.889.945,13**, held on June 4;
- **EUR 10.671.901,39**, held on 29 November.

FINANCIAL CONTRIBUTIONS FROM THE STATE

The following table shows the evolution of the State's financial effort, with regard to STCP, in the years 2017 to 2019

Financial Contribution from the State	Unit	2017	2018	2019	VARIATION 2019/2018	
					abs.	%
Capital Endowments	10³ €	69 863	74 882	18 429	-56 453	-75,4%
In Cash	10 ³ €	13 491	19 377	18 429	-948	-4,9%
Loan Conversion ^[1]	10 ³ €	56 372	55 505	0	-55 505	-100,0%
Loan Conversion	10³ €	14 643	47 981	20 562	-27 419	-57,1%
Chapter 50	10³ €	931	446	398	-48	-10,7%
Andante Social Fare Compensation ^[2]	10³ €	3 839	4 236	3 011	-1 225	-28,9%
Total	10³ €	89 277	127 545	42 399	-85 146	-66,8%

^[1] Corresponds to increases in capital from conversion of loans held by the DGTF.

^[2] Receipt values. Include VAT at the prevailing rate.

INDEBTEDNESS VARIATION

Interest-bearing debt (account 25 balance sheet) reached EUR 346.1 million on December 31, 2019. Compared to 2018, it registered an increase of approximately EUR 21.4 million (+ 6.6%).

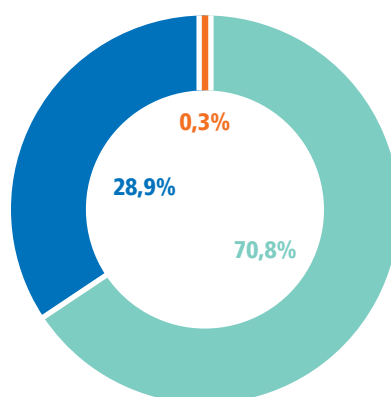
Indebtedness (account 25)	Unit	2017	2018	2019	VARIATION 2019/2018	
					abs.	%
Remunerated Financing	10 ³ €	330 945	324 631	346 068	21 437	6,6%

Contributed to the increase in interest-bearing debt, the loan contracted to the State, for payment of swap charges, and the deferral of debt service to 2020, related to State loans, due to the change in contractual conditions.

The structure of STCP's interest-bearing debt, as of December 31, 2019, consisted of government loans, a bond loan and a bus leasing contract.

**REMUNERATED DEBT
BREAKDOWN**

- State loans
- Bond Loans
- Buses Financial Leasing

**9.5. ASSET STATUS**

As of December 31, 2019, the sole shareholder of STCP, S.A. was the Portuguese State.

The share capital was EUR 306,463,440 and represented by 61,292,688 shares with a par value of EUR 5 each.

VARIATION 2019/2018

Balance (thousand euros)	2017	2018	2019	abs.	%
Non-current asset	70 368	83 754	100 824	17 071	20%
Current Asset	11 573	25 911	29 184	3 273	13%
Asset Total	81 941	109 665	130 008	20 344	19%
Equity	-408 051	-331 741	-319 479	12 262	3,7%
Non-current liabilities	394 073	361 145	305 744	-55 400	-15%
Current liabilities	95 920	80 261	143 743	63 482	79%
Total liabilities	489 993	441 406	449 487	8 081	1,8%
Total Equity and Liabilities	81 941	109 665	130 008	20 344	19%

As of December 31, 2019 and compared to December 31, 2018

- **Assets amounted to EUR 130 million, increasing EUR 20.3 million, + 18.6%**, mainly due to the investment made in the year, the net revaluation of tangible fixed assets and the increase in cash and bank deposits;
- Liabilities were EUR 449.5 million, increasing 8.1 million, + 1.8%. This result is mainly due to the increase in financing obtained, through the loan taken out by the State, the registration for the first time of deferred tax liabilities arising from the revaluations of the company's properties, the reduction of provisions, by using the

provision related to the process with the Alsa group, and the reduction in the value of other financial liabilities.

- **Equity was negative by EUR 319.5 million, registering a reduction of EUR 12.3 million, + 3.7%** due to the capital increases that occurred and the recording, for the first time, of deferred taxes.

As of December 31, 2019, there are no outstanding debts to the State or other public entities, including Social Security.

9.6. STCP'S STATEMENT AND EBITDA

STCP's Recurring EBITDA amounted to around EUR 3.5 million in 2019, showing an increase of about EUR 1.5 million (+ 80%) than in 2018.

This evolution was mainly due to the increase in revenue, a theme detailed in point 5.1.2 of this report.

Statement of Results (thousand euros)	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Revenue	45 544	47 822	49 468	1 646	3,4%
Rental of Vehicles	102	103	112	10	9,3%
Other Supplementary Income	2 411	3 195	3 128	-67	-2,1%
Financial Offset from Public Service Obligations	1 661	4 757	4 546	-212	-4,4%
Income	49 718	55 878	57 255	1 377	2,5%
CGSMC + ESS	19 681	21 356	21 467	112	0,5%
Personnel expenditure (w/out extras)	29 760	31 658	31 622	-37	-0,1%
Other expenditure	1 203	927	685	-243	-26%
Expenditure	50 643	53 941	53 773	-168	-0,3%
STCP's recurring EBITDA	-925	1 937	3 482	1 545	80%
Depreciations [1]	3 749	3 668	4 692	1 024	28%
Bus and Tram+Museum Result	-4 674	-1 732	-1 211	521	30%
Non-Current Result	-6 156	6 802	2 689	-4 113	-60%
Financial Result [1]	-4 081	-6 890	-4 641	2 249	33%
Net Profit	-14 911	-1 820	-3 163	-1 343	-74%

[1] The depreciations of fleet financing interests, in this analysis, are included in the depreciations.

STCP's Net Result was negative by almost EUR 3.2 million s in 2019, which represents an increase of more than EUR 1.3 million (74%) than in 2018. This evolution was due only to the **worsening of Non-Current Results of more than EUR 4.1 million**, when compared to the previous year.

The Financial Result was negative by around EUR 4.6 million in 2019, which represents a relief of more than 2.2 million euros compared to 2018.

The operating component, Current Operating Results,

reflected in the **Road Result and Tram + Museum** was negative, at around 1.2 million in 2019, which represents a **reduction of about EUR 521 thousand (30%) compared to 2018.**

Income reached EUR 57.3 million, an increase of EUR 1.4 million (2.5%) compared to the previous year, due to:

- the EUR 1.6 million increase in transport service revenue (3.4%), the increase in demand and tariffs, and the EUR 10 thousand increase in rental service revenue (9.3%) , by the increase in demand for tram rentals;

- the reduction of EUR 212 thousand (4.4%) in the amount of financial compensation for the fulfillment of the Public Service Obligations provided by STCP, due to the improvement of the company's results on the weekends, holidays and early morning hours;
- and a reduction in other income of around EUR 67 thousand (2.1%), mainly due to the reduction in compensation for claims and capital gains from the sale of assets.

Expenses (without depreciation, amortization and non-current expenses) were EUR 53.8 million, and decreased by EUR 168 thousand (0.3%), compared to the previous year, mainly due to the following factors:

- the CGSMC recorded a reduction of EUR 353 thousand (24.4%), in particular, due to the reduction in consumption with uniforms by EUR 235 thousand (76.3%) and with bus accessories, by EUR 106 thousand (12.1 %);
- the ESS recorded an increase of 464 thousand euros (2.3%) as a result of the increase in maintenance costs for buses, trams and tires, by EUR 386 thousand (7.9%), as a result of the increase in maintenance expenses contracted, due to the updating of contract prices, and the increase in insurance costs by EUR 48 thousand and

expenses with inspection of transport tickets by EUR 38 thousand, due to the execution of new contracts with the contracting of additional valences;

- Personnel expenses (without overtime) decreased by EUR 37 thousand (0.1%), mainly due to the reduction in overtime expenses. It should also be noted that, since the salary of workers at the beginning of their careers is lower than the salary of workers who cease to work due to retirement, at the end of their careers, despite the increase in the average workforce by 36 workers in 2019, there was no a corresponding increase in personnel expenses;
- other expenses and losses decreased by EUR 243 thousand (26%), mainly due to the reduction in expenses with claims indemnities by EUR 185 thousand and losses on inventories, by EUR 48 thousand.

Depreciation and amortization expenses were 4.7 million euros, an increase of EUR 1.0 million (+ 28%) compared to 2018, due to the amount of investment made in 2018 and 2019.

The table below lists the items that comprise the **Non-Current Result** in this analysis. The justifications for the evolution of the items below are reported in the Financial Statements chapter.

Non-Current Result (thousand euros)	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Personnel Extraordinary Results	-52	-1 118	0	1 118	100%
Provisions	-7 108	4 736	-338	-5 074	-107%
Increases in Operational Fair Value	760	2 636	214	-2 421	-92%
Profits/Losses in Subsidiaries	242	537	824	286	53%
Impairments	21	24	1 840	1 816	7506%
Tax income for the period	-18	-13	149	162	1259%
Non-Current Result	-6 156	6 802	2 689	-4 113	-60%

The Financial Result was negative by around 4.6 million in 2019, which represents a **relief of more than EUR 2.2 million (33%) compared to 2018.**

The table below lists the items that, in this analysis, make up the **Financial Result**. **SWAP charges** were around EUR 1.6 million in 2019, showing an improvement of almost EUR 1.5 million (48%) compared to 2018, justified

by the positive variation in the fair value of swap, of about EUR 19.2 million, which partially offset the supported swap interest of around EUR 20.8 million.

Interest and Charges and Financing in 2019 were around EUR 3 million, which represents a decrease of approximately EUR 761 thousand (20%) compared to 2018.

Financial Result [1] (thousand euros)	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
SWAP Borne Interest	14 889	17 846	20 796	2 950	17%
Fair Value SAWP Variation	-15 150	-14 725	-19 164	-4 439	-30%
SWAP Expenses	-262	3 121	1 632	-1 488	-48%
Financing Interests and Expenses [1]	4 343	3 770	3 009	-761	-20%
Financial Result [1]	-4 081	-6 890	-4 641	2 249	33%

[1] The depreciations of fleet financing interests, in this analysis, are included in the depreciations.

9.7. EBITDA AND BUS RESULT

Road EBITDA was **almost EUR 2.7 million in 2019**, about EUR 1.5 million (+ 118%) than in 2018.

This evolution was mainly due to the increase in revenue, a theme already detailed in point 5.2.2 of this report.

The 2019 **Road Result** was **negative in the amount of almost EUR 1.2 million**, which represents a **reduction of almost EUR 450,000**, 27%, compared to 2018.

EBITDA and Bus Result (thousand euros)	2017	2018	2019	VARIATION 2019/2018	
				abs.	%
Revenue	43 884	45 965	47 497	1 532	3,3%
Rental of Vehicles	10	5	4	-1	-25%
Other Income	2 188	2 977	2 862	-115	-3,9%
Financial Offset from Public Service Obligations	1 661	4 757	4 546	-212	-4,4%
Income	47 743	53 705	54 909	1 204	2,2%
CGSMC + ESS	19 089	20 916	20 946	30	0,1%
Personnel expenditure (w/out extras)	28 784	30 637	30 602	-35	-0,1%
Other expenditure	1 193	918	672	-247	-27%
Expenditure	49 066	52 472	52 220	-252	-0,5%
Bus Transport EBITDA	-1 323	1 233	2 690	1 456	118%
Depreciations [1]	2 735	2 838	3 857	1 019	35,9%
Bus Transport Result	-4 058	-1 605	-1 167	437	27%

[1] The depreciations of fleet financing interests, in this analysis, are included in the depreciations.

9.8. EBITDA AND TRAM AND MUSEUM RESULT

EBITDA for the Tram and Museum was almost 800 thousand euros in 2019, about 90 thousand euros (+ 13%) more than in 2018.

This evolution was mainly due to the increase in revenue, a theme already detailed in point 5.3.2 of this report.

The Tram and Museum Result was negative in 2019 in the amount of 43 thousand euros, which represents a **reduction of 83 thousand euros, 66%**, compared to 2018.

EBITDA and Tram and Museum Result (thousand euros)	VARIATION 2019/2018				
	2017	2018	2019	abs.	%
Revenue	1 660	1 857	1 971	114	6,2%
Rental of Vehicles	92	98	108	11	11%
Other Income	223	218	266	48	22%
Income	1 975	2 173	2 346	173	8,0%
CGSMC + ESS	591	440	522	82	19%
Personnel expenditure (w/out extras)	976	1 021	1 019	-1	-0,1%
Other expenditure	10	9	13	4	40%
Expenditure	1 577	1 469	1 554	84	5,7%
Tram and Museum EBITDA	398	703	792	89	13%
Depreciations	1 014	830	835	5	0,6%
Tram and Museum Result	-616	-127	-43	83	66%

INTELIGENTE

V.M. GAIA

ZERO EMISSÕES



C10

**COMPLIANCE WITH
LEGAL OBLIGATIONS**

10. COMPLIANCE WITH LEGAL OBLIGATIONS

This chapter features compliance with the stipulations of Annex I and respective Appendixes 1 and 2 of order n° 770, of 11 March 2020, of the Directorate general of the Treasury and Finance (DGTF).

10.1. MANAGEMENT AIMS AND PLAN OF ACTIVITIES AND BUDGET

AIMS OF THE MANAGEMENT CONTRACT

Within the scope of the decentralization of STCP management, with the transfer of management competences from the Portuguese State (sole shareholder) to the six municipalities services through its transport network, the Operational Management

Contract (CGO) was signed between the Portuguese State and Metropolitan Area of Porto, in January 2017, which sets annual goals to be achieved by STCP.

The following table presents the goals established for 2019 and the respective implementation:

Bus Sector Indicators	Unit	Goals 2019	Actual 2019	VARIATION	
				abs.	%
[1] EBITDA (management) of road transport sector	10 ³ €	4 328	2 690	-1 638	-38%
[2] Road Transport Result	10 ³ €	-2 842	-1 167	1 675	59%
[3] Average Spe	km/h	15,70	15,63	-0,07	-0,4%
[4] Service Compliance Rate	%	95,0%	96,2%	1,2 pp	1,2%
[5] Vehicle-Km of Service	10 ³ km	22 456	22 065	-391	-1,7%
[6] N° of Complaints per million vehicle-km	recl./vkm 10 ⁶	100	108	8	7,8%
[7] N° of Complaints per million Passengers	recl./pass 10 ⁶	40	31	-9	-21,8%
[8] Public Service Obligations (PSO)	10 ³ €	5 430	4 546	-884	-16,3%

Methodology and calculation of indicators:

[1] EBITDA (of management) of the road transport sector - road transport result without depreciations.

[2] Road Transport Result - result excluding values for Trams and Museum (the distribution between the road transport sector, Tram and Museum was based on cost structure by cost centre), financing expenses and taxes, provisions, reversals and impairments, changes in fair value, financial component of operating leases, indemnities for termination of the employment contract and, in the 2018 sum, approximately 1.1 million euros from the agreement reached with employees regarding average overtime and night work. It includes the PSOs and interest on loans for buses, in depreciation and, in the 2018 sum, about 2.7 million euros with social charges

due to the impact of the reinstatement of the rights provided for in the instruments of collective labour regulation and the impact of salary updates, arising from the Memorandum of Understanding signed with the Organisations Representing Workers and approved by the Guardian Authority.

[3] Average velocity - ratio between Vehicle-km of service in the road sector and the Hours of service of vehicle crew in the road sector, obtained via the SAEI - Information and Operational Support System (source: Operations Department).

[4] Service compliance rate - obtained from the ration (scheduled journeys in the road sector minus respective journeys lost) / (scheduled journeys in the road sector). Scheduled journeys are obtained via the SAEI -

Information and Operational Support System. Lost journeys are obtained manually and registered in the SICO application, the Integrated Incident Communication System. Lost journeys do not include those due to strikes and/or assemblies (source: Operations Department).

[5] Vehicle-km of service - kilometres travelled in the road sector, carried out by its own production, which included entries/exits from lines. Obtained via the SAEI - Information and Operational Support System (source: Operations Department).

[6] N° of complaints per million vehicle-km - resulting from dividing the number of claims regarding the road sector, per million vehicle-km of service in the road sector. All claims received by the following channels are considered: blue line (customer service helpline), complaint book, e-mail, by post, or form submitted to

customer help points. Complaints regarding fines and those received via social media are excluded.

[7] N° of complaints per million passengers - resulting from dividing the number of claims regarding the road sector per million passengers carried in the road sector. All claims received by the following channels are considered: blue line (customer service helpline), complaint book, e-mail, by post, or form submitted to customer help points. Complaints regarding fines and those received via social media are excluded. Passengers carried are the total number of ticket validations performed in road sector lines.

[8] Public Service Obligations (PSO) - calculated in accordance with the methodology described in the Technical Annexes to the Public Service Contract.

ANALYSIS OF FULFILLMENT OF THE GOALS FOR 2019:

[1] EBITDA (management) for the 2019 road sector was EUR 2.69 million, showing a negative deviation from the target of 1.6 million euros. The deviation is mainly explained by the fact that the goals of the CGO do not take into account in personnel expenses, the expenses with wage replacement and the replacement of the rights provided for in collective regulation instruments, resulting from the application of the State Budget Law of 2017, since when of its definition there was still no decision by the State on the matter. The cumulative impact of these replacements on personnel expenses in 2019 is approximately 3.2 million euros, including social charges. The targets also did not provide for an increase in the company's workforce, namely crew members, essential for the fulfillment of the contractual offer.

If the amount of the aforementioned replacements had been purged from the 2019 real, EBITDA (from management) for the road sector would have reached the amount of approximately 5.9 million euros.

Another factor that contributed to the reduction of this indicator was the fact that the real value of the PSOs in 2019 was 884 thousand euros lower than the value of the established target. As the calculation of EBITDA (management) includes the value of PSOs, the decrease in their value has a negative influence on this indicator.

[2] The Road Result reached a negative value of 1.17 million euros, improving by around 1.7 million euros, compared to the established target.

Contributing negatively to the variation of this indicator, the replacements resulting from the 2017 OE Law and

the reduction in the real value of the OSP of 2019, similar to what happens with EBITDA (of management) of the road sector. A positive influence on the variation of this indicator is the 2019 amount of expenses with amortizations in the road sector, lower than the amount included in the calculation of the value of this target.

[3] The average speed was 15.6 km per hour, being below the target established for this indicator, at about 0.07 km / h. The degradation of this indicator is justified by the worsening of circulation difficulties, especially in the center of the city of Porto, with an impact on the increase of the journey times of the lines.

[4] The Service Compliance Rate was 96.2%, registering a 1.2 percentage points increase, in comparison to the management goal. The favorable evolution of this indicator can be explained via the hiring of personnel for reinforcement and replacement, due to the outflow of workers, made during the second half of the year, in order to fill the shortage of fleet members in the company.

[5] The Km of service vehicles reached 22,065 thousand, standing below the goal of 391 thousand kilometers (1.7%). This result is mainly due to the addition of provisional deviations to route lines, arising from works and events, that took place in 2019.

[6] The number of complaints per Million of Km Vehicles was of 108, showing an increase compared to the target of 7.8%. Complaints for non-compliance with schedules increased by 16%, accounting for around 81% of complaints. The increase in vehicle circulation times,

with implications for compliance with line schedules, and the increase in passengers during the year, resulted in an increase in complaints.

[7] The number of complaints per million passengers was 31, reducing the target by 22%. Despite the increase in the number of complaints, the increase of 3.3 million passengers in 2019, compared to the previous year, reduced the complaints per million passengers.

[8] The amount of Public Service Obligations

(OSP) calculated for 2019 was 4,546 thousand euros, 884 thousand euros lower than the established target, amounting to 5,430 thousand euros, due to the improvement in the results of the network (OSP). The amount of the financial compensation for the fulfillment of the 2019 OSP was determined according to the formula established in the STCP Public Service Contract, which applies only to the dawn network and the daytime network on Saturdays, Sundays and holidays (OSP network).

AIMS OF THE ACTIVITY AND BUDGET PLAN

STCP's 2019 Plan of Activities and Budget was approved by Order No. 452/19 - SET, of 05/28/2019, with the following authorization limitations:

- *"The hiring of 20 workers under the terms set forth therein, as well as the replacement of workers who have ceased or will cease, in the years 2018 and 2019, their link to the company, in the following areas: driver, brakemen, inspector, supplier, fleet maintenance and tram.*
- *The increase in personnel costs corresponding to the increase in the number of authorized workers above.*
- *The recruitment authorized above must respect the budgeted limit and is granted on condition that further use of overtime is reduced.*
- *The amount allocated to the contracting of ESS is limited, in 2019, to the amount of 22 M €.*
- *The value of the investment is limited, in 2019, to 20.2 M €."*

Analysis of fulfilment of the objectives of the Plan of Activities and Budget for 2019:

Indicators	Unit	Year of 2019 PAB		Variation		Remarks/Grounding for Deviations
		Approved	Execution	abs.	%	

Operating Indicators

Demand - Passenger	10 ³	74 171	76 723	2 552	3,4%	2,6 million (3,4%) increase compared to the budget, due to the introduction of PART, as of April 1, and a compliance improvement in terms of journeys scheduled due to increase of crew members.
Ticket Revenue	10 ³ €	49 225	49 468	243	0,5%	EUR 243,000 (0,5%) increase compared to the budget. The variation is explained by the average increase of tariffs equal to 1,14% in January, and from April onwards, with the entry into force of PART, the revenue increase is the result of the demand increase. Also stressed, however, that the average revenue per passenger decreased compared to the provisions: the real value is of 64,5 cents, and the budget value is 65,3 cents (-0,7 cents, that is, -1%).
Offer - Vehicles Km service	10 ³ Km	22 412	22 217	-195	-0,9%	Slight decrease compared to the budget, of 195,000 km (-0,9%)

Financial Principals of Reference

Recurring EBITDA	10 ³ €	367	3 482	3 115	848,6%	Arouse to EUR 3,5M. Improved EUR 3,1M by comparison to the budget. As of 2018, represents and increase of EUR 1,5M (80%)
Net Profit	10 ³ €	-7 639	-3 163	4 476	58,6%	Reached the negative value of EUR 3,2M, mitigating EUR 4,5M (58,6%) compared to the budget. By comparison to 2018, escalated by EUR 1,3M.
Operating Efficiency	%	92,65%	86,3%	-6,35 pp	-6,9%	Corresponded to 86,3%, reducing 6,9% compared to the budget. Represents a reduction of 5,6% against the budget.
Expenses with travelling and accommodation, expense allowance and car fleet	10 ³ €	221,0	216,8	-4	-1,9%	EUR 216,8m, less EUR 4m (-1,9%) than the budget. By comparison to 2018, decreased EUR 25m (+12,9%).
Expenses with the hiring of studies, reports, project and consultancy	10 ³ €	304,8	186,7	-118	-38,7%	Located on EUR 186,7 m, less EUR 118m (-38,7%) than the budget. By comparison to 2018, decreased EUR 68 m (-26,7%).
ESS Expenditure	10 ⁶ €	22,7	20,4	-2,3	-10,2%	EES expenditure represented EUR 20,4 M, less EUR 1,6 M (-7,4%) that the amount authorized (EUR 22M). Reduction of EUR 2,3M by comparison to the budget.

Indicators	Unit	Year of 2019 PAB		Variation		Remarks/Grounding for Deviations
		Approved PAO	Execution	abs.	%	

Investment

Investment	10 ⁶ €	22,7	16,3	-6,4	-28,2%	Was made a total investment of EUR 16,3 M, below the value authorized (EUR 200,2M), of nearly EUR 3,9M (-19,3%), representing an execution rate of 80,7%. Placed at EUR 6,4M below the budget value
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Human Resources Indicators

Personnel as of December 31	unid.	1 302	1 289	-13	-1,0%	Was authorized the hiring of 20 employees to reinforce the operating areas, by comparison to 2018, as well as replacement hiring. Was noticed an increase of 18 workers by comparison to the previous year, 2 less than authorized, since it was not possible to replace all works, namely within the operating areas, due to lack of market offer. Was 13 employees below the budget.
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Personnel expenditure	10 ³ €	33 474	31 622	-1 852	-5,5%	Reached EUR 31,6M, below the budget by EUR 1,9M (-5,5%)
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Overtime	10 ³ €	75	61	-14	-18,7%	The hiring authorization, to reinforce the personnel structure, was conditioned by the overtime reduction, in comparison to 2018. Were performed 61,000 overtime hours, 14,000 hours (-18,7%) than those executed in 2018, which were 75,000.
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Expenditure with Overtime	10 ³ €	547	458	-89	-16,3%	Overtime expenditure (without social charges) totaled EUR 458m, less EUR 89m (-16,3%) that the previous year.
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Indebtedness

Indebtedness variation [2]	%	3,30%	3,85%	0,55 pp	16,7%	3,85% above the budget in 0,5 pp.
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Indebtedness variation [3]	%	-0,04%	0,54%	0,58 pp	1450,0%	0,54% above the budget in 0,58 pp.
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[1] Ratio of operational charges (CGSMC+ESS+ Personnel Expenditure) over turnover.

[2] Pursuant to article 58 (1) of Law no. 71/2018, of December 31 (LEO 2019), calculated using the formula included in article 159 (4) of Decree-Law no. 84/2019, of June 28 (DLEO 2019).

[3] Pursuant to article 58 (1) of Law no. 71/2018, of December 31 (LEO 2019), calculated using the formula included in article 159 (4) of Decree-Law no. 84/2019, of June 28 (DLEO 2019), and excluding the debt incurred to pay swap charges.

10.2. FINANCIAL MANAGEMENT RISK

Considering that STCP is a company in the State's business sector, governed by Decree-Law No. 133/2013, of October 3, under the terms of articles 28 and 29 of that Decree-Law, it is bound by the Treasury Unit Principle and prevented to access new financing from credit institutions. In this context and as of December 31, 2019, the company had loans taken out from the Portuguese State, with fixed interest rates. It also had a bond loan and leasing contracts for the current bus fleet, both with variable interest rates.

In 2019, the medium and long-term loan was obtained from the DGTF, totaling 20,561,846.52 euros, with two tranches available: 9,889,945.13 euros, made on June 4, and 10,671,901.39 euros, held on 29 November. The conditions established for this loan are identical to those of the previous financing contracts signed with the DGTF. There were also capital increases during the year, which together totaled 18,426,660.00 euros. The first, of 2,900,000.00 euros, occurred in July, and was granted for payment to the Alsa Group, for compensation for costs incurred with the sub-concession process, under the terms of the extrajudicial agreement entered into by the parties. The second, also granted in July, in the amount of 11,604,285.00 euros, was intended to cover debt services of the bond loan and the operational leasing of buses and the investment financing provided for in the Activities

and Budget Plan for 2019. The third, in the amount of 3,924,375.00 euros, was granted in December, for the settlement of the debt service of 2020 of the operational leasing operations of buses, and for the financing of the investment plan planned for 2019.

In addition to the aforementioned, since 2007, the company has in its portfolio an interest rate risk hedging operation, relative to 25% of the nominal value of the bond loan issued that year, whose maturity is reached in 2022. In these terms, STCP is exposed to the risks of changes in interest rates and changes in the fair value of swaps.

Order N° 101/09, of January 30, imposes on the SEE companies the obligation to provide information to the Ministry of Finance regarding the contracting of financial risk management instruments and also establishes the obligation of publicity in the Report and Accounts of Public Companies non-financial (EPNF) changes in the average annual financing rate.

In compliance with the aforementioned Order, the following table shows the evolution of financing expenses and the average annual interest rate over the last 5 years:

FINANCIAL CHARGES

Years	2019	2018	2017	2016	2015
Financial Charge (€) [1]	23 824 569	21 652 594	19 286 253	17 194 169	14 761 383
Average Rate of Financing (%)	1,43%	1,54%	1,68%	1,69%	1,72%

[1] Financing interests and charges and charges from other financial instruments (swap).

10.3. INDEBTEDNESS GROWTH LIMITS

The following table shows the evolution of remunerated financing in the years 2018-2019 and the change in indebtedness:

	2019	2018	Variation 2019/2018	
Indebtedness Growth Limit	Amounts (€)		Value	%
Paid-up financing (current and non-current) (*)	346 067 965	324 630 759	21 437 206	+6,6%
- of which granted by DGTF	244 984 217	221 622 077	23 362 140	10,5%
Capital increases by allocation	18 428 660	19 377 061	-948 401	-4,9%
Capital increases by credit conversion	0	55 504 949	-55 504 949	-100,0%
New investments	16 308 623			
Exception of debt incurred to pay swap interests	82 460 952	61 899 105		
Adjusted Indebtedness [1]	3,85%			
Adjusted Indebtedness [1] with exclusion [2]	0,54%			
Government Indications / SB [3]	2%			

(*) Account 25 of the Statement Sheet

[1] Pursuant to article 58 (1) of Law n° 71/2018, of December 31 (LEO 2019), calculated using the formula included in article 159 (4) of Decree-Law n° 84/2019, of June 28 (DLEO 2019).

[2] Exclusion of debt incurred to pay swap charges, totaling to EUR 14,6M, of EUR 61,9M in 2018 and EUR 20,6M in 2019.

[3] In relation to the global indebtedness growth of public companies for the year of 2019.

Interest-bearing financing grew by 6.6% (+21.4 million euros), due on the one hand to the new loan contracted with the DGTF, in the amount of approximately 20.56 million euros, to pay swap charges, and by changing the conditions of the existing DGTF loan contracts, which postpone the payment of the debt service of these loans. According to paragraph 1 of article 58 of the State Budget Law (OE) for 2019, "the global growth of the indebtedness of public companies is limited to 2%, considering the remunerated financing adjusted for the paid-up capital and excluding investments, in terms to be defined in the budget execution law decree".

In paragraph 1 of article 159 of Decree-Law n° 84/2019, of 28 June (DLEO 2019), it is stipulated that "the calculation of the global growth in indebtedness of public companies

integrated into the State's business sector excludes new investments with significant material,"

Taking into account the formula for calculating indebtedness established in paragraph 4 of article 159 of DLEO 2019, the change in indebtedness from 2019 to 2018 was 3.85%.

However, if the remunerated financing is excluded from the debt contracted for payment of swap charges, as presented in the STCP's Activities and Budget Plan for 2019, approved by Dispatch n° 452/19-SET, of 05/28/2019, the change in indebtedness 2019 compared to 2018, was 0.54%.

10.4. CHANGES IN THE AVERAGE PAYMENT PERIOD AND ARREARS

The following table depicts the evolution of the **Average Payment Period (APP)** calculated according to the provisions of RCM n° 34/2008, as amended by Ordinance n° 9870/2009:

APP	VARIATION 2019/2018			
	2019	2018	Abs	%
Period (days)	45,5	46,0	-0,5	-1,0%

The APP for 2019 was 45.5 days, showing a reduction of 0.5 days (-1%) compared to that recorded in 2018. However, the objective defined in RCM n° 34/2008 was not achieved, since which stipulates that "when the APP in the previous year exceeds 45 days, a reduction of at least 15% must be achieved".

When calculating the APP, the total debt to suppliers is considered, including unpaid debt and debt with a

maturity of 30 days or less, which correspond to 97% of the total debt.

Overdue debts - **Arrears** - presented in the following table, were determined in accordance with Decree-Law N° 65-A / 2011, of 17 May:

Overdue Debts	Amount (€)	Amount of debts due according to art. 1 of DL 65-A/2011 (€)			
	0-90 days	90-120 days	120-240 days	240-360 days	> 360 days
Acquisition of Goods and Services	2 624 884	10 017	29 116	5 389	26 915
Acquisition of Capital	2 040 097	0	0	0	1 630
Total	4 664 981	10 017	29 116	5 389	28 544

Debt to suppliers at December 31, 2019 is approximately 4.7 million euros, of which only 1.5% (about 73.1 thousand euros) was overdue, within the scope of article

1 of the DL 65-A / 2011, of May 17, referring essentially to regularization and conference invoices.

10.5. SHAREHOLDER RECOMMENDATIONS

Below are the recommendations made by the Shareholder at the last General Meeting (AG), of May 31, 2019, when the management report and individual and consolidated accounts for 2018 were approved, and the respective status regarding compliance with the same:

I - To comply with the provisions of the Resolution of the Council of Ministers n° 34/2008, of February 22;

STCP monitors and follows the evolution of the Average Payment Term (APP) to suppliers. In the year 2019, there was a reduction of 0.5 days (-1%) compared to the value of the year 2018, changing from a APP of 46 days at the end of 2018 to 45.5 days at the end of 2019 .

Despite the reduction in STCP's APP in 2019, the objective defined in RCM n° 34/2008 has not been achieved, since it stipulates that "when the APP in the previous year is greater than 45 days, a reduction of at least 15%".

Bearing in mind that, in the APP calculation, as stipulated in the legislation in force, all debt to suppliers is considered, including debt with a term equal to or less than 30 days and still the debt not due, according to the contractually established terms, for if the objective established in RCM n° 34/2008, of February 22, is fulfilled, the company will have to pay to several suppliers in less than the contracted period.

II - To comply with the provisions of n° 2 of article 46 of Decree-Law n° 133/2013, of 3 October, in its current wording, proceeding with the publication on the company website of the annual reports on the prevention of corruption relating to the financial years 2017 and 2018;

The recommendation was complied with, with the publication of said annual reports on the company's website.

III - Comply with the provisions of n° 3 of article 28 of Decree-Law n° 133/2013, of 3 October, in its current wording, proceeding with the loading of this information on the SIRIEF form for that purpose.

The recommended recommendation was complied with, by uploading information on the Treasury Unit Principle to the SIRIEF platform.

10.6. REMUNERATION

In 2019, the guidelines received regarding remuneration were complied with and applied to the company's corporate bodies and workers.

During 2019, under Law N° 71/2018, of December 31, which approved the State budget for 2019, the 5% reduction in fixed remuneration for members of the Board of Directors and Fiscal Council (according to article 12 of Law n° 12-A / 2010, of June 30, which establishes the

reduction of salaries for public and similar managers).

In the year, there was no place for the attribution or payment of management bonuses to the members of the Board of Directors.

No compensation was paid to former Executive Directors regarding the termination of their duties during the year.

GOVERNING BODIES REMUNERATIONS

1. BOARD OF THE GENERAL MEETING

TERM 2016-2018 [1]

Term (Start-End)	Position	Name	Fixed Fee Value (€)	Accrued Gross Value (€)
2016 -2018	Chairman	José António Ferreira de Barros	500	500
2016 -2018	Vice-Chairman	Maria Teresa Vasconcelos Abreu Flor Morais	425	425
2016 -2018	Secretary	Carlos Maria Pinheiro Torres (*)	350	334
				1 259

(*) The fixed value fee does not coincide with the gross value, according to the n° 21 of CMR n° 16/2012.

[1] The member of the General Meeting occupied their positions until the General Meeting took place on May 31 of 2019.

TERM 2019-2021 [2]

Term (Start-End)	Position	Name	Fixed Fee Value (€)	Accrued Gross Value (€)
2019 -2021	Chairman	Cristina Maria Pereira Branco Mascarenhas Vieira de Sampaio	500	0
2019 -2021	Vice-Chairman	Ana Sofia Lameira dos Santos Palrinhas	425	0
2019 -2021	Secretary	Carlos Maria Pinheiro Torres	350	0
				0

[2] The members of the General Meeting were elected according to the decisions of the General Meeting which took place on May 31 of 2019.

1. BOARD OF DIRECTORS

			Designation		OPRLO (2)			Nº of Terms
Term (Start-End)	Position	Name	Type (1)	Date	Y/N	Issuing Entity	Paying Entity (O/D)	
2019-2020	Chief Executive	Manuel Tomás Cortez Rodrigues Queiró [a]	WUD	31/07/19	No	n.a	n.a	1
2018-2020	Chief Executive	Paulo de Azevedo Pereira da Silva [b]	WUD	15/01/18	No	n.a	n.a	1
2018-2020	Executive Voting Member	Ângelo Augusto Santos Oliveira	WUD	01/01/18	No	n.a	n.a	1
2018-2020	Executive Voting Member	Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	WUD	01/01/18	No	n.a	n.a	1
2018-2020	Non-Executive Voting Member	Paula Cristina David Vaz Ribeiro Ramos	WUD	01/01/18	No	n.a	n.a	1
2018-2020	Non-Executive Voting Member	Avelino José Pinto de Oliveira	WUD	01/01/18	No	n.a	n.a	1

(1) UWD - Unanimous Written Company Decision.

(2) Option for the Remuneration of the Place of Origin - established by article 28 (8) of EGP; indicate paying entity (O-Origin/D-Destination).

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019.

ACCUMULATION OF TASKS

Member of the BD	Entity	Position	Regime
Paulo de Azevedo Pereira da Silva [b]	TIP - Transportes Intermodais do Porto, A.C.E.	Non-Executive Voting Member of the Board of Directors	Private
Ângelo Augusto Santos Oliveira [c]	TIP - Transportes Intermodais do Porto, A.C.E.	Executive Voting Member of the Board of Directors	Private
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	STCP SERVIÇOS - Transportes Urbanos, Consultoria e Participações, Unipessoal, Lda.	Manager	Private
Paula Cristina David Vaz Ribeiro Ramos	Gaiurb, EM - Empresa Municipal de Urbanismo e Habitação de Vila Nova de Gaia	Coordinator of the Monitoring Unit of the Department of Urbanism's Planning and Rehabilitation Division	Public
Avelino José Pinto de Oliveira	Oval - Arquitetura e Engenharia	Main Architect and Partner	Private
	OLV - Serviços Técnicos	Administrator and Partner	Private
	Instituto Superior de Ciências Sociais e Políticas da Universidade de Lisboa	Assistant Professor	Public
	Ciência e Tecnologia da Universidade Fernando Pessoa	Assistant Professor	Private

[b] Resigned the position on June 30 of 2019, effective as of July 31 of 2019.

[c] Assumed the position, to replace Paulo de Azevedo Pereira da Silva.

PUBLIC MANAGER STATUTE

Member of the Board	Fixed	Classification	Representation Costs (**)	
			Monthly Salary (*)	Representation Costs (**)
Manuel Tomás Cortez Rodrigues Queiró [a]	Yes	C	4 578	1 831
Paulo de Azevedo Pereira da Silva [b]	Yes	C	4 578	1 831
Ângelo Augusto Santos Oliveira	Yes	C	3 663	1 465
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	Yes	C	3 663	1 465
Paula Cristina David Vaz Ribeiro Ramos	Yes	C	916	0
Avelino José Pinto de Oliveira	Yes	C	916	0

(*) Paid 14 times per year.

(**) Paid 12 times per year.

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019.

Member of the Board	ANNUAL REMUNERATION (€)				
	Fixed (1)	Variable (2)	Gross Amount (3)=(1)+(2)	Remuneration Reductions (4)	Final Gross Amount (5) = (3) - (4)
Manuel Tomás Cortez Rodrigues Queiró [a]	28 829	0	28 829	1 441	27 387
Paulo de Azevedo Pereira da Silva [b]	49 445	0	49 445	2 472	46 972
Ângelo Augusto Santos Oliveira	68 856	0	68 856	3 443	65 413
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	68 856	0	68 856	3 443	65 413
Paula Cristina David Vaz Ribeiro Ramos	12 819	0	12 819	641	12 178
Avelino José Pinto de Oliveira	12 819	0	12 819	641	12 178
			241 623	12 081	229 542

(1) The value of the Fixed Remuneration corresponds to the earning + representation expenses (without reductions).

(4) Reduction foreseen in article 12 of the Law nº 12-A/2010 of 30 June.

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019. Also received the amount of EUR 9.785, as a result of credits arising upon the end of the contract.

Member of the Board	SOCIAL BENEFITS (€)						
	Meal Allowance		Social Welfare Regime		Health Insurance Annual Fee	Life Insurance Annual Fee	Personal Accident Insurance Annual Fee
	Amount/day	Amount paid/year	Identity	Annual Fee			
Manuel Tomás Cortez Rodrigues Queiró [a]	4,77	305	Social Security	6 505	0	0	0
Paulo de Azevedo Pereira da Silva [b]	4,77	625	Social Security	16 179	0	0	245
Ângelo Augusto Santos Oliveira	4,77	1 011	Social Security	16 336	0	0	245
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	4,77	1 102	Social Security	16 448	0	0	245
Paula Cristina David Vaz Ribeiro Ramos	0,00	0	Social Security	2 892	0	0	245
Avelino José Pinto de Oliveira	0,00	0	Social Security	2 892	0	0	245
		3 043		61 252	0	0	1 225

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019.

VEHICLE CHARGES

Member of the Board	Allocated Vehicle	Signature of Contract	Vehicle reference value (€)	Type	Start Year	End Year	Monthly Lease Amount (€)	Annual Lease Expenditure (€)	Remaining Contractual Instalments (Nº)
Manuel Tomás Cortez Rodrigues Queiró [a]	Yes	Yes	42 629	ALD	2019	2023	655	194	47
Paulo de Azevedo Pereira da Silva [b]	Yes	No	-	-	-	-	-	-	-
Ângelo Augusto Santos Oliveira	Yes	Yes	34 989	ALD	2018	2022	506	6 066	30
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	Yes	Yes	34 716	ALD	2016	2020	537	7 558	8

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019.

ANNUAL MISSION EXPENSES (€)

Member of the Board	Missions	Accommodation	Expense Allowance	Others		Total travel expenses (€)
				Identify	Amount	
Manuel Tomás Cortez Rodrigues Queiró [a]	0	0	0		0	0
Paulo de Azevedo Pereira da Silva [b]	0	0	284		0	284
Ângelo Augusto Santos Oliveira	596	341	892		0	1 830
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	1 206	1 163	667		0	3 036
Paula Cristina David Vaz Ribeiro Ramos	0	0	0		0	0
Avelino José Pinto de Oliveira	0	0	0		0	0

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019.

2. SUPERVISION

SUPERVISORY BOARD

TERM 2016-2018 [1]

Term (Start-End)	Position	Name	Designation		Fixed Remuneration Statute (monthly) (€)	N° of Terms
			Type [1]	Date		
2016-2018	Chairman	Pedro Romano Martinez	Unanimous Written Company Decision	25/Jan/16	1 282	4
2016-2018	Permanent Voting Member	Ana Alexandra Filipe Freitas	Unanimous Written Company Decision	25/Jan/16	961	4
2016-2018	Permanent Voting Member	Paulo Jorge Rodrigues Mateus	Unanimous Written Company Decision	25/Jan/16	961	2
2016-2018	Deputy Voting Member	Dino Jorge Ramos Santos	Unanimous Written Company Decision	25/Jan/16	0	4

[1] The Members of the Supervisory Board occupied their positions until the General Assembly was held on May 31 of 2019.

TERM 2019-2021 [2]

Term (Start-End)	Position	Name	Designation		Fixed Remuneration Statute (monthly) (€)	N° of Terms
			Type [1]	Date		
2019-2021	Chairman	Luis Manuel Abrantes	General Assembly	31/May/19	1 282	1
2019-2021	Permanent Voting Member	Ana Alexandra Filipe Freitas	General Assembly	31/May/19	961	5
2019-2021	Permanent Voting Member	Paulo Jorge Rodrigues Mateus	General Assembly	31/May/19	961	3
2019-2021	Deputy Voting Member	Maria Teresa Vasconcelos Abreu Flor Morais	General Assembly	31/May/19	0	1

[2] The Members of the Supervisory Board were elected according to the decisions of the General Assembly held on May 31 of 2019.

TERM 2016-2018 [1]

Annual Remuneration (€)			
Name	Gross [1]	Remuneration Reductions [2]	Final Amount [3] = [1]-[2]
Pedro Romano Martinez (*)	6 410	320	6 089
Ana Alexandra Filipe Freitas	4 807	240	4 567
Paulo Jorge Rodrigues Mateus	4 807	240	4 567
			15 223

(*) Additionally, received the amount of EUR 1.015, as a result of credits arising upon the end of the contract.

[1] The Members of the Supervisory Board occupied their positions until the General Assembly was held on May 31 of 2019.

TERM 2019-2021 [2]

Annual Remuneration (€)			
Name	Gross [1]	Remuneration Reductions [2]	Final Amount [3] = [1]-[2]
Luis Manuel Abrantes	10 537	527	10 010
Ana Alexandra Filipe Freitas	8 653	433	8 220
Paulo Jorge Rodrigues Mateus	8 653	433	8 220
			26 450

[2] The Members of the Supervisory Board were elected according to the decisions of the General Assembly held on May 31 of 2019.

STATUTORY AUDITOR

The Society of Statutory Auditors RCA - Rosa, Correia & Associados, SROC, SA, represented by Gabriel Correia Alves, was elected for the 2019-2020 biennium, by Unanimous Written Social Deliberation, of March 19, 2019, in accordance with the will expressed by the single Portuguese State shareholder,

The contract signed with the Society of Statutory Auditors RCA - Rosa, Correia & Associados, SROC, SA, started on April 9, 2019.

Term (Start-End)	Position	Audit Firm/Auditor Identification			Designation			Nº of years worked in the group
		Name	OROC Registration Nº	CMVM Registration Nº	Type [1]	Date	Contract Date	
2019-2020	Statutory Auditor	Sociedade de Revisores Oficiais de Contas RCA - Rosa, Correia & Associados, SROC, SA.	143	20161455	UWD	19/Mar/19	09/Apr/19	1

[1] Elected for the term by Unanimous Written Company Decision

Name	Annual Value of Service Agreement - 2019 (€)			Annual Value of Additional Services - 2019 (€)			
	Value (1)	Reductions (2)	Final Amount (3)=(1)-(2)	Service Identification	Value (1)	Reductions (2)	Final Amount (3)=(1)-(2)
Sociedade de Revisores Oficiais de Contas RCA - Rosa, Correia & Associados, SROC, SA.	14 900	0	14 900	-	-	-	-

Additionally, also earned EUR 7.450 regarding the legal review of individual and consolidated accounts of 2019, as contractually agreed.

EXTERNAL AUDITOR - NOT APPLICABLE TO STCP

10.7. ARTICLES 32 AND 33 OF THE PUBLIC MANAGER STATUTE (EGP)

During the year of 2019, the company complied with the provisions of Articles 32 and 33 of the EGP, regarding:

- The members of the Board of Directors, or any other corporate body, do not have a company credit card, nor do they use other payment instruments for the purpose of incurring expenses in the service of the Company.
- There was no reimbursement of expenses, to the

members of the Board of Directors or any other corporate body, which fall within the scope of the concept of personal representation expenses.

- The expenses associated with communications, which include mobile phone, home phone and internet, attributed to the members of the Board of Directors, were below the established ceiling, and were as follows:

COMMUNICATION EXPENSES (€)			
Member of the BD	Established Monthly Ceiling	Annual Amount	Remarks
Manuel Tomás Cortez Rodrigues Queiró [a]	80	46	
Paulo de Azevedo Pereira da Silva [b]	80	242	
Ângelo Augusto Santos Oliveira	80	333	
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	80	341	
		962	

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019.

- The expenses with fuel and tolls stipulated monthly for the service vehicles assigned to the members of the

Board of Directors, were below the established ceiling, and are shown in the following table:

ANNUAL EXPENSES LINKED TO VEHICLES (€)					
Member of the BD	Monthly Ceiling Fuel and Tolls	Fuel	Tolls	Total	Remarks
Manuel Tomás Cortez Rodrigues Queiró [a]	458	688	165	852	
Paulo de Azevedo Pereira da Silva [b]	458	700	4	704	
Ângelo Augusto Santos Oliveira	366	3 587	306	3 893	
Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça	366	1 993	485	2 478	
				7 927	

[a] Started his position on September 1 of 2019, pursuant to Unanimous Written Company Decision, of July 31 of 2019.

[b] Resigned his position on June 30 of 2019, effective as of July 31 of 2019.

During the year, no option was exercised by the members of the Board of Directors for the purchase of service vehicles that have been affected to them.

10.8. UNDOCUMENTED OR CONFIDENTIAL EXPENSES

The company complied with the provisions Article 16 (2) of the RJSPE and Article 11 of the EGP, prohibiting undocumented spending.

10.9. REPORT ON REMUNERATIONS

The 2018 Remuneration Report by gender of 2018 was published on the company's website and intranet.

10.10. ANNUAL REPORT ON THE PREVENTION OF CORRUPTION

The 2019 report on Prevention of Corruption was prepared in accordance with paragraph 1 of article 46 of Decree-Law n° 133/2013, of 3 October. The report is published on the company's website and on the company's intranet.

10.11. PUBLIC PROCUREMENT

a) how the public procurement rules in force in 2019 were applied

Since STCP is an entity designed to meet the needs of the general interest with a commercial character, which operates in the transport sector, as provided for in article 7 paragraph 1 and article 9 paragraph 3 point a) of the Public Contracts Code (CCP), is only required to apply part II of the CCP in the case of works contracts, when the value is equal to or greater than 5,548,000.00 euros,

and in the case of contracts for the acquisition of movable goods or the provision of services amounting to more than 443,000.00 euros (articles 11 n° 1 and 474 n° 4 of the CCP).

In 2019, STCP launched 4 international public tenders within the scope of the CCP, regarding contracts with values higher than those mentioned above:

VORTAL PLATFORM - TENDERS 2019

N°	Designation
3/2019	International Public Tender for the supply of natural gas
9/2019	International Public Tender for the acquisition of 81 gas buses
14/2019	International Public Tender for the acquisition of 5 electric buses with maintenance, charging station and maintenance
20/2019	International Public Tender for the provision of cleaning services on the facilities and vehicles

b) The internal procedures established for contracting goods and services and whether they are subject to periodic review, with reference to the last update:

In order to achieve greater transparency in terms of acquisitions, the Board of Directors decided, in point 6.2 of minutes n° 15/17 of 11/04, the recommendation to all departments of the company to use the electronic platform in all future public procurement procedures with values in excess of EUR 5,000.00 (five thousand euros).

Such recommendation can only be dismissed, as long as it is justified by each department responsible and authorized by the Board of Directors.

In 2019, 21 consultations by invitation were launched on the electronic public procurement platform.

With regard to purchases up to EUR 5,000.00, or above this amount and exempted from the use of the electronic platform, in accordance with the above, the procedures

established in the company require, whenever possible, consultation with at least three suppliers. Exceptionally, due to specific technical issues, always duly substantiated, and authorized, the consultation can be made to only one or two suppliers.

STCP also has a Regulation for Suppliers, which establishes the criteria for legal requirements and good practices, which suppliers of goods and services must respect.

Within the scope of the Integrated Management System of STCP, internal procedures are in place, namely regarding the Purchases of Goods and Services and the Approval Rules. The procedures are reviewed, whenever deemed necessary, or by legal obligations.

The last update of the Purchases of Goods and Services procedure is dated 07/05/20018, and the approval rules procedure, dated 06/28/2018.

c) the acts or contracts concluded with a value greater than EUR € 5,000,000, regardless of the type of the act or contract in question, and whether they were subject to a prior visa by the Court of Auditors, as determined by article 47 of the Law of Organization and Court of Auditors Process (LOPTC)

In compliance with the provisions of Law N° 98/97 of August 26, the Law of Organization and Process of the

Court of Auditors, which requires prior inspection by the Court of Auditors of certain acts, contracts or other instruments that generate expenses or represent direct or indirect financial responsibilities for checking their legal compliance and budget appropriation of the budget, the following contracts were submitted to the Court of Auditors in 2019 for visas, whose values are greater than EUR 5,000,000.00:

Contracts sent to the Court of Auditors in 2019 to obtain a prior visa

- Dispute resolution agreement resulting from the annulment of the award act and the subconcession contract
- Acquisition of 81 gas buses

Until December 31, 2019, the following contracts were endorsed by the Court of Auditors:

- Acquisition of Diesel (2018 process)
- Dispute resolution agreement resulting from the annulment of the award act and the subconcession

10.12. NATIONAL PUBLIC PURCHASING SYSTEM (SNCP)

In March 2011, STCP signed a contract with the National Public Procurement Agency, E.P.E. (ANCP) for joining the National Public Purchasing System (SNCP).

From this adhesion, as a voluntary entity, it did not award any acquisition process using the Framework Agreements.

10.13. MEASURES FOR REDUCING OPERATING COSTS

(amounts in thousands of euros)

	Performance	Budget	Performance	Performance	Var. 2019 / 2018	
Cost Reduction Plan (PRC)	2019	2019	2018	2017	Amount	%
(0) Recurring EBITDA	3 482	367	1 937	-925	1 545	79,8%
(1) CGSMC	1 090	1 166	1 443	1 181	-353	-24%
(2) ESS	20 377	22 726	19 913	18 500	464	2,3%
(3) Personnel expenditure corrected for charges i), ii), and iii) a	27 968	30 403	30 024	29 021	-2 057	-6,8%
(3.i) Indemnities paid for rescission	0	0	3	52	-3	-100,0%
(3.ii) Increase in remunerations, under the terms of the LOE 2019 [1]	3 654	3 071	2 750	738	904	32,9%
(3.iii) Effect of the application of the provisions of article 21 of Law n° 42/2016, of 29 December	0	0	0	0	0	
(4) Operational Expenses = (1) + (2) + (3)	49 435	54 294	51 380	48 702	-1 945	-3,8%
(5) Turnover (TO) [2]	57 255	58 603	55 878	49 718	1 377	2,5%
(6) Weight of Expenses / BV = (4) / (5)	86,3%	92,65%	92,0%	98,0%	-5,61 pp	-6,1%
(i) Travel Expenses (ESS)	17	27	13	13	4	32,8%
(ii) Costs Accommodation and Allowances (w/ Personnel)	7	3	4	1	3	77,3%
(iii) Costs associated with the vehicle fleet	193	191	175	179	18	10,2%
Total (i) + (ii) + (iii)	217	221	192	193	25	12,9%
(7) Costs of contracting studies, reports, projects and consultancy	187	305	255	249	-68	-26,7%
Total number of HR (BG+MP+Workers)	1 302	1 315	1 284	1 253	18	1,4%
Number Governing Bodies (GB)	13	13	13	11	0	0,0%
Number Managerial Posts (MP)	10	10	10	10	0	0,0%
Number Employees (without GB nor MP)	1 279	1 292	1 261	1 232	18	1,4%
N° of Employees/N° MP	128	129	126	123	2	1,4%
N° of Vehicles	48	47	47	50	1	2,1%

[1] Refers to the impact of replacing rights foreseen in labor regulatory instruments and the impact of remunerations increase, according to the memorandum of understanding signed with ORT's and approved by the Government. Includes social charges.

[2] Includes the provision of services (with andante tariff compensation and PART offset), financial compensation by OSP to be paid by the Municipalities, subsidies to the exploitation of other entities, works for the entity and other profits and losses.

(a) Vehicle costs must include: rent/depreciation, inspections, insurances, tolls, fuel, maintenance, repairs, tyres, fees and taxes.

STCP's 2019 Plan of Activities and Budget was approved by Order No. 452/19 - SET, of 05/28/2019, with the following authorization limitations:

- *"The hiring of 20 workers under the terms therein, as well as the replacement of workers who ceased or will cease, definitively, in the years 2018 and 2019, their link to the company, in the following areas: driver, brakeman, inspector, supplier, fleet maintenance and tram.*
- *The increase in personnel costs corresponding to the increase in the number of authorized workers above.*
- *The recruitment authorized above must respect the budgeted limit and is granted on condition that further use of overtime is reduced.*
- *The amount allocated to the hiring of ESS is limited, in 2019, to the amount of 22 M €.*
- *The value of the investment is limited, in 2019, to 20.2 M €."*

LEVEL OF AIMS ACHIEVEMENT:

- **Net results** were negative by 3.2 million euros, showing an increase compared to 2018 of 1.3 million euros, given that current operating results were lower than in 2018, by 4.5 million euros, but the non-current results were 2.2 million euros lower than those recorded in 2018. Financial results show a reduction of 2.3 million euros compared to the previous year.
- The **ESS** reached 20.4 million euros, below the authorized limit of 1.6 million euros (-7.4%). However, the value of 2019 was above the value of 2018 by 464.4 thousand euros (2.3%).
- The **weight of operating expenses** (CGSMC + FSE + Personnel Expenses excluding severance payments and remuneration valuations) on turnover was 86.3% in 2019, showing a reduction of 5.6 percentage points (- 6.1%) compared to 2018.
- **Travel expenses** together, with **subsistence allowances** and **expenses associated with the automobile fleet** reached 216.8 thousand euros,

standing above the value of 2018, at 24.8 thousand euros (13%), but below in 4 thousand euros, of the amount foreseen in the 2019 budget, which was authorized.

- The total number of **support vehicles**, as of December 31, 2019, was 48, one more than on the same date in 2018 and the budgeted number. This additional electric vehicle was authorized by ESPAP and intended for the Chairman of the Board of Directors. The vehicle it came to replace was shot down in the first months of 2020.
- Charges for **contracting studies, opinions, projects and consultancy** were 186.7 thousand euros, representing a value lower than that verified in 2018, at 68 thousand euros (-27%).
- **Staff**, in 2019 there were 87 entries and 69 exits, resulting in a net increase of 18 elements, with the exits being distributed throughout all months of the year, but the entries only occurred from June inclusive, after approval of the budget, therefore, not burdening the first 5 months of the year.

STCP, through Order N° 452/19-SET, dated 28.05.2019, obtained authorization for the replacement of workers assigned to the operation, who terminated or will terminate their contract in 2019, and to reinforce up to 20 affected workers the operation. This order also contemplates the vacancies of workers, who ceased employment in 2018 and for whom it was not possible to ensure their replacement until December 31 of that year. However, although in 20 the 20 workers joined to reinforce the personnel assigned to the operation, it was not possible to proceed with the total hiring of replacements for the exits, mostly due to retirement.

The hiring authorization, to reinforce the workforce, was conditioned to the reduction of overtime, compared

to 2018. In 2019, 61 thousand overtime hours were performed, -14 thousand hours (-18.7%) than those performed in 2018, which were 75 thousand. Expenses with overtime (without social charges) were 458 thousand euros, also showing a reduction compared to the previous year, of 89 thousand euros (-16.3%).

▪ **Personnel Expenses**, in 2019, decreased by 1.2 million euros (-3.5%) compared to 2018.

If personnel expenses are corrected for charges for severance payments and the impact of remuneration valuations, they will be EUR 28 million, down by around EUR 2.1 million (-6.8%) compared to 2018.

10.14. CONTRACTING STUDIES, REPORTS, PROJECTS AND CONSULTANCY

(amounts in euros)	2019	2018	Variation		Budget 19 [1] year	% Exec. 2019
			abs.	%		
Costs of contracting studies, reports, projects and consultancy	186 718	254 748	-68 031	-26,7%	304 821	61,3%

[1] IPG version February 28 of 2019.

In 2019, expenses with contracting studies, opinions, projects and consultancy amounted to approximately EUR 187,000, showing a reduction compared to 2018, of EUR 68,000 (-26.7%). In relation to the budgeted amount for 2019, for this set of items, the real value of 2019 was below EUR 118,000 (-39%).

With regard to the provisions of article 49 of DLEO 2019, its non-application to STCP in 2019 is considered, since

during the year studies, opinions, projects and consultancy in economic matters - Financial or of an imminently strategic nature, namely in the scope of restructuring operations, mergers and acquisitions, sale of shares or assets, relationship with supervisory entities and with the European Union and other European Institutions (Article 49 (2)).

10.15. STATE TREASURY UNIT PRINCIPLE

Pursuant to Article 104 of Decree-Law N° 33/2018, of May 15, public non-financial companies must, unless otherwise provided by law, maintain their cash and financial investments with the Treasury and Debt Management Agency Government, IGCP, EPE, for which the State Treasury regime is applicable to them. Revenue from all financial investments that are made in violation

of the State Treasury Unit Principle by the entities subject to it revert to the State.

STCP, in compliance with the provisions of the Law, requested the due waiver of compliance of the State Treasury Unit Principle (UTE) to the Treasury and Public Debt Management Agency, IGCP, E.P.E., to some operations.

By order of the IGCP, letter 11914/2018, dated July 28, 2018, the following operations were granted an exception to the fulfillment of said principle: contracted financing, bank guarantees, custody of Securities, and deposit of securities carried by through a Securities Transport Company.

The waiver was granted for a period of 2 years.

Following the guidelines received through Circular Letter No. 844, of February 3, 2011, in 2011 STCP opened an

account with the Treasury and Public Debt Management Agency, IGCP, EPE, where it has been centralizing funds from activity and associated treasury operations.

In 2019, the company did not make any financial investments, nor did it earn interest as a result of the existing financial deposits on Demand Deposits outside the scope of the IGCP, which are presented in the following table:

Commercial Banks	1 st Quarter €	2 nd Quarter €	3 rd Quarter €	4 th Quarter €
Novo Banco	17 101	16 818	16 646	16 474
Banco BPI	343 992	354 873	23 042	21 161
Banco Santander Totta	530 655	62 210	359 824	9 547
Banco Santander Totta II	2 784	2 784	2 784	2 784
Banco Santander Totta III	26 465	26 465	26 465	26 465
Millenniumbc	134 625	42 529	321 406	48 366
Montepio Geral	10 646	5 472	12 893	15 889
Portuguese Treasury and Debt Management Agency - IGCP	11 967 693	4 565 304	15 899 222	18 466 782
Total	13 033 962	5 076 455	16 662 282	18 607 467
Interest earned	0	0	0	0

10.16. RECOMMENDATIONS FROM THE AUDITS PERFORMED BY THE COURT OF AUDITORS IN THE LAST THREE YEARS

In the period 2017 to 2019, the Court of Auditors carried out the "Audit of the annulment of the awarding acts for the subconcessions of public transport provided by STCP and MdP". This audit was carried out in 2017 following a request by the Assembly of the Republic.

Report N° 16 / 17-2nd Section of this audit, can be obtained at:

<https://www.tcontas.pt/pt-pt/ProdutosTC/Relatorios/RelatoriosAuditoria/Documents/2017/rel016-2017-2s.pdf>

"The Court recommended to the Government and the Boards of Directors of the audited entities that they adopt procedures to comply with the principle of legality and to prevent the shortcomings detected, without prejudice to the determination of the value for money of the decisions to cancel the contracts."

10.17. DISCLOSURE OF INFORMATION

Information disclosed as of 31 December 2018 (SEE website, DGTF portal)	Disclosure		Remarks
	Y/N/N.A.	Update Date	
Statutes	S	3-Set-19	Was submitted by STCP to DGTF update model on 17/Dec/19, not yet available on SEE's website page.
Nature of Company	S	3-Set-19	
Role of guardian authority and shareholder	S	9-Nov-18	
Governance Model/Members of Governing Bodies	S	10-May-19	
Identification of governing bodies	S		
Fixed remuneration statute	S		
Disclosure of remuneration earned by governing bodies	S		
Identification of duties and responsibilities of Board of Directors members	S		
Presentation of curricular summaries of Governing Bodies' members	S		
Public financial contribution	S	6-Set-19	
Summary sheet	S	6-Set-19	
Past and present financial information	S	3-Set-19	
Principles of good governance	S	3-Set-19	
Internal and external regulations governing the company	S		
Relevant transactions with related companies	S		
Other transactions	S		
Company sustainability analysis in the following areas:	S		
Economic	S		
Social	S		
Environmental	S		
Evaluation of Compliance with the Principles of Good Governance	S		
Ethics code	S		

Y - Yes / N - No / N.A. - Not Applicable

10.18. TABLE SUMMARIZING COMPLIANCE WITH LEGAL OBLIGATIONS

Compliance with Legal Guidelines - 2019	Compliance Y / N / N.A.	Quantification/ Identification	Explanation/Reference to the Report
Managerial Objectives [1]			
EBITDA (management) of road transport mode	N	Reached EUR 2.7 M, less 385 than proposed	Point 10.1
Road transport Result	Y	Corresponded to EUR 1.3M, more 59% than proposed	Point 10.1
Average speed	N	15,63% lower 0,4% than set	Point 10.1
Service compliance rate	Y	Improved 96,2%, 1,2% than set	Point 10.1
Vehicles km of service	N	Equal to EUR 22.1M, -1,7% than the goal	Point 10.1
N° of Complaints per million vehicle km	N	Corresponded to 108, increased 7,8% compared to the goal	Point 10.1
N° of Complaints per million passengers	Y	Reached 31, a 21,8% reduction by comparison to the goal	Point 10.1
Public Service Obligations (PSO)	N	Placed below the goal, at 16,3%, reaching EUR 4,5M.	Point 10.1
Goals to achieve in PAO 2019			
Recurring EBTIDA	Y		Point 10.1
Net profit	Y		Point 10.1
Personnel expenses	Y		Point 10.1
N° of full-time staff	Y		Point 10.1
Operational Efficiency (weight of operational expenses, corrected from the tenders arising from salary reposition and the indemnities by rescission, in the business volume)	Y		Point 10.1
Entirety of Communication and travel expenses, expense and accommodation allowances, and expenses associated to the fleet	Y		Point 10.1
Costs of contracting studies, reports, projects and consultancy	N.A.		Point 10.14
Degree of budget execution carried on SIGO/SOE	N.A.		
Financial Risk Management	Y	Average financing rate 1,54%	Point 10.2
Growth Limits to Financing	Y	0,54%	Point 10.3 Not considering indebtedness for swap charges

table continued on the following page >

Compliance with Legal Guidelines - 2019	Compliance Y / N / N.A.	Quantification/ Identification	Explanation/Reference to the Report
Changes in APP for suppliers	N	-0,5 days	Point 10.4
Disclosure of Payment Delays ("Arrears")	Y	EUR 73.066	Point 10.4
Shareholder recommendations in accounts approval			
1. To comply with the provisions of the Ministerial Decree n° 34/2008, of February 22	N		Point 10.4
2. To comply with the provision "(...) make available the publication on the website of the company regarding the annual reports on corruption prevention concerning the financial years of 2017 and 2018".	Y		Point 10.10
3. "To comply with the provision (...) to upload this information on the SIRIEF form for the purpose".	Y		Point 10.15
Remunerations:			
Non-awarding of bonuses	Y		Point 10.6
CA- remuneration reductions in force during 2019	Y	EUR 12.081	Point 10.6
Inspections (CF/ROC)- remuneration reductions in force during 2019	Y/N.A.	EUR 2.193	Point 10.6
External Auditor- remuneration reduction in effect in 2018	N.A.		Point 10.6
EGP - Article 32 and 33			
Unused credit cards	Y		Point 10.7
Non-reimbursement of personal representation expenses	Y		Point 10.7
Maximum amount of expenses linked to communications	Y		Point 10.7
Maximum amount of fuel and tolls allocated monthly to service vehicles	Y		Point 10.7
Undocumented or confidential expenses - article 16 (2) of RISPE and article 11 of EGP			
Prohibition of making undocumented or confidential expenses	Y		Point 10.8

table continued on the following page >

Compliance with Legal Guidelines - 2019	Compliance Y / N / N.A.	Quantification/ Identification	Explanation/Reference to the Report
Promotion of wage equality between man and woman - n° 2 of RCM n° 18/2014			
Preparation and disclosure of report about remunerations paid to man and woman	Y	https://www.stcp.pt/fotos/editor2/Institucional/relatorio_sobre_remuneracoes_por_genero.pdf	Point 10.9
Preparation and disclosure of annual report about corruption prevention	Y		Point 10.10
Public Procurement			
Application of Public Procurement Standards by the company	Y		
Application of Public Procurement Standards by the affiliates	Y		
Contracts subject to prior check by the Court of Auditors	Y	Two contracts	Point 10.11
Court of Auditors Inspection [2]	Y	explained on the point indicated	Point 6.15
Vehicles Available			
No. of Vehicles	Y	48 vehicles	Was authorized by ESPAP the purchasing of an electric vehicle for PCA. To scrap 1 vehicle in 2020.
Operational Expenditure of Public Companies	Y		Point 10.13
Principal of Treasury Unit (article 28 of FL 133/2013)			
Availability centered on IGCP	Y	EUR 18.466.782	Point 10.15
Availability and application on Commercial Banks	Y	EUR 140.685	Point 10.15
Interests earned as a result of UTE non-compliance and delivered on State Revenue	Y	EUR 0	Point 10.15

[1] indicate each management objective of the company.

[2] ought to be included the recommendations arising from cross-sectional audits to the operating sector and/or SEE.



C11

**SUBSEQUENT FACTS
AND OUTLOOK FOR
2020**

11. SUBSEQUENT FACTS AND OUTLOOK FOR 2020

SUBSEQUENT FACTS

The first quarter of 2020 was marked by the appearance of a global epidemic called Covid-19, and on March 11, 2020, the World Health Organization (WHO) decreed a pandemic associated with the spread of Covid-19.

In Portugal, the Decree of the President of the Republic No. 14-A / 2020, of 18 March, declares a state of emergency, based on the verification of a situation of public calamity. This internationally disseminated pandemic has a relevant impact on the world economy and on the functioning of the various sectors, namely in tourism and public passenger transport.

Dispatch n° 3547-A / 2020, of March 22, came to regulate the declaration of the state of emergency, keeping in operation, among others, the operation of STCP's activity, establishing the services that STCP must ensure and the conditions that must be guaranteed in your transport activity.

Although with the operation of the public transport service in operation, for 24 hours, every day of the week, demand decreased substantially, and passengers transported were unable to validate or purchase a ticket, thus traveling free of charge.

In this context and given the high uncertainty that still exists, it is difficult to quantify exactly the effects on the market where STCP operates. However, it is estimated that at the end of the first quarter and during the second quarter there will be a sharp drop in demand and revenues, with a minor reduction in expenses, since the company has always maintained its operation.

It is estimated that in the second half of the year, the recovery starts to start with the resumption of the economy.

The second phase of renewal of the bus fleet, consisting of the acquisition of 86 vehicles, is scheduled to start in the last quarter of 2020

OUTLOOK FOR 2020

In 2020, the renewal of the fleet of public service buses will continue to be promoted, with the reception of the last 79 vehicles, out of a total of 188, which make up the first phase of renewal of the STCP fleet, thus concluding this initial phase. fleet renewal.

The second phase of renewal of the bus fleet, consisting of the acquisition of 86 vehicles, is scheduled to start in

the last quarter of 2020, following the conclusion of the contract with the winning supplier of the international public tender for the supply of gas buses. and obtaining the respective visa from the Court of Auditors.

It is also expected to achieve, during the year 2020, the completion of the Intermunicipalization of STCP, S.A .

LANÇAMENTO DO CONCURSO RENOVAÇÃO DA FROTA STCP

JOÃO PEDRO MATOS FERNANDES

MINISTRO DO AMBIENTE E
DA TRANSIÇÃO ENERGÉTICA

STCP



REPÚBLICA PORTUGUESA



C12

**PROPOSAL FOR THE
APPROPRIATION OF
RESULTS**

12. PROPOSAL FOR THE APPROPRIATION OF RESULTS

The Board of Directors proposes that the Net Profit obtained for the year, which was minus EUR 3,162,821.26 (three million, one hundred and sixty-two thousand, eight hundred and twenty-one euros and twenty-six cents) to be fully transferred to the Retained Earning account.

Porto, 04 June 2020

THE BOARD OF DIRECTORS

Chief Executive:

(Manuel Tomás Cortez Rodrigues Queiró)

Executive voting members:

(Ângelo Augusto Santos Oliveira)

(Isabel Maria de Oliveira Botelho Moniz da Cruz Vilaça)

Non-executive voting members:

(Paula Cristina David Vaz Ribeiro Ramos)

(Avelino José Pinto de Oliveira)







FINANCIAL STATEMENTS

1. ACCOUNTS FOR THE FINANCIAL
YEAR OF 2019

2. NOTES ON THE FINANCIAL
STATEMENTS

FINANCIAL STATEMENTS

1. ACCOUNTS FOR THE FINANCIAL YEAR OF 2019

BALANCE AS OF DECEMBER 31 OF 2019 AND 2018

(amounts in euros)

Assets	Notes	31-December 2019	31 December 2018
Non-current assets		100 824 351,53	83 753 508,65
Tangible fixed assets	9	82 671 597,38	67 451 784,75
Investment properties	13	15 195 300,00	14 124 850,00
Intangible assets	8	81 410,15	102 403,42
Financial holdings - equity method	7,15	1 844 721,69	1 032 975,89
Other financial investments	29.1.2.1	134 645,86	108 983,35
Receivables	32.4	896 676,45	932 511,24
Current Assets		29 184 017,95	25 911 184,96
Inventories	20	463 958,26	519 909,60
Customers	29.2.3	15 551,54	3 110 155,66
Government and other public entities	32.2	1 701 083,88	2 270 703,07
Other receivables	32.4	7 444 394,10	5 130 273,41
Deferrals	32.5	803 629,38	632 272,64
Cash and bank deposits	5	18 755 400,79	14 247 870,58
Total assets		130 008 369,48	109 664 693,61

Equity and Liabilities	Notes	31-December 2019	31-December 2018
Equities			
Paid-up capital	29.4.1	306 463 440,00	288 034 780,00
Legal reserves	29.4.2	74 907,42	74 907,42
Other reserves	29.4.2	25 727,80	25 727,80
Retained earnings		-669 742 965,93	-668 043 799,10
Revaluation surplus	29.4.3	35 732 238,34	40 983 216,12
Adjustments/other changes in equity	29.4.4	11 130 383,68	9 003 801,86
Net profit for the period	29.4.5	-3 162 821,26	-1 820 042,93
Total equity		-319 479 089,95	-331 741 408,83

Equity and Liabilities	Notes	31-December 2019	31-December 2018
Liabilities			
Non-current liabilities		305 744 456,41	361 144 645,74
Provisions	23	12 614 707,09	15 176 432,74
Loans obtained	29.1.1	219 605 803,60	262 776 876,70
Liabilities for post-retirement benefits	30	287 060,00	563 757,00
Liabilities for deferred taxes	27	7 108 545,94	
Other debts payable - tax related	29.4.4	2 664 457,29	
Other financial liabilities	29.1.3	63 463 882,49	82 627 579,30
Current liabilities		143 743 003,02	80 261 456,70
Suppliers	32.1	2 696 319,42	2 738 396,39
Advances from customers		1 741,90	1 395,35
Government and other public entities	32.2	1 288 600,55	1 784 133,65
Loans obtained	29.1.1	126 462 161,36	61 853 882,02
Other debts payable	32.3	9 027 003,82	10 429 966,42
Deferrals	32.5	2 637 286,76	2 040 959,06
Other financial liabilities	29.1.3	1 629 889,21	1 412 723,81
Total liabilities		449 487 459,43	441 406 102,44
Total equity and liability		130 008 369,48	109 664 693,61

PROFIT AND LOSS STATEMENT BY NATURE

Period ended on 31 December 2019 and 2018

(amounts in euros)

Income and Expenses	Notes	2019	2018
Sales and services provided	22	49.580.884,00	47.924.924,87
Operating subsidies	24	4.629.388,04	4.851.737,01
Gains/losses attributable to subsidiaries, associate companies and joint ventures	15	823.712,78	537.461,03
Work for the company itself	8,9	32.419,60	15.774,21
Cost of goods sold, and materials consumed	20	-1.089.862,13	-1.442.556,09
External supplies and services	32.6	-20.377.466,51	-19.913.071,64
Personnel expenditure	30.2	-31.621.501,08	-32.776.131,57
Inventory impairment (losses/reversals)	20	-12.994,92	25.628,12
Impairment of debts receivable (losses/reversals)	29.2.3	-3.967,25	
Provisions (increases/decreases)	23	-338.274,35	4.735.561,54
Impairment of investments not depreciable/amortizable (losses/reversals)	29.1.2.1	-80,00	-1.431,66
Fair value increases/decreases	13	214.250,00	2.635.684,56
Other income	32.8	3.012.197,01	3.085.221,78
Other expenses	32.7	-684.543,69	-927.363,55
Depreciation and amortization expenses/reversals		4.164.161,50	8.751.438,61
Depreciation and amortization expenses/ reversals	8,9	-4.672.597,81	-3.630.884,21
Impairity of depreciable/amortizable assets (losses/reversal)	14	1.857.311,71	
Operating profit (before financing expenses and taxes)		1.348.875,40	5.120.554,40
Interest and similar income obtained	12	19.163.696,81	14.724.867,88
Interest and similar expenses obtained	12	-23.824.569,46	-21.652.593,89
Profit before taxes		-3.311.997,25	-1.807.171,61
Income tax for the period	27	149.175,99	-12.871,32
Net profit for the period		-3.162.821,26	-1.820.042,93

Certified Accountant n.º 6622

The Board of Directors
Chief Executive

Executive voting members

Non-executive voting members

PROFIT AND LOSS STATEMENT BY FUNCTION

Period ended on 31 December 2019 and 2018

(amounts in euros)

Captions	2019	2018
Sales and services provided	54.127.539,19	52.682.327,38
Cost of sales and services provided	-51.194.025,97	-51.194.697,86
Gross Result	2.933.513,22	1.487.629,52
Outros rendimentos	6.334.660,08	11.478.948,82
Distribution costs	-1.572.026,84	-1.562.116,04
Administrative costs	-4.483.415,66	-4.503.826,62
Other expenses	-1.863.855,40	-1.780.081,28
Operating profit (before financing expenses and taxes)	1.348.875,40	5.120.554,40
Financing costs (net)	-4.660.872,65	-6.927.726,01
Profit before taxes	-3.311.997,25	-1.807.171,61
Income tax for the period	149.175,99	-12.871,32
Net profit for the period	-3.162.821,26	-1.820.042,93

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STATEMENT OF CHANGES IN EQUITY

on 31 December 2018

Description		Notes	Paid-up capital	Legal reserves	Other reserves
POSITION AT THE START OF 2018	1		213.152.770,00	74.907,42	25.727,80
CHANGES OCCURRED DURING THE TERM					
Execution of revaluation surplus		29.4			
Revaluation surplus		29.4			
Other recognized equity changes					
	2				
NET PROFIT FOR THE TERM	3				
FULL PROFIT	4=2+3				
OPERATIONS WITH CAPITAL OWNERS DURING THE TERM					
Capital increases					
	5		74.882.010,00		
			74.882.010,00		
POSITION AT THE END OF 2018	6=1+2+3+5		288.034.780,00	74.907,42	25.727,80

on 31 December 2019

Description		Notes	Paid-up capital	Legal reserves	Other reserves
POSITION AT THE START OF 2019	6		288.034.780,00	74.907,42	25.727,80
CHANGES OCCURRED DURING THE TERM					
Execution of revaluation surplus		29.4			
Revaluation surplus		29.4			
Other recognized equity changes					
	7				
ET PROFIT FOR THE TERM	8				
FULL PROFIT	9=7+8				
OPERATIONS WITH CAPITAL OWNERS DURING THE TERM					
Capital increases			18.428.660,00		
	10		18.428.660,00		
POSITION AT THE END OF 2019	6+7+8+10		306.463.440,00	74.907,42	25.727,80

(montante expresso em euros)

Retained earnings	Revaluation surplus	Equity adjustments/other variations	Net profit for the term	TOTAL
-653.591.194,69	42.787.993,72	4.409.348,40	-14.910.937,48	-408.051.384,83
783.657,32	-783.657,32			-1.021.120,28
	-1.021.120,28			
-15.236.261,73		4.594.453,46	14.910.937,48	4.269.129,21
-14.452.604,41	-1.804.777,60	4.594.453,46	14.910.937,48	3.248.008,93
			-1.820.042,93	-1.820.042,93
			13.090.894,55	1.427.966,00
				74.882.010,00
-668.043.799,10	40.983.216,12	9.003.801,86	-1.820.042,93	-331.741.408,83

(montante expresso em euros)

Retained earnings	Revaluation surplus	Equity adjustments/other variations	Net profit for the term	TOTAL
-668.043.799,10	40.983.216,12	9.003.801,86	-1.820.042,93	-331.741.408,83
753.664,99	-753.664,99			2.611.233,15
	2.611.233,15			
-163.386,86	-7.108.545,94	-2.664.457,29		-9.936.390,09
-2.289.444,96		4.791.039,11	1.820.042,93	4.321.637,08
-1.699.166,83	-5.250.977,78	2.126.581,82	1.820.042,93	-3.003.519,86
			-3.162.821,26	-3.162.821,26
			-1.342.778,33	-6.166.341,12
				18.428.660,00
				18.428.660,00
-669.742.965,93	35.732.238,34	11.130.383,68	-3.162.821,26	-319.479.089,95

CASH FLOW STATEMENT

Period ended 31 December 2019 and 2018

(amounts in euros)

	Notes	2019	2018
Cash flow from operating activities			
Cash receipts from customers		54.446.482,70	51.976.806,55
Cash paid to suppliers		-26.490.243,10	-24.164.836,77
Cash paid to employees		-26.150.743,61	-25.642.551,23
Cash generated by operations		1.805.495,99	2.169.418,55
Income tax received/paid		231.630,26	143.397,21
Other receipts/payments		992.443,94	2.047.832,82
Cash flow from operating activities (1)		3.029.570,19	4.360.648,58
Cash flow from investment activities			
Payments relating to:			
Tangible fixed assets		-20.418.220,44	-14.941.959,24
Intangible assets		-14.763,62	-130.729,96
Financial investments		-25.205,35	-17.996,62
Other assets		-64.323,07	-84.073,63
		-20.522.512,48	-15.174.759,45
Cash receipts relating to:			
Tangible fixed assets		86.267,77	74.681,54
Other assets		150.034,15	1.062.680,00
Investment subsidies		5.613.527,71	3.298.875,77
Interest and similar income		340.119,95	355.885,54
		6.189.949,58	4.792.122,85
Cash flow from investment activities (2)		-14.332.562,90	-10.382.636,60

	Notes	2019	2018
Cash flow from financial activities			
Cash receipts relating to:			
Loans obtained		20.653.657,54	48.065.599,31
Paid-in equity and other equity instruments		18.428.660,00	74.882.010,00
		39.082.317,54	122.947.609,31
Payments relating to:			
Loans obtained		-94.669,05	-52.307.028,41
Interest and similar expenses		-20.807.729,48	-51.287.455,81
Other financing operations		-2.369.396,09	-2.542.250,03
		-23.271.794,62	-106.136.734,25
Cash flow from financial activities (3)		15.810.522,92	16.810.875,06
Changes in cash and cash equivalents (1+2+3)		4.507.530,21	10.788.887,04
Cash and cash equivalents at the start of the period		14.247.870,58	3.458.983,54
Cash and cash equivalents at the start of the period	5	18.755.400,79	14.247.870,58

Certified Accountant n.º 6622

The Board of Directors
Chief Executive

Executive voting members

Non-executive voting members



2. NOTES ON THE FINANCIAL STATEMENTS

Period ended 31 December 2019
(Amounts in euros)

1. ABOUT THE ENTITY AND REPORT PERIOD

Under Decree-Law n° 202/94 of 23 July, Sociedade de Transportes Colectivos do Porto, S.A. was transformed into a joint-stock company with exclusively public capital, and succeeded the company Serviço de Transportes Colectivos do Porto, which was created by Decree-Law no. 38144 of 30 December 1950. Its headquarters are located at Avenida Fernão de Magalhães, 1862 - 13º piso, in Porto.

Its core business is to provide collective public passenger road transport on an exclusive basis within the boundaries of the Porto municipal council, and on a competitive basis in the neighbouring municipal councils of Matosinhos, Maia, Valongo, Gondomar and Vila Nova de Gaia, which lie within the Metropolitan Area of Porto. Operates the bus sector and the tram sector

In October 2013, Decree-Law no. 133/2013 was published; this restructured the regulatory framework applicable to public companies to make it more consistent and broad, with a view to applying the same regime to core subjects in all business organisations that are directly or indirectly held by the State, whether administrative or corporate in nature, regardless of their legal form. The public business sector's sectoral scope of application was therefore extended, and the concept of a public company was consolidated; under this regulation, STCP was covered by the principles and rules prescribed in this instrument.

On 8 August 2014, STCP signed a Public Service Contract with the Portuguese State for the operation of the public passenger bus transport service within the six municipalities in the AMP. On 10 December 2014, this contract was amended.

On 25 June 2016, the Memorandum of Understanding on the New Management Model of STCP, S.A., between the Portuguese State, STCP, S.A., the Metropolitan Area of Porto, and the Municipalities of Porto, Gondomar, Maia, Matosinhos, Valongo and Vila Nova de Gaia. The Memorandum requires that the State decentralise its transport authority powers in favour of these municipalities, while remaining the company's shareholder and handing over the management to the local government institutions, which are key entities for a community-based system of public services management.

As defined in the decree-law no. 82/2016, on 28 November, the partial and temporary decentralizing of transport authority powers, of the State to the Metropolitan Area of Porto, regarding the public passenger transport service operated by STCP, and the partial and temporary decentralization of the operational management of STCP.

On 2 January 2017 the Inter-Administrative Contract to Establish the Technical Unit of Service and the Delegation of Responsibilities was signed between the AMP and the Municipal Councils of Porto, Vila Nova de Gaia, Matosinhos, Maia, Gondomar and Valongo, in which were established the terms in which AMP will conduct the responsibilities of authority to the AMP regarding the public passenger services operated by the STCP in the municipalities geographic area, the creation on a technical unit for support of management and the distribution rules, between the party Municipalities, of the charges associated with paying the financial compensations owed due to public service obligations

On 28 July 2017 a second amendment to the Contract of Public Service with the Portuguese State and the Metropolitan Area of Porto, which will expire on the 31 December 2024.

In 2018, the company continued to comply with the guidelines set out in Article 21 of Law No. 42/2016, of 28 December, and reconfirmed by Article 23 of Law N° 114/2017, of 29 December, with regard to the full replacement of the rights acquired by the collective labour regulation instruments in force at STCP.

In 2019 STCP successfully completed its fourth three-year certification cycle for its Integrated Management System, in the Standards NP EN ISO 9001: 2015 - Quality Management Systems, NP EN ISO 14001: 2015 - Environmental Management Systems and OHSAS 18001: 2007 / NP 4397: 2008 - Occupational Health and Safety Management Systems, following the follow-up audit.

On April 1, 2019, the Tariff Reduction Support Program (PART) was implemented, with the creation of new intermodal social passes, within the scope of the order N° 1234-A / 2019, of February 4, of the Secretaries' Offices of State of the Budget and Deputy and Mobility.

On October 11, 2019, Decree-Law N° 151/2019 was published, which operates the Intermunicipalization of STCP, SA, with effect from January 1, 2020, establishing the conditions for the transfer of all shares representing STCP's share capital., SA, from the State to the municipalities of Gondomar, Maia, Matosinhos, Porto, Valongo and Vila Nova de Gaia.

Decree-Law n° 151/2019 also requires municipalities and STCP to modify the current public service contract, a contract that is subject to a prior binding opinion of the Mobility and Transport Authority and prior approval by the Court of Accounts. In order to make the effects of the modification of the current public service contract compatible, with the effective operationalization of STCP Intermunicipalization, Decree-Law N° 175/2019 of 27 December was published, which makes the first amendment to the Decree-lei n° 151/2019, of October 11, it being established that the operationalization of STCP Intermunicipalization takes effect 30 days after obtaining the visa from the Court of Auditors.

Also according to Decree Law n° 151/2019, of 11 October, the State assumes a set of financial obligations, namely, the accumulated financial debt recognized in the balance sheet on December 31, 2019, liabilities formed or in formation relating to supplements of retirement or disability pensions, liabilities arising from financial derivative contracts and also liabilities determined in the context of legal proceedings. The same diploma also defines the destination to be given to properties that are no longer assigned to the activity of providing public services.

The financial statements refer to the period between January 1 and December 31, 2019 and are presented in euros. Foreign currency transactions are included in the financial statements in accordance with the policies described in point 4.8.



2. ACCOUNTING FRAMEWORK FOR PREPARING THE FINANCIAL STATEMENTS**2.1. ACCOUNTING REGULATIONS ADOPTED**

The attached financial statements were prepared within the framework of the provisions in force in Portugal, reflected in Decree-Law N° 158/2009, of 13 July (amended), with the changes introduced by Decree-Law N° 98/2015, of June 2, and in accordance with

the conceptual framework, accounting and financial reporting standards and interpretative standards set out, respectively, in notices 8254/2015, 8256/2015 and 8258/2015, of 29 July.

2.2. DEROGATIONS FROM THE ACCOUNTING FRAMEWORK ADOPTED

Not applicable.

2.3. CONTENT OF NON-COMPARABLE ACCOUNTS

Not applicable.

3. FIRST-TIME ADOPTION OF THE NCRF: TRANSITIONAL DISCLOSURES

Not applicable.

4. MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the attached financial statements are as follows:

4.1. BASIS OF PREPARATION

The attached financial statements were prepared on a going concern basis, using STCP's accounting books and records, which are kept according to generally accepted accounting principles.

Management understands that, despite the appearance of the COVID-19 pandemic, the assumption of continuity, used in the preparation of the financial statements, remains adequate.

4.2. FINANCIAL INVESTMENTS

Investments in subsidiaries, jointly controlled companies and associate companies are recorded using the equity method. According to the equity method, financial holdings are initially recorded by cost of acquisition and subsequently adjusted based on post-acquisition changes in the portion of the share in the corresponding entities' net assets. Profit and loss include its share of the profit and loss of these entities.

The excess of the acquisition cost over the fair value of identifiable assets and liabilities of each acquired entity, at the date of acquisition, is recognised as goodwill presented separately, and is amortised according to the

provisions of no. 46 of NCRF 14. If the difference between the acquisition cost and the fair value of acquired net assets and liabilities is negative, this is recognised as income for the financial year.

Financial investments are assessed on an annual basis where there are indications that the asset may be impaired, and in the profit and loss statement any impairment losses that may be found to exist are recorded as expenses. When impairment losses recognised in previous years cease to exist they are reversed.

When the company's share of accumulated losses exceeds the carrying amount of the investment, the investment is reported at nil value, unless the company has undertaken to cover the associate's losses, in which case a provision to address these obligations is recorded.

Unrealised gains arising from transactions with subsidiaries, jointly-controlled companies and associate companies are eliminated proportionately to the investor company's stake in these, against the investment in the

investee company caption. Unrealised losses are also eliminated, but only to the extent that the loss is not a result of impairment of the asset transferred.

Management understands that, despite the appearance of the COVID-19 pandemic, the assumption of continuity, used in the preparation of the financial statements, remains adequate.

4.3. BUSINESS COMBINATIONS

Acquisitions of subsidiaries and business are recorded using the purchase method. The cost is calculated by adding the following, at the date of acquisition:

- Fair value of assets delivered or to be delivered;
- Fair value of liabilities incurred or undertaken;
- Fair value of equity instruments issued by the company in exchange for obtaining control over the subsidiary; and
- Costs which are directly attributable to the acquisition.

If the initial accounting for an acquisition is not complete at the end of the reporting period in which it occurred, the company records provisional amounts for the uncompleted items. These provisional amounts are subject to change for a period of 12 months from the date of acquisition.

4.4. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets or disposal groups are classified as held for sale when their carrying amount was essentially recovered through a sale and not through their continued use. This condition is only considered fulfilled when sale is highly probable, and the non-current asset or disposal group is available for immediate sale in their current conditions. The sale must be completed within one year, from the date on which the non-current asset or disposal group is classified as available for sale.

When the company has committed to a plan to sell a subsidiary which involves relinquishing control over it, all the assets and liabilities of this subsidiary are classified as held for sale, provided that they meet the requirements

set out in the previous paragraph, even if the company retains some minority interest in the subsidiary after the sale.

Non-current assets or disposal groups classified as held for sale are measured at the lower of their carrying amount before classification and their fair value less cost to sell.

Non-current assets or disposal groups held for sale should not be depreciated or amortised.

4.5. REVENUE

Revenue is measured at the fair value of consideration received or receivable, taking into account the amount of any trade discounts and amounts transferred by the entity. The difference between the fair value and the

nominal amount of consideration is recognised as the interest revenue.

Revenue from the sale of goods is recognised when all the

following conditions are met:

- All the risks and rewards of ownership of the assets were transferred to the buyer;
- The company retains no control over the sold assets;
- The amount of income can be measured reliably;
- It is likely that future economic benefits associated with the transaction will flow to the company;
- The costs incurred or to be incurred from the transaction can be reliably measured.

The revenue from the provision of services is recognised by reference to the stage of completion of the transaction, at the reporting date, provided that all the following conditions:

- The amount of income can be measured reliably;
- It is likely that future economic benefits associated with the transaction will flow to the company;

- The costs incurred or to be incurred from the transaction can be measured reliably;
- The stage of completion of the transaction, at the reporting date, can be measured reliably.

Revenue from royalties is recognised on an accrual basis, in accordance with the substance of the relevant agreements, provided that it is likely that economic benefits will flow to the company and the amount thereof can be measured reliably. Interest revenue is recognised using the effective interest method, provided that it is likely that economic benefits will flow to the company and the amount thereof can be measured reliably.

Revenue from dividends must be recognised when the company's right to receive the corresponding amount is established.

4.6. CONSTRUCTION CONTRACTS

Not applicable.

4.7. LEASING

Determination of whether leases are finance leases or operating leases is based on the substance rather than the form of the contracts.

Leasing contracts are classified as:

- Finance leases, if substantially all the risks and rewards incidental to ownership of the leased asset are transferred; or as
- Operating leases, if substantially all the risks and rewards incidental to ownership of the leased asset are not transferred.

The assets acquired through finance leases, along with the associated liabilities, are recorded at the start of the lease by the lower of the fair value of the assets and the current

value of the minimum lease payments. Finance lease payments are apportioned between financial charges and the reduction of the liability, so as to produce a constant rate of interest on the remaining balance of the liability.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Incentives received are recorded as a liability, and the aggregate cost of incentives is recognised as a reduction of rental expense, also on a straight-line basis.

Contingent rents are recognised as expenses in the period in which they are incurred.

4.8. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Transactions in foreign currency are initially recorded at the exchange rates on the dates of the transactions. At each reporting date, the carrying amounts of the monetary items denominated in foreign currency are updated to the Exchange rates on that date. The exchange rate differences resulting from the abovementioned updates are recorded in profit and loss for the period in which they

occur.

The volume of the company's transactions in a currency other than the functional currency (euro) are virtually non-existent and immaterial.

4.9. BORROWING COSTS

Financial charges are recognised as an expense in the profit and loss statement for the financial year in which they are incurred, in accordance with the principle of accrual-based accounting.

Borrowing costs attributable to the acquisition, construction or production of qualifying assets (tangible fixed assets in progress) are capitalised, being an integral part of the cost of the asset. The capitalisation of these costs begins when expenditures for the asset are being incurred and when activities that are necessary

to prepare the asset for its intended use or sale are in progress. Capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are complete. Capitalisation is suspended during extended periods in which development of the abovementioned activities is interrupted.

Any income derived from loans obtained earlier in relation to a specific investment is deducted from the borrowing costs that qualify for capitalisation.

4.10. GOVERNMENT GRANTS

Government grants are recognised at fair value when there is reasonable assurance that they will be received and that the company will comply with the conditions attaching to them.

The benefit of a government loan (or the equivalent) at a below-market rate of interest is treated as a Government grant, being measured as the difference between the amount received and the fair value of the loan determined based on market interest rates.

Non-refundable government grants for tangible fixed assets and intangible assets are initially recognised

in equity under the caption "Other equity changes – grants", and are subsequently attributed to profit and loss as income over the period of useful life of the assets, on a systematic basis.

Other Government grants are generally recognised as income over the periods necessary to match them with the costs which they are intended to compensate, on a systematic basis. Government grants, which aim to compensate for losses that have already been incurred or which have no future related costs, are recognised as income in the period in which they become receivable.

4.11. POST-EMPLOYMENT BENEFITS

Liabilities associated with the payment of pension complements, recognised at the balance sheet date, represent the current value of the obligations arising from defined benefit plans, net of the fair value of net assets of the pension fund formed for that purpose.

With regard to defined benefit plans, the amount of the liability assumed is determined on a yearly basis, as at 31

December, in accordance with the Projected Unit Credit method, and actuarial assessments are carried out by BPI PENSÕES.

The costs of historical liabilities are recognised immediately in profit and loss, insofar as the benefits have already been acquired in full.

4.12. SHARE-BASED PAYMENT

Not applicable.

4.13. INCOME TAX

Income taxes recorded in the income statement include the effect of current and deferred taxes. The tax is recognised in the income statement, except when related to items that are transacted in equity, which implies its recognition in equity. Deferred tax assets are recognized only when there are reasonable expectations of sufficient

future taxable profits for their use, or in situations where there are temporary taxable differences that offset temporary deductible differences in the period of their reversal. At the end of each financial year, these deferred taxes are reviewed, reducing them whenever their future use is no longer probable.

4.14. TANGIBLE FIXED ASSETS

Tangible fixed assets are initially recorded at the acquisition cost, including expenses attributable to the purchase (any costs which are directly attributable to the activities required to ensure that the assets are in the location and condition necessary for them to operate as intended) and, where applicable, the initial estimate of the costs of dismantling and removing the assets and restoring the installation locations that STCP expects to incur.

The land and buildings are subsequently recorded according to the revaluation model. According to this model, the tangible fixed asset is shown at its fair value as at the revaluation date less depreciation and accumulated impairment losses. The fair value of buildings and land was determined based on the assessment carried out by independent asset evaluators at 31 December 2016, and will be reviewed periodically or whenever there are indications that their fair value is significantly different from the carrying amount of the assets.

The differences resulting from the revaluations are recorded in equity under the caption "Fixed asset revaluation surplus", unless they reverse a decrease which was previously recognised in profit and loss. Decreases resulting from revaluations are recorded directly under the caption "Revaluation surplus" to the extent of any credit balance existing in the revaluation surplus in respect of that asset. Any excess of decreases in relation to this credit balance is recognised in profit and loss.

When the revalued asset is derecognised, the revaluation surplus included in the equity associated with the asset is not reclassified to profit and loss.

The revaluation surplus of fixed assets is transferred to retained earnings on an annual basis, insofar as they are used, written off or disposed of. The amount of surplus to be transferred will therefore be the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the original cost of the asset.

Remaining tangible fixed assets are recorded at the cost of acquisition or production, less accumulated depreciation and possible accumulated impairment losses.

Remaining tangible fixed assets are recorded at the cost of acquisition or production, less accumulated depreciation and possible accumulated impairment losses.

Tangible fixed assets are depreciated on a straight-line basis, by twelfths, according to the estimated period of useful life for each group of assets, once the asset is in a usable condition

Each part of an item of a fixed asset with a significant cost in relation to the total cost of the item is depreciated separately. STCP attributes the amount initially recognised with respect to a fixed tangible asset to its significant parts, and separately depreciates each part. A significant part of a fixed tangible asset may have a useful life and a depreciation method that are the same as the useful life and depreciation method of another significant part of the same item. These parts are grouped together in determining depreciation expenses.

The useful lives and method of depreciation of the various assets are reviewed annually. Any changes to these estimates are recognised in the profit and loss statement prospectively.

The depreciation rates used correspond to the following estimated useful life periods :

Tangible fixed assets captions	(years of useful life)				
	up to 1988	1989 to 1990	1991 to 2001	2002 to 2011	2012 to 2019
Buildings and other constructions	8 a 100	10 a 100	10 a 50	5 a 50	5 a 50
Basic equipment	5 a 56	5 a 12	5 a 12	3 a 20	3 a 30
Transport equipment	7 a 25	5 a 12	5 a 12	4 a 12	4 a 12
Office equipment	6 a 10	3 a 10	3 a 10	3 a 16	3 a 20
Other tangible fixed assets	-	-	10	4 a 10	4 a 10

Maintenance and repair costs (subsequent expenses) which are not likely to give rise to future economic benefits are recorded as expenses in the period in which they are incurred.

The gain (or loss) resulting from the disposal or write-off of a tangible fixed asset is determined as the difference

between the amount received in the transaction and the carrying amount of the asset. It is recognised in the profit and loss of the period in which the disposal occurs and recorded in the profit and loss statement as "Income and gains in non-financial investments" or "Expenses and losses in non-financial investments".

4.15. INVESTMENT PROPERTIES

Investment properties essentially comprise properties held to earn rentals or for capital appreciation which are not intended for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are initially recorded at the acquisition cost, including all the expenses attributable to the purchase, and the fair value model is subsequently used.

The fair value of investment properties is determined based on the annual assessment carried out by independent

asset evaluators. Changes in the fair value of investment properties are directly recognised in the profit and loss statement for the financial year under the caption "Gains/losses due to fair value increases/decreases".

The costs incurred in relation to investment properties in use, namely costs arising from maintenance, repair, insurance and tax on properties, are recognised as an expense in the financial year to which they relate. Improvements which are expected to generate additional future economic benefits are capitalised under the caption "Investment properties".

4.16. INTANGIBLE ASSETS

Intangible assets are only recognised if they are identified and it is likely that they will generate future economic benefits for the company and if the company can reasonably monitor and measure their value. Research activity costs are recorded as expenses in the period in which they are incurred.

After the initial recognition, intangible assets acquired

separately are recorded at acquisition cost, less accumulated depreciation and impairment losses.

Depreciation is recognised on a straight-line basis over the estimated useful life of the intangible assets. The useful life and the depreciation method of the various intangible assets are reviewed annually. Any changes

to these estimates are recognised in the profit and loss statement prospectively.

An internally generated intangible asset arising from development expenditure on a project is only recognised if all of the following conditions are met and demonstrated:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- The entity intends to complete the intangible asset and use or sell it;
- The entity is able to use or sell the intangible asset;
- The intangible asset is likely to generate future economic benefits;
- There are adequate technical and financial resources available to complete the development of the intangible asset and to use or sell it;
- The expenditure attributable to the intangible asset during its development phase can be reliably measured.

The initially recognised amount of the internally generated intangible asset is the sum of expenditure incurred from

the date when the aforementioned conditions are met. When these conditions are not met, expenditure incurred in the development phase is recorded as expenses for the period.

Intangible assets essentially comprise software costs, development costs, provided that the criteria for recognition of an asset have been met, industrial property costs and other commercial rights and leases.

Internally generated intangible assets are recorded at the acquisition cost, less accumulated depreciation and impairment losses. Depreciation is recognised on a straight-line basis over the estimated useful life of the intangible assets. The useful life and the depreciation method of the various intangible assets are reviewed annually. Any changes to these estimates are recognised in the profit and loss statement prospectively.

Intangible assets (regardless of the way in which they are acquired or managed) with an indefinite useful life, are amortised within a maximum period of 10 years.

4.17. IMPAIRMENT OF TANGIBLE AND INTANGIBLE FIXED ASSETS, EXCLUDING GOODWILL

At each reporting date, the carrying amounts of the company's tangible and intangible fixed assets are reviewed in order to establish whether there are any indicators that they may be impaired. If there are any indicators, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. When it is not possible to determine the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which this asset belongs is estimated.

The recoverable amount of the asset or cash-generating unit is the higher of the fair value less costs to sell and its value in use.

When determining the value in use, estimated future cash flows are updated using a before-tax discount rate that reflects market expectations in terms of the time value of money, and in terms of the specific risks for the asset or cash-generating unit, in relation to which future cash flow estimates have not been adjusted.

Whenever the carrying amount of the asset or cash-generating unit is greater than its recoverable amount, it is recognised as an impairment loss. The impairment loss is immediately recorded in the profit and loss statement, under the caption "Impairment losses", unless this loss offsets a revaluation surplus recorded in equity. In this case, said loss will be treated as a revaluation decrease.

The reversal of impairment losses recognised in prior years is recorded when there are indications that the impairment losses no longer exist or have decreased. Reversal of impairment losses is recognised in the profit and loss statement under the caption "Impairment loss reversals". The reversal of the impairment loss is done up to the amount that would be recognized (net of amortisation) if the impairment loss had not been recognised.

4.18. INVENTORIES

Inventories are recorded at the lower of acquisition cost and net realisable value. The net realisable value is the estimated sale price less all the estimated costs necessary to complete the inventories and to make the sale.

Subsidiary materials, raw materials and consumables are recorded at the cost of acquisition, using the weighted average cost formula.

4.19. PROVISIONS

Provisions are only recognised when the company has a present obligation (legal or constructive) arising from a historical event. It is probable that an outflow of resources will be required to settle this obligation, and the amount of the obligation can be reasonably estimated.

The amount recognised as a provision is the present amount of the best estimate of the resources required to settle the obligation at the balance sheet date. When reaching this estimate, the risks and uncertainties associated with the obligation are taken into account.

Provisions are reviewed at the balance sheet date and adjusted to reflect the best estimate of their fair value at that date.

Present obligations which arise from onerous contracts are recorded and measured as provisions. A contract is onerous when the company is an integral part of the

obligations of a contract, and there are unavoidable costs of meeting these obligations which exceed the economic benefits derived under said contract.

A restructuring provision is recognised when STCP has a detailed formal restructuring plan, starts to implement said plan and announces its main features to those affected by it. When measuring the restructuring provision, only expenses which arise directly from the implementation of the plan and are therefore not associated with the company's ongoing activities, are taken into account.

Contingent liabilities are not recognised in financial statements and are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in financial statements and are disclosed when there is likely to be a future inflow of economic resources.

4.20. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognised on the balance sheet when the company becomes a party to the contractual provisions.

Financial assets and liabilities are measured in the following way:

- at cost or amortised cost; or
- at fair value with fair value changes recognised in the profit and loss statement.

Financial assets and liabilities which have the following features, at once, are measured at the amortised cost:

- They are in cash or have a fixed maturity;
- They are associated with a fixed or determinable return;
- They are not a derivative financial instrument, or they do not incorporate a derivative financial instrument.

These financial assets and liabilities are measured at the amortised cost, less accumulated impairment losses (in the case of financial assets).

Contracts for taking out or providing loans that cannot be settled net and which, when executed, meet the aforementioned conditions are also classified in the at cost or amortised cost category, and are measured at the amortised cost less accumulated impairment losses.

Investments in equity instruments which are not publicly negotiated and whose fair value cannot be reliably determined, in addition to derivative financial instruments related to said equity instruments, are also classified in the at cost or amortised cost category, and are measured at the cost less accumulated impairment losses.

The amortised cost is determined using the effective

interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability.

All financial assets and liabilities not classified in the at cost or amortised cost category are classified in the category at fair value with changes recognised in the profit and loss statement.

These financial assets and liabilities are measured at fair value, and changes thereto are recorded in profit and loss under the captions "*Losses on fair value*" and "*Gains on fair value*".

Impairment of financial assets:

- Financial assets classified in the at cost or amortised cost category are subject to impairment tests at every balance sheet date. These financial assets are considered to be impaired when there is objective evidence that the estimated future cash flows are affected as a result of one or more events that took place after their initial recognition. For financial assets measured at amortised

cost, the impairment loss to be recognised corresponds to the difference between the carrying amount of the asset and the present value of new estimated future cash flows, discounted at the financial asset's original effective interest rate.

- For financial assets measured at cost, the impairment loss to be recognised corresponds to the difference between the carrying amount of the asset and the best estimate of the asset's fair value.
- Impairment losses are recorded in profit and loss under the caption "Impairment losses" in the period in which they are determined.
- If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the loss was recognised, this decrease must be reversed through profit and loss. The reversal must be to the extent of the amount that would have been recognised (amortised cost) had the loss not been initially recorded. The reversal of impairment losses is recorded in profit and loss, under the caption "Impairment loss reversals". The reversal of impairment losses in equity instruments is not permitted.

Derecognition of financial assets and liabilities:

- The company only derecognises financial assets when the contractual rights to their cash flows expire or when it transfers the financial assets and all the significant

risks and rewards associated with ownership thereof to another entity. Transferred financial assets in relation to which the company retains some significant risks and rewards are derecognised, provided

Compound instruments:

- Compound instruments are financial instruments that include a financial liability component and an equity instrument component. These two components are shown separately on the balance sheet, according to the substance of the corresponding contractual provisions.
- Financial liability and equity instruments are differentiated according to the substance of the associated contractual provisions.

- In the initial recognition of the compound instrument, the financial liability component is determined based on the market interest rates for similar, non-compound instruments. This component is measured at the amortised cost, based on the effective interest method. The equity component is determined by the difference between the amount received and the amount of the financial liability component, and is recorded in equity. The equity component is not subsequently remeasured.

4.21. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

STCP uses derivatives in the management of its financial risks for the sole purpose of ensuring that these risks are hedged. Derivative financial instruments are not used for the purpose of speculating.

The derivative instruments used by the company relate to interest rate swaps to hedge the risk of changes in the rate of interest on loans obtained. Loan amounts, interest maturity dates and plans for the reimbursement of loans underlying interest rate hedging instruments are substantially identical to the conditions established for loans obtained. However, the requirements necessary to qualify for hedge accounting are not met.

Derivative financial instruments are initially recorded at their fair value at the date on which they are taken out. At each balance sheet date, they are remeasured at fair value, and the corresponding remeasurement gain or loss is immediately recorded in profit and loss.

A derivative financial instrument with a positive fair value is recognised as a financial asset, under the caption "Other financial instruments – Derivatives". A derivative financial instrument with a negative fair value is recognised as a financial liability, under the caption "Other financial instruments – Derivatives".

A derivative financial instrument is shown as non-current if its remaining maturity is greater than 12 months and it is not expected to be realised or settled within this period of time.

At the start of the hedging operation, the company documents:

- the relationship between the hedging instrument and the hedged item;
- its objectives and risk management strategy; and
- an evaluation of how effective the hedging instrument is in offsetting changes in the fair values and cash flows of the hedged item.

Changes in the fair value of derivative financial instruments designated as hedging instruments in hedging interest rate risk, exchange risk, commodity price risk, in a commitment or highly probable future transaction, and the risk arising from net investment in a foreign operation are recorded in equity, under the caption "Other reserves". Such gains or losses recorded in "Other reserves" are reclassified to profit and loss in the periods in which the hedged item affected profit and loss, and are shown in the line affected by the hedged item.

Hedge accounting is discontinued when the company revokes the hedging relationship, when the hedging instrument expires, is sold or is exercised, or when the hedging instrument ceases to qualify for hedge accounting. Any amount recorded in "Other reserves" is only reclassified to profit and loss when the hedged position affects profit and loss. When the hedged position is a future transaction and is not expected to occur, any amount recorded in "Other reserves" is immediately reclassified to profit and loss.

4.22. EXPLORATION AND ASSESSMENT OF MINERAL RESOURCES

Not applicable.

4.23. AGRICULTURE

Not applicable.

4.24. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When preparing the attached financial statements, accounting judgements, estimates and assumptions were used that affected the reported amounts of assets and liabilities, as well as the reported amounts of income and expenses for the period.

The estimates and underlying assumptions were determined based on the best existing knowledge, at the date of approval of the financial statements, of ongoing events and transactions, and on experience of historical and/or present events. However, there may be situations in subsequent periods which were not foreseeable at the date of approval of the financial statements and were therefore not taken into account when calculating these estimates. Changes to the estimates occurring after the date of the financial statements will be corrected prospectively. For this reason, and given the associated degree of uncertainty, the actual profit and loss of the transactions in question may differ from the corresponding estimates.

The main accounting judgements made, and estimates calculated when preparing the attached financial statements were the following:

- Useful life of tangible and intangible assets;
- Analysis of impairment of tangible and intangible assets;
- Recording of impairment to the amounts of assets, namely inventories and accounts receivable;
- Provisions;
- Calculation of the liability associated with pension funds;
- Calculation of the fair value of derivative financial instruments;
- Calculation of the fair value of investment properties and land and buildings included in tangible fixed assets.

4.25. SUBSEQUENT EVENTS

Events occurring after the balance sheet date which provide additional information about conditions existing at the balance sheet date (adjusting events) are reflected in the financial statements. Events after the balance

sheet date which provide information about conditions occurring after the balance sheet date (non-adjusting events) are disclosed in the annex to the financial statements, if they are considered to be significant

5. CASH FLOWS

For the purposes of the cash flow statement, the caption "Cash and cash equivalents" includes, in addition to cash, bank deposits available on demand and cash investments in the money market, bank overdrafts and other similar

shortterm financing arrangements.

Cash and cash equivalents, on 31 December 2019 and 2018:

	2019	2018
Cash	147.933,53	187.931,12
Bank deposits	18.607.467,26	14.059.939,46
Cash and cash equivalents in Balance /Cash flow statement	18.755.400,79	14.247.870,58

6. ACCOUNTING POLICIES, CHANGES TO ACCOUNTING ESTIMATES OR ERRORS

Until 2018, STCP never recognized any deferred tax assets or liabilities, considering that there were no expectations that it would obtain future taxable profits that would allow the use of tax losses accumulated to date or that would generate payments income tax. According to the company's history and internal judgment, there were no liabilities to be recognized, much less any assets.

However, Decree-Law no. 151/2019, of 11 October, which operates the inter-municipalization of the company, provides for significant changes in the company's financial position, namely the assumption of STCP's historical debt by the State, ceasing to exist financing expenses that have been incurred to date. On the other hand, it appears that results have been obtained before positive financial charges.

Therefore, it was understood that the year 2019 should be the year in which deferred taxes are recognized as the bases were created for the financial restructuring of the company and for obtaining positive performances, even though the entry into force of said diploma only occurs thirty days after the visa of the Court of Auditors regarding the modification of the public service contract by the municipalities and STCP.

From the analysis performed to the situations that generate deferred tax assets and liabilities and corresponding effects reported on 01.01.2019, the following values were determined:

- Deferred tax assets in the amount of 16,150 thousand euros, essentially related to reportable tax losses.
- Deferred tax liabilities in the amount of 8,699 thousand euros related to real estate revaluation reserves (some of these properties are no longer allocated to the company's operational activity, which is why they are listed under the caption Investment properties);

Bearing in mind that deferred tax assets derive essentially from reportable tax losses, the recovery of which cannot be ensured during the reporting period, there are no conditions for them to be recognized. Also with regard to investment properties, in which there are situations that generate deferred tax assets and liabilities, there are issues to be defined or clarified given that the aforementioned Decree-Law no. 151/2019, provides that the properties not affected public transport service activity can revert

to the State. In this sense, it was understood to only recognize in 2019 the deferred tax liabilities generated by the properties allocated to the company's operating activity.

It was also intended to apply FAQ13 of the Accounting Standardization Commission so that the Subsidies granted item, included in the balance sheet under Other changes in equity, is deducted from the corresponding income taxation associated with it.



The impact of the application of NCRF25 and FAQ13 on the financial statements as of December 31, 2019 is as follows:

Balance	2019
Non-current balance	9.773.003,23
Deferred tax liability	7.108.545,94
Other payable debts – Tax associated	2.664.457,29
Equity	-9.773.003,23
Revaluation surplus	-7.108.545,94
Retained earnings	-163.386,86
Equity adjustments/other variations	-2.664.457,29
Net profit for the term	163.386,86
Income Statement	2019
Income tax for the term	163.386,86
Net Result for the Term	163.386,86

7. RELATED PARTIES

Financial holdings at 31 December of 2019 and 2018:

Company Name	Head Office	% Held	Activity
Subsidiary companies			
STCP Serviços - Transportes Urbanos, Consultoria e Participações, Unipessoal Lda.	Porto	100%	Tourism operator and urban and suburban land passenger transport activities
Associated Companies			
TIP - Transportes Intermodais do Porto, ACE	Porto	33,3%	Transport ticketing management.
Transpublicidade - Publicidade em Transportes, S.A.	Oeiras	20%	Manages all and any advertising on vehicles and facilities.
Other subsidiary companies			
Metro do Porto, S.A.	Porto	16,6%	Urban and local passenger transport by metro.
OPT - Optimização e Planeamento de Transportes, SA	Porto	8,33%	Development of R&D projects in the area of collective transport, developing advanced IT solutions for the management and optimisation of transport systems.

The remuneration of key personnel in company management, in the financial years of 2019 and 2018 are described in point 10.9 of this annual report.

Over the course of the financial years ended 2019 and 2018, the following transactions were made with related parties:

2019				
Description of transactions	Subsidiary companies	Associated companies	Other related parties	Total
Services obtained		1.711.566,80	114.278,56	1.825.845,36
Services supplied		32.335.439,06	22.551,12	32.357.990,18

2018				
Description of transactions	Subsidiary companies	Associated companies	Other related parties	Total
Services obtained		1.845.317,26	138.430,18	1.983.747,44
Services supplied		35.704.078,30	55.333,42	35.759.411,72

Balances with related parties on 2019 and 2018:

2019					
Balances	Subsidiary companies	Associated companies	Key management personnel	Other related parties	Total
Current accounts receivable		621.010,63		2.734,28	623.744,91
Current accounts payable		29.965,48		17.706,98	47.672,46

2018					
Balances	Subsidiary companies	Associated companies	Key management personnel	Other related parties	Total
Current accounts receivable		3.637.034,38		6.332,16	3.643.366,54
Current accounts payable		220.202,54		1.014,90	221.217,44

8. INTANGIBLE ASSETS

Over the financial years ended 31 December of 2019 and 2018, movements in the carrying amount of intangible assets and in their accumulated depreciation and impairment losses, were as follows:

Intangible assets	Development projects	Software	Industrial property	Other intangible assets	Intangible assets in progress	Total
Net value on 01.01.2019						
		102.292,52	110,90			102.403,42
Gross assets						
Balance at 01.01.2019	88.749,10	5.354.311,14	98.439,49	1.106.517,00		6.648.016,73
Movements in 2019						
Additions		11.871,40			1.392,50	13.263,90
Balance at 31.12.2019	88.749,10	5.366.182,54	98.439,49	1.106.517,00	1.392,50	6.661.280,63
Accrued depreciations						
Balance a 01.01.2019	-88.749,10	-5.252.018,62	-98.328,59	-1.106.517,00		-6.545.613,31
Movements in 2019						
Depreciation expenses		-34.146,27	-110,90			-34.257,17
Balance at 31.12.2019	-88.749,10	-5.286.164,89	-98.439,49	-1.106.517,00		-6.579.870,48
Net value at 31.12.2019						
		80.017,65			1.392,50	81.410,15

Intangible assets	Development projects	Software	Industrial property	Other intangible assets	Intangible assets in progress	Total
Net value at 01.01.2018		21.059,27	388,44		5.000,00	26.447,71
Gross assets						
Balance at 01.01.2018	88.749,10	5.240.355,49	98.439,49	1.106.517,00	5.000,00	6.539.061,08
Movements in 2018						
Additions		108.955,65				108.955,65
Adjustments and transfers		5.000,00			-5.000,00	
Balance at 31.12.2018	88.749,10	5.354.311,14	98.439,49	1.106.517,00		6.648.016,73
Accrued depreciations						
Balance at 01.01.2018	-88.749,10	-5.219.296,22	-98.051,05	-1.106.517,00		-6.512.613,37
Movements in 2018						
Depreciations expenses		-32.722,40	-277,54			-32.999,94
Balance at 31.12.2018	-88.749,10	-5.252.018,62	-98.328,59	-1.106.517,00		-6.545.613,31
Net value at 31.12.2018		102.292,52	110,90			102.403,42

The company does not capitalize research expenses. Development expenses are only capitalized when they meet the recognition criteria defined in the NCRFs.

Following an analysis of the intangible assets, it was established that there are no assets with an indefinite useful life. Depreciation was calculated according to the following estimated useful lives:

Intangible fixed asset captions	Years of useful life
Development projects	3
Software	2 a 8
Industrial property	3 a 7
Other intangible assets	5

Movements occurring, in the 2019 and 2018 financial years, in intangible assets in progress:

	Balance 01.01.2019	Acquisitions	Adjustements and Transfers	Write-offs/ Disposals	Balance 31.12.2019
Software		1.392,50			1.392,50

	Balance 01.01.2018	Acquisitions	Adjustements and Transfers	Write-offs/ Disposals	Balance 31.12.2018
Software	5.000,00		-5.000,00		

As of 31 December 2019, contractual agreements undertaken for the acquisition of intangible assets represent nearly EUR 12,000.



9. TANGIBLE FIXED ASSETS

Over the financial years ended 31 December 2018 and 2017, movements in the carrying amount of tangible fixed assets and in their accumulated depreciation and impairment losses were as follows:

Tangible fixed asset	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed asset	Tangible assets in progress	Advances on account for tangible assets	Total tangible fixed assets
Net value at 01.01.2019	32.730.992,72	6.808.937,12	26.123.828,50	36.595,53	511.371,09	1.097.426,70	142.633,09		67.451.784,75
Gross asset									
Balance at 01.01.2019	33.254.451,19	27.726.960,67	83.584.155,56	962.902,50	4.638.432,63	1.859.999,19	142.633,09		152.169.534,83
Movements in 2019									
Additions		13.010,75	13.646.476,44		35.935,54		2.599.936,07		16.295.358,80
Write-offs/Sales			-77.407,34		-115.696,05				-193.103,39
Adjustments and Transfers	-241.000,00	-684.000,00	37.509,02				-37.509,02		-925.000,00
Revaluations	-2.807.661,00	18.999.427,63							16.191.766,63
Balance at 31.12.2019	30.205.790,19	46.055.399,05	97.190.733,68	962.902,50	4.558.672,12	1.859.999,19	2.705.060,14		183.538.556,87
Accrued Depreciations									
Balance at 01.01.2019		-19.360.019,40	-57.460.327,06	-926.306,97	-4.127.061,54	-762.572,49			-82.636.287,46
Movements in 2019									
Depreciation expenses		-942.346,38	-3.542.535,12	-7.332,29	-143.694,36	-2.432,49			-4.638.340,64
Write-offs/Sales			77.192,65		114.860,35				192.053,00
Revaluations		-13.560.233,48							-13.560.233,48
Balance at 31.12.2019		-33.862.599,26	-60.925.669,53	-933.639,26	-4.155.895,55	-765.004,98			-100.642.808,58
Accumulated impairment losses									
Balance at 01.01.2019	-523.458,47	-1.558.004,15							-2.081.462,62
Reversion of impairment losses	299.788,28	1.557.523,43							1.857.311,71
Balance at 31.12.2019	-223.670,19	-480,72							-224.150,91
Net value at 31.12.2019	29.982.120,00	12.192.319,07	36.265.064,15	29.263,24	402.776,57	1.094.994,21	2.705.060,14		82.671.597,38

The additions column for 2019 includes EUR 32.419,60 of work for the own entity, of which EUR 22.920,20 and fixed assets in progress and EUR 9.499,38 fixed assets.

Tangible fixed asset	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other tangible fixed asset	Tangible assets in progress	Advances on account for tangible assets	Total tangible fixed assets
Net value at 01.01.2018	32.730.992,72	7.730.089,21	14.369.417,23	44.900,88	384.886,11	1.099.859,19	91.822,77		56.451.968,11
Gross asset									
Balance at 01.01.2018	33.254.451,19	27.495.832,76	69.809.840,55	1.303.672,52	4.398.105,20	1.859.999,19	91.822,77		138.213.724,18
Movements in 2018									
Additions		57.928,60	14.251.164,35		245.634,49		50.810,32		14.605.537,76
Write-offs/Sales			-303.650,03	-340.770,02	-5.307,06				-649.727,11
Adjustments and transfers		173.199,31	-173.199,31						
Balance at 31.12.2018	33.254.451,19	27.726.960,67	83.584.155,56	962.902,50	4.638.432,63	1.859.999,19	142.633,09		152.169.534,83
Accrued Depreciations									
Balance at 01.01.2018		-18.207.739,40	-55.440.423,32	-1.258.771,64	-4.013.219,09	-760.140,00			-79.680.293,45
Movements in 2018									
Depreciation expenses		-987.820,77	-2.481.834,01	-8.305,35	-117.491,65	-2.432,49			-3.597.884,27
Write-offs/Sales			297.471,04	340.770,02	3.649,20				641.890,26
Adjustments and transfers		-164.459,23	164.459,23						
Balance at 31.12.2018		-19.360.019,40	-57.460.327,06	-926.306,97	-4.127.061,54	-762.572,49			-82.636.287,46
Accumulated impairment losses									
Balance at 01.01.2018	-523.458,47	-1.558.004,15							-2.081.462,62
Balance at 31.12.2018	-523.458,47	-1.558.004,15							-2.081.462,62
Net value at 31.12.2018	32.730.992,72	6.808.937,12	26.123.828,50	36.595,53	511.371,09	1.097.426,70	142.633,09		67.451.784,75

The additions column for 2018 includes EUR 15.774,21 of works for the own entity under fixed assets in progress.

The company requested an external and independent valuation (CPU Consultores-real estate appraisal and energy certification, Lda.) of its land and buildings (all located in greater Porto) classified as tangible fixed assets and proceeded to its revaluation, with reference date of December 31, 2019. The previous valuation reported on December 31, 2016 and had been carried out by Basis of Value - Peritos Assessadores de Imóveis, Lda.

The work consisted in determining the Fair Value of buildings and land, for accounting purposes, respecting the requirements of accounting and financial reporting standard No. 7 and the terms of reference indicated by the company.

The "Fair Value" can be defined as "The amount for which an asset could be exchanged (...), between knowledgeable and willing entities, in a transaction in which no relationship exists between them". Fair Value is the "Market Value" determined by qualified expert appraisers.

The valuation assumptions used to determine fair value were as follows:

- The evaluation work was based on surveys, that is, visual inspections, carried out outside all properties, as well as the evaluation report carried out in 2015.
- Information was collected on the surrounding area and the local real estate market, with a survey of the values currently requested in the market for similar and comparable properties.
- In obtaining the value of each property, the main determining factors were taken into account, such as location, access, existing dimensions, characteristics and the current state.
- Reference was also made to market values for properties with similar potential use and location.

- The land and construction areas were obtained through elements provided by the company, which are considered to be correct.

- It was assumed that all properties are duly legalized and licensed, free of burdens and charges.

- The valuation of the infrastructures related to each property - pavements, water supply and distribution networks, drainage networks for residual and rainwater, electricity distribution network, etc. - was considered and included in the valuation of each property.

It is important to highlight that, in this evaluation process, no constraints of a commercial nature or economic obsolescence of the businesses or activities to be carried out on the premises were taken into account, with the properties being evaluated as they are and with current uses.

In the scope of the valuation, the Market Value was calculated using the Cost Method, the land being evaluated by the Yield-Discounted Cash Flow Method (DCF), by the residual value criterion. In this valuation, two complementary situations were considered: the area of free land (not occupied by existing buildings) was valued for its greater and better use, according to the current PDM, with the value attributed to the area in question; the land area occupied by the current constructions was valued based on their actual occupation, using the same methodology. This methodology was used for three of the operational properties, with free land allocated.

For the offices at Torre das Antas, the market value was calculated using the Direct Yield-Capitalization Method and the Market Comparison Method, since there is a direct comparison in the market for both sales and leases. If "land and natural resources" and "buildings and other constructions" had been recognized according to the cost model, the carrying amount would be, respectively

Caption	2019	2018
Land and natural resources	2.174.730,74	2.175.113,03
Buildings and other constructions	5.520.393,81	5.729.934,28
	7.695.124,55	7.905.047,31

There was no disclosure of asset ownership restrictions or fixed assets given as guarantee of liabilities, as there are no situations that fall within this scope.

Movements occurred, in the 2019 and 2018 financial years, in the tangible assets in progress:

Caption	Balance 01.01.2019	Acquisitions	Adjustments and Transfer	Write-offs/ Disposals	Balance 31.12.2019
Buildings and other constructions		176.039,75			176.039,75
Basic equipment	142.633,09	2.387.878,75	-37.509,02		2.493.002,82
Office equipment		36.017,57			36.017,57
	142.633,09	2.599.936,07	-37.509,02		2.705.060,14

Caption	Balance 01.01.2018	Acquisitions	Adjustments and Transfer	Acquisitions	Balance 31.12.2018
Basic equipment	91.822,77	50.810,32			142.633,09
	91.822,77	50.810,32			142.633,09

The acquisitions column, for 2019, includes EUR 22.920,22 of works for the own entity, and in 2018 it includes EUR 15.774,21.

In the years 2019 and 2018 there were no movements in advances for tangible fixed assets.
As of December 31, 2019, the contractual commitments

assumed for the acquisition of tangible fixed assets amount to approximately 17.550 thousand euros.

10. NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The company has no assets under these conditions.

11. LEASING**11.1. FINANCE LEASES – LESSEES**

In the years 2019 and 2018, the company paid lease payments in the amount of EUR 2,393,517.62 (includes EUR 24,121.53 in interest) and EUR 2,592,854.12 (includes EUR 50,604.09 in interest), respectively.

As of December 31, 2019 and 2018, the company

maintained liabilities, as lessee, relating to income from financial lease contracts, in the amount of EUR 1,074,570.32 and EUR 3,020,991.26, respectively (with VAT included when this not deductible), due in the following years according to the map below:

Years	2019			2018		
	Discounted value minimum payments	Interest	Total	Discounted value minimum payments	Interest	Total
2019				1.926.279,03	19.726,29	1.946.005,32
2020	1.071.609,27	2.961,05	1.074.570,32	1.071.668,52	3.317,42	1.074.985,94
Total	1.071.609,27	2.961,05	1.074.570,32	2.997.947,55	23.043,71	3.020.991,26

As of December 31, 2019 and 2018, the net carrying amount for each category of leased assets was as follows:

Description	2019			2018		
	Acquisition value	Accrued depreciations	Net value	Acquisition value	Accrued depreciations	Net value
Tangible fixed assets						
Basic equipment	22.235.500,00	18.398.370,84	3.837.129,16	22.235.500,00	17.239.136,52	4.996.363,48
Total	22.235.500,00	18.398.370,84	3.837.129,16	22.235.500,00	17.239.136,52	4.996.363,48

11.2. OPERATING LEASE

In the years 2019 and 2018, rental income from operating lease contracts in the amount of 71,714.31 euros and 52,050.98 euros, respectively, was recognized.

Income from operating lease contracts (includes

the component of other services and VAT, when not deductible), on December 31, 2019 and 2018, have the following maturities:

Years	2019	2018
2019		109.964,57
2020	82.237,56	83.006,32
2021	75.324,02	75.324,04
2022	40.380,99	41.897,54
2023	7.812,57	
Total	205.755,15	310.192,47

12. BORROWING COSTS

Financial charges related to loans obtained are generally recognized as costs in accordance with the accrual-based accounting, and the effective interest rates for these purposes.

Interest and similar expenses incurred and recognized in the years 2019 and 2018:

Years	2019	2018
Interest on loans	2.819.904,66	3.598.408,15
Credit institutions and financial institutions interest	19.611,00	37.254,28
Interest on share capital	2.800.293,66	3.561.153,87
Interests on other financial instruments	20.796.012,09	17.845.523,75
Other financing expenses and losses – relating to loans	208.652,71	208.661,99
Expenses and discounts on the issuance of financing	4.262,37	4.271,65
Surety rate	202.777,78	202.777,78
Commission and other fees	1.612,56	1.612,56
Interests and similar expenses obtained	23.824.569,46	21.652.593,89

Interes and similar income gained, recognized in the 2019 and 2018 financial years:

Years	2019	2018
Gains on fair value - in financial instruments	19.163.696,81	14.724.867,88
Interest and similar income obtained	19.163.696,81	14.724.867,88

The company did not capitalize financial charges in the cost of assets because it did not have assets that qualified for this.

13. INVESTMENT PROPERTIES

The company applied the fair value to the investment properties on December 31, 2019, the previous valuation was carried out on December 31, 2018, having been determined through an evaluation carried out by external and specialized, independent and professionally qualified entities. recognized (CPU Consultores-Valorização de Imobiliária e Energética Certification, Lda.).

The work consisted in determining the Fair Value of buildings and land, for accounting purposes, respecting

the requirements of accounting and financial reporting standard No. 11 and the terms of reference indicated by the company. The reference date for the assessment was December 31, 2019 and December 31, 2018, respectively for 2019 and 2018.

Fair value is defined in NCRF 11, paragraph 37, as "the price at which the property could be exchanged between knowledgeable and willing parties, in a transaction in which there is no relationship between them".

The Fair Value to be determined for accounting reporting purposes, as defined in the SNC, may be equated with the "Market Value".

The valuation assumptions used to determine the fair value were as follows:

- The valuation work was based on inspections, that is, visual checks, which were performed inside and outside all the properties;
- For all the properties, information about the surroundings and the local property market was collected, and a survey was carried out on current market values for similar and comparable properties;
- When obtaining the value of each property, the main determining factors, such as location, access, current size, features and current state, were taken into account. Market values for properties with similar potential uses and locations were also used as a reference;
- The land and construction areas were obtained using information supplied by the company;
- It was assumed that all the buildings are legal and licensed, free of encumbrances and charges, apart from those contained in existing leases.

Given that these are properties that are not used for production, they are now deactivated and thus available for whatever use the market deems most favourable from the point of view of the benefits to be derived from these properties

Thus, particularly in the cases of properties consisting of unoccupied land, their valuation was undertaken with a view to their urban development, based on their potential built capacity as defined in the Municipal Master Plan or other plan in force in each location.

For buildings consisting of land and buildings that no longer have a use – former operating facilities that are currently deactivated – the same development perspective was used, based on the potential built capacity as defined in the Municipal Master Plan or other plan in force in each location, and in these cases the buildings were considered obsolete and currently of no value.

In this sense, in the scope of the 2019 assessment, the Market Value was calculated using the Yield Method - Discounted Cash Flow (DCF), by the residual value criterion, and for one of the properties the Yield Method - Direct Capitalization was used, and the Market Comparison Method.

Over the financial years ended 31 December 2019 and 2019, movements in the investment properties caption

were as follows:

2019				
Investment properties	Land and natural resources	Buildings and other constructions	Advance payments of own accord investment	Total
Balance at 01.01.2019	13.314.550,00	810.300,00		14.124.850,00
Fair value variation against profit and loss	226.150,00	-11.900,00		214.250,00
Fair value variation from revaluation surplus reversal		-20.300,00		-20.300,00
Transfers	241.000,00	684.000,00		925.000,00
Write-Offs/Sales	-48.500,00			-48.500,00
Balance at 31.12.2019	13.733.200,00	1.462.100,00		15.195.300,00

2018				
Investment properties	Land and natural resources	Buildings and other constructions	Advance payments of own accord investment	Total
Balance at 01.01.2018	11.224.496,02	2.082.989,70	24.726,00	13.332.211,72
Fair value variation against profit and loss	2.887.253,98	-251.569,42		2.635.684,56
Fair value variation from revaluation surplus reversal		-1.021.120,28		-1.021.120,28
Transfers	9.908,54			9.908,54
Write-Offs/Sales	24.726,00		-24.726,00	
Fair value variation against profit and loss	-831.834,54			-831.834,54
Balance at 31.12.2018	13.314.550,00	810.300,00		14.124.850,00

The company did not assume any contractual obligations regarding the construction, development, repair and maintenance of investment properties.

During the year in 2019 and 2018, the following income and expenses related to investment properties were recognized in the income statement:

Investment properties	2019		2018	
	Leased	For valuation	Leased	For valuation
Income				
Income from rentals	449.228,04		446.377,41	
Other income				6.900,00
Expenses				
Direct costs	-42.100,09	-21.803,05	-35.873,08	-26.324,24
Profit/Loss	407.127,95	-21.803,05	410.504,33	-19.424,24

14. IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

Given that STCP is a company with exclusively public capital and provides a social transport service without any commercial motive, it should be financially compensated for the share of non-commercial service it is required to provide.

In this respect, the historical situation in which continuous losses were generated is not considered to reflect impairment, but rather a failure on the part of the State to

comply with its obligation to finance the social activities.

Any asset which shows signs of impairment, whether due to technical or material obsolescence, undergoes an impairment analysis and the associated losses are recognised.

In 2019, the following movements occurred in the impairment losses of tangible fixed assets:

2019

Profit and Loss statement - Fixed tangible assets impaired losses	-1.857.311,71
Increases	13.702,72
Reversals	-1.871.014,43
Equity - revaluation surplus	2.970.100,00
Reversal of revaluation surplus due to impaired losses of fixed tangible assets	2.970.100,00

The details of the accumulated impairment losses on tangible fixed assets, as of December 31, 2019 and 2018, are shown in note 9.

15. STAKES IN JOINT VENTURES AND INVESTMENT IN ASSOCIATE COMPANIES AND SUBSIDIARIES**15.1. STAKES IN JOINT VENTURES**

Not applicable.

15.2. INVESTMENTS IN ASSOCIATE COMPANIES AND SUBSIDIARIES

Financial holdings in subsidiaries and associate companies, valued using the equity method, on December 31, 2019 and 2018:

Year of 2019	Assets	Liability	Equity	Income	Net Profit	% Holding
<i>Subsidiary Companies</i>						
STCP Serviços	47.549,08	5.597,22	41.951,86		-80,00	100%
<i>Associated Companies</i>						
TIP, ACE	17.162.244,90	12.153.376,22	5.008.868,68	7.509.113,36	2.295.064,45	33,33%
Transpublicidade, S.A.	1.629.971,35	754.477,30	875.494,05	1.783.454,74	293.456,51	20%

Year of 2018	Assets	Liability	Equity	Income	Net Profit	% Holding
Subsidiary Companies						
STCP Serviços	47.629,08	5.597,22	42.031,86		-1.431,66	100%
Associated Companies						
TIP, ACE	21.054.201,70	18.279.384,84	2.774.816,86	7.355.395,67	1.615.503,24	33,33%
Transpublicidade, S.A.	1.289.620,08	707.582,54	582.037,54	1.151.044,32	36.652,57	20%

Although provisional, the associate companies' and subsidiaries' financial statements at 31 December of each financial year were used.

In 2017, TIP, ACE, for the first time since its establishment, presented positive equity, so the equity method was restarted for this subsidiary.

The application of the equity method in the STCP Services subsidiary has been suspended since 2008, by virtue of the portion of the STCP in the negative results of the subsidiary having exceeded the carrying amount corresponding to the investment.

Movements in STCP's financial statements in relation to financial holdings in subsidiaries and associate companies in the 2019 and 2018 financial years:

	2019	2018
Financial holdings		
Initial balance	1.032.975,89	465.523,08
Adjustments - equity method (*)	811.745,80	567.452,81
Other changes		
Final balance	1.844.721,69	1.032.975,89
Impairment losses		
Net assets	1.844.721,69	1.032.975,89

(*) In 2019, EUR 823,712.78 were recorded under the caption "Gains/losses attributable to subsidiaries, associate companies and joint ventures", less EUR 20,337.54 in the item "Adjustments / Other changes in equity" and 8,370, 56 euros in the item "Retained earnings".

In 2018, 537,461.03 euros were accounted for in the item "Gains/losses attributable to subsidiaries, associate companies and joint ventures", 29,624.41 euros in the item "Adjustments / Other changes in equity" and 367.37 euros in the item "Retained earnings".

16. BUSINESS COMBINATIONS

Not applicable.

17. INVESTMENTS IN SUBSIDIARIES AND CONSOLIDATION

See note 15.2.

18. EXPLORATION AND ASSESSMENT OF MINERAL RESOURCES

Not applicable.

19. AGRICULTURE

Not applicable.

20. INVENTORIES

Inventories caption on 31 December of 2019 and 2018:

	2019			2018		
	Gross amount	Impairment losses	Net amount	Gross amount	Impairment losses	Net amount
Raw and sub, materials and consumables	1.376.433,31	-912.475,05	463.958,26	1.419.389,73	-899.480,13	519.909,60
	1.376.433,31	-912.475,05	463.958,26	1.419.389,73	-899.480,13	519.909,60

Cost of raw materials, subsidiary materials and consumables during the financial years of 2019 and 2018:

	2019	2018
Initial inventory	1.419.389,73	1.397.884,73
Procurement	993.117,85	1.454.598,73
Adjustments	53.787,86	9.462,36
Cost of consumed materials	-1.089.862,13	-1.442.556,09
Final inventory	1.376.433,31	1.419.389,73

In the 2018 and 2017 financial years, there were no movements in the caption "Changes in products and work in progress".

Changes on the inventories accrued impairment losses, for the 2019 and 2018 financial years:

Year of 2019	Initial Balance	Increases	Reversals	Uses	Final Balance
Raw and subsidiary materials and consumables	899.480,13	30.732,26	17.737,34		912.475,05

Year of 2018	Initial Balance	Increases	Reversals	Uses	Final Balance
Raw and subsidiary materials and consumables	925.108,25		25.628,12		899.480,13

21. CONSTRUCTION CONTRACTS

Not applicable.

22. REVENUE

Breakdown of revenue recognised at 31 December 2019 and 2018, all generated in national territory:

	2019	2018
Service Provision	49.580.884,00	47.924.924,87
Public passenger transport (*)	49.479.729,17	47.828.516,10
Vehicle hire	112.435,89	102.833,26
Sales rebates	-11.281,06	-6.424,49
Supplementary Income	915.451,68	933.163,03
Rental of equipment	6.400,00	644,28
Royalties	2.113,83	1.138,22
Other supplementary income	906.937,85	931.380,53
Maintenance services	46.883,71	66.856,29
Advertising	268.422,30	270.741,23
Employee assignments	117.005,52	115.248,52
Lease and space rental	251.675,50	285.402,79
Provision of consultancy and other services	28.940,45	30.174,62
Sales of scrap and other goods	12.307,80	13.941,60
Museum sales and services	128.505,09	114.087,52
Others	53.197,48	34.927,96
Rents and other income from investment properties	449.228,04	453.277,41
	50.945.563,72	49.311.365,31

(*) Public subsidies are defined in Decree-Law no. 167/2008, of 26 August, which establishes two types of subsidies: compensatory allowances and other types of subsidies.

Compensatory allowances are characterized by payments made from the State Budget to public and private entities, which are intended to offset operating costs resulting from the provision of services of general interest (art. 3 of Decree-Law no. 167 / 2008). The concept of general interest requires, among others, obligations to practice services that are universal in nature and guarantee accessibility in terms of prices to most citizens (art. 4).

On the other hand, the aforementioned decree-law admits other types of subsidies through agreements or contracts with the State, but excludes subsidies of a social nature granted to natural persons. However, it obliges the State to publicize the sums granted under such agreements or contracts with the Entities.

STCP entered into three agreements with the State that do not include compensatory allowances, as they do not meet the definition of compensatory allowance mentioned above.

These agreements aim to provide services at lower economic rates to natural persons with certain social conditions.

The State reimburses STCP for part of the price discount practiced in these tariffs whose responsibility it assumes.

The agreement for the implementation of the social tariff in the Andante intermodal system was signed on June 29, 2006, the agreement for the 4_18@escola.tp tariff was signed on January 29, 2009 and the agreement for the sub23@superior.tp tariff. was celebrated on September 1, 2010.

In addition to these three agreements, and through Ordinance No. 272/2011 of 23 September, the "Social Pass +" intermodal transport ticket was also created, aimed at natural persons whose households have a proven low income.

On December 17, 2014, an amendment to the agreement was signed for the implementation of the social tariff in the Andante intermodal system, which foresees the change of the State's contribution from 40% to 68% of the discount percentage practiced in this tariff, effective 1 February 2012.

On April 1, 2019, the Tariff Reduction Support Program (PART) was implemented, with the creation of new intermodal social passes, within the scope of the order No. 1234-A / 2019, of February 4, of the Secretaries' Offices of State of the Budget and Deputy and Mobility. The Program's main objectives are to promote the use of public transport by the population, to reduce polluting emissions, traffic congestion, noise and, on the other hand, to increase energy efficiency and levels of social inclusion, concretizing through instrumental mechanisms that consist of tariff reduction and improvement of the offer and extension of the network.

The adhesion to this program by the transport companies, public or private, consists in making available to the population transport tickets in the metropolitan area of Porto at the price of 30 euros (valid for all trips that take place in areas that integrate a certain municipality or, alternatively, in 3 any contiguous zones of the Andante zoning), at a price of 40 euros (intermodal pass valid throughout the Metropolitan Area of Porto) and free (with the same validity as the 40 euros pass) for children under the age of 13 years. The program also provides for the maintenance of social tariffs in force with the application of discounts on new prices.

The Porto Metropolitan Authority (AMP) allocates a financial compensation that aims to compensate the operator for each passenger transported, in order to guarantee the maintenance of the average revenue, per passenger, that the operator earned before the implementation of the PART, that is, it is intended offset the negative net effects of the practice of this tariff reduction.

The amount of financial compensation receivable is calculated monthly based on a calculation formula that intends to compensate companies for the loss of revenue due to the replacement of the tariff that was in effect on March 31, 2019.

The company recognizes all these financial contributions, under these contracts with tariff influence, under the heading Revenue from sales and services provided - public passenger transport. The accounting treatment adopted was approved by the Accounting Standards Committee.

23. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

The following provisions were set:

- Ongoing legal proceedings: based on costs that the company may have to bear for pending Court proceedings at the end of each financial year, corresponding to the overall foreseeable value.
- Occupational accidents and diseases: based on costs that STCP will have to bear in the future for pensions existing at 31 December 2018. Until February 1998, the company was self-insured for these accidents; however, there was no partial insurance for significant risks. From

1 March 1998, the company transferred its liability for accidents at work to an insurer, with a 30-day excess. From 1 March 2009, liability for accidents at work no longer included an excess.

- Other risks and charges: based on costs that STCP could be liable to bear for claims arising from accidents involving its fleet, where it is responsible, pending at 31 December 2018, and costs arising from other risks existing at the same date, in particular for addressing commitments undertaken at a loss in associate companies and other legal obligations.

Movements in provisions in the years of 2019 and 2018:

	2019				
	Initial Balance	Increases	Reversals	Uses	Final Balance
Ongoing legal proceedings	13.517.553,69	184.837,05	17.213,46	2.900.000,00	10.785.177,28
Occupational accidents and diseases	424.555,96		8.993,88		415.562,08
Other provisions	1.234.323,09	411.463,77	231.819,13		1.413.967,73
	15.176.432,74	596.300,82	258.026,47	2.900.000,00	12.614.707,09
Increased (and decreases) in provisions			338.274,35		

	2018				
	Initial Balance	Increases	Reversals	Uses	Final Balance
Ongoing legal proceedings	16.017.222,80		2.499.669,11		13.517.553,69
Occupational accidents and diseases	430.333,24		5.777,28		424.555,96
Other provisions	3.464.438,24	75.643,29	2.305.758,44		1.234.323,09
	19.911.994,28	75.643,29	4.811.204,83		15.176.432,74
Increased (and decreases) in provisions			-4.735.561,54		

In 2019, the use of the provision for legal proceedings in progress is due to the termination of judicial procedure No. 1213 / 16.9 BELSB, as a result of the annulment of the act of awarding the subconcession for the exploration of the STCP transport system and the contract of subconcession, in which it was Author Alsa Ferrocarril, SA, Nex Continental Holdings, SL, Alsa Atlântica, which culminated in the payment by STCP of an indemnity.

On December 31, 2019, of the lawsuits that are pending, with a constituted provision whose amount is relevant, it is worth mentioning the case No. 1893 / 06.3 BEPRT, in which Oliveira Fernandes e Ribeiro, Lda is the plaintiff, who requests that STCP refrains from exploring careers 83 and 84, currently 905 and 900 and claims losses.

24. SUBSIDIES AND OTHER SUPPORT FROM PUBLIC ENTITIES

Most relevant movements in subsidies in the 2019 and 2018 financial years:

2019					
Subsidies	Amount received in the year	Amount still to be received in the year	Total amount awarded	Revenue for the period	Accrued Revenue
Operating Subsidies:	4.642.466,63	3.075.062,20	5.423.090,36	4.629.388,04	
Municipalities	4.605.395,07	2.997.877,58	5.350.167,33	4.545.885,58	
Other public entities	37.071,56	77.184,62	72.923,03	83.502,46	
Subsidies related to assets	5.613.527,71	1.261.665,72	19.361.047,93	967.749,90	7.519.015,53
Tangible assets	5.610.339,41	1.256.477,96	19.141.848,55	940.600,94	7.373.313,25
Buildings and other constructions	6.802,59		766.652,98	26.131,03	346.697,88
Basic equipment	4.694.165,42	585.452,56	16.416.279,62	868.607,05	6.793.086,11
Office equipment	227,32	2.924,00	302.778,89	44.775,59	173.954,58
Other tangible fixed assets			61.658,58	1.087,27	59.574,68
Tangible assets in progress	909.144,08	668.101,40	1.594.478,48		
Investment Properties			33.141,16		17.556,95
Buildings			33.141,16		17.556,95
Intangible assets	3.188,30	5.187,76	186.058,22	27.148,96	128.145,33
Software	3.188,30	4.004,13	184.874,59	27.148,96	128.145,33
Tangible Assets in Progress		1.183,63	1.183,63		
	10.255.994,34	4.336.727,92	24.784.138,29	5.597.137,94	7.519.015,53

2018					
Subsidies	Amount received in the year	Amount still to be received in the year	Total amount awarded	Revenue for the period	Accrued Revenue
Operating Subsidies:	4.333.136,20	2.294.436,06	4.966.513,83	4.851.737,01	
Municipalities (*)	4.246.050,19	2.253.102,91	4.838.094,23	4.757.402,51	
Other public entities	87.086,01	41.333,15	128.419,60	94.334,50	
Subsidies related to assets	3.298.875,77	1.641.898,47	14.140.037,33	616.287,83	6.563.549,99
Tangible assets	3.204.215,07	1.641.898,47	13.929.214,01	592.543,52	6.444.996,67
Buildings and other constructions	45.837,93		759.850,39	23.897,41	320.566,85
Basic equipment	3.048.634,96	1.641.898,47	12.777.941,02	526.885,82	5.931.881,38
Office equipment	86.327,31		307.433,61	40.673,02	134.061,03
Other tangible fixed assets	1.084,46		61.658,58	1.087,27	58.487,41
Tangible assets in progress	22.330,41		22.330,41		
Investment Properties			33.141,16		17.556,95
Buildings			33.141,16		17.556,95
Intangible assets	94.660,70		177.682,16	23.744,31	100.996,37
Software			177.682,16	23.744,31	100.996,37
	7.632.011,97	3.936.334,53	19.106.551,16	5.468.024,84	11.415.287,00

(*) Values listed do not include VAT.

25. EFFECTS OF EXCHANGE RATE CHANGES

In 2019 and 2018 there were no significant transaction in foreign currency.

26. EVENTS AFTER THE BALANCE SHEET DATE

Refer to chapter 11 to Subsequent Facts of the Management Report.

27. INCOME TAX

The company is subject to the general Corporate Income Tax (IRC) regime.

Given its historic deficit, there are no records of taxable

profits. As of December 31, 2019, reportable tax losses amounted to EUR 65,079,514.57, as detailed below:

Years	Tax Losses
2014	9.563.588,84
2015	15.624.481,05
2016	15.458.446,80
2017	16.642.181,82
2018	7.790.816,06
	65.079.514,57

For the reasons set out in note 6, STCP proceeded for the first time to record deferred tax liabilities arising from the revaluations of its properties listed in tangible fixed assets.

In the calculation of deferred tax liabilities, the rate of 22.5% was used. In buildings, the rate is levied on the revaluation surplus and in the case of land on the surplus

adjusted for the effect of the monetary restatement of the acquisition cost, since these are non-depreciable assets (the tax is levied on the difference between the carrying amount and the tax basis).

At the end of fiscal year 2019, the income tax account had the following breakdown:

	2019	2018
Current tax	14.210,87	12.871,32
Current tax over profit and loss before taxes	0,00	0,00
Autonomous Tax	14.210,87	12.871,32
Deferred Tax	-163.386,86	
Deferred tax linked to depreciations of revalued assets (22,5%)	-163.386,86	
Income tax	-149.175,99	12.871,32

The movement occurred in assets due to deferred taxes for the financial year of 2019 is as follows:

	2019
Amount reported at the start of the financial year	6.870.286,61
Impact over profits and losses	
Differences arising from the revaluation of lands and buildings	-163.386,86
Effect in the revaluation reserves	
Differences arising from the revaluation of lands and buildings	401.646,19
Amount report at the end of the financial year	7.108.545,94

28. ENVIRONMENTAL ISSUES

We have no relevant information to report in the 2019 and 2018 financial years.

29. FINANCIAL INSTRUMENTS**29.1. IDENTIFICATION OF FINANCIAL ASSETS AND LIABILITIES**

Categories of financial assets and liabilities, at 31 December 2019 and 2018:

Financial Assets Year of 2019	Financial Assets at cost or amortised cost	Financial assets valued at Fair Value through profit and loss	Not covered by IFRS7 (*)	Total
Non-current assets	1.031.322,31			1.031.322,31
Other financial investments	134.645,86			134.645,86
Receivables	896.676,45			896.676,45
Current assets	23.609.377,44		2.605.968,99	26.215.346,43
Customers	15.551,54			15.551,54
Other receivables	4.838.425,11		2.605.968,99	7.444.394,10
Cash and bank deposits	18.755.400,79			18.755.400,79
	24.640.699,75		2.605.968,99	27.246.668,74

(*)Debtors on income accruals" caption

Financial liabilities Year of 2019	Financial liabilities at amortised cost	Financial liabilities valued at Fair Value through profit and loss	Not covered by IFRS7 (*)	Total
Non-current liabilities	219.605.803,60	63.463.882,49		283.069.686,09
Financing obtained	219.605.803,60			219.605.803,60
Other financial liabilities		63.463.882,49		63.463.882,49
Current liabilities	131.982.058,80	1.629.889,21	6.205.167,70	139.817.115,71
Suppliers	2.696.319,42			2.696.319,42
Advances to customers	1.741,90			1.741,90
Financing obtained	126.462.161,36			126.462.161,36
Other payable debts	2.821.836,12		6.205.167,70	9.027.003,82
Other financial liabilities		1.629.889,21		1.629.889,21
	351.587.862,40	65.093.771,70	6.205.167,70	422.886.801,80

(*)Debtors on income accruals" caption

Financial liabilities Year of 2018	Financial liabilities at amortised cost	Financial liabilities valued at Fair Value through profit and loss	Not covered by IFRS7 (*)	Total
Non-current assets	1.041.494,59			1.041.494,59
Other financial investments	108.983,35			108.983,35
Receivables	932.511,24			932.511,24
Current assets	21.764.747,00		723.552,65	22.488.299,65
Customers	3.110.155,66			3.110.155,66
Other receivables	4.406.720,76		723.552,65	5.130.273,41
Cash and bank deposits	14.247.870,58			14.247.870,58
	22.806.241,59		723.552,65	23.529.794,24

(*)Debtors on income accruals" caption

Financial liabilities Year of 2019	Financial liabilities at amortised cost	Financial liabilities valued at Fair Value through profit and loss	Not covered by IFRS7 (*)	Total
Non-current liabilities	262.776.876,70	82.627.579,30		345.404.456,00
Financing obtained	262.776.876,70			262.776.876,70
Other financial liabilities		82.627.579,30		82.627.579,30
Current liabilities	68.283.372,81	1.412.723,81	6.740.267,37	76.436.363,99
Suppliers	2.738.396,39			2.738.396,39
Advances to customers	1.395,35			1.395,35
Financing obtained	61.853.882,02			61.853.882,02
Other payable debts	3.689.699,05		6.740.267,37	10.429.966,42
Other financial liabilities		1.412.723,81		1.412.723,81
	331.060.249,51	84.040.303,11	6.740.267,37	421.840.819,99

(*)Debtors on income accruals" caption

According to paragraph 29 of IFRS7, paragraph a), when the carrying amount is a reasonable approximation of fair value, as for financial instruments such as trade accounts receivable or payable in the short term, it is not necessary

to disclose its fair value. In 2019 and 2018, Customers, Other receivables, Cash and bank deposits and Other payable debts are in this situation.

29.1.1. LOANS OBTAINED

Breakdown of loans at 31 December of 2019 and 2018:

	Year of 2019					
	Amortised cost			Nominal amount		
Loans obtained	Total	Current	Non-current	Total	Current	Non-current
Credit institutions and financial companies	1.079.615,08	1.079.615,08		1.079.615,08	1.079.615,08	
Finance leases	1.071.609,27	1.071.609,27		1.071.609,27	1.071.609,27	
Credit card	8.005,81	8.005,81		8.005,81	8.005,81	
Securities market	100.004.132,43	10.182,20	99.993.950,23	100.000.000,00		100.000.000,00
Non-convertible debenture loans	100.004.132,43	10.182,20	99.993.950,23	100.000.000,00		100.000.000,00
Empréstitos Obligacionista 07	100.004.132,43	10.182,20	99.993.950,23	100.000.000,00		100.000.000,00
Equity stakeholders	244.984.217,45	125.372.364,08	119.611.853,37	241.890.417,35	122.278.563,98	119.611.853,37
Parent Company - loans and other	244.984.217,45	125.372.364,08	119.611.853,37	241.890.417,35	122.278.563,98	119.611.853,37
	346.067.964,96	126.462.161,36	219.605.803,60	342.970.032,43	123.358,1	219.611.853,37

	Year of 2018					
	Amortised cost			Nominal amount		
Loans obtained	Total	Current	Non-current	Total	Current	Non-current
Credit institutions and financial companies	3.008.811,39	1.937.142,87	1.071.668,52	3.008.811,39	1.937.142,87	1.071.668,52
Finance leases	2.997.947,55	1.926.279,03	1.071.668,52	2.997.947,55	1.926.279,03	1.071.668,52
Credit card	10.863,84	10.863,84		10.863,84	10.863,84	
Securities market	99.999.870,06	10.183,25	99.989.686,81	100.000.000,00		100.000.000,00
Non-convertible debenture loans	99.999.870,06	10.183,25	99.989.686,81	100.000.000,00		100.000.000,00
Empréstitos Obligacionista 07	99.999.870,06	10.183,25	99.989.686,81	100.000.000,00		100.000.000,00
Equity stakeholders	221.622.077,27	59.906.555,90	161.715.521,37	221.328.570,83	59.613.049,46	161.715.521,37
Parent Company - loans and other	221.622.077,27	59.906.555,90	161.715.521,37	221.328.570,83	59.613.049,46	161.715.521,37
	324.630.758,72	61.853.882,02	262.776.876,70	324.337.382,22	61.550.192,33	262.787.189,89

All loans are denominated in euros.

29.1.1.1. NON-CURRENT

At December 31, 2019, existing non-current loans were as follows:

- In June 2007, a debenture loan of €100 million was issued for 15 years. The subscription was private and direct. The rate is variable, indexed to the 6-month Euribor. A total or partial Call Option is available from the 5th year. Bonds were admitted to trading on a regulated market at the beginning of the year 2011. It has the Guarantee of the Portuguese State. Under the Guarantee contract, the Portuguese Republic unconditionally and irrevocably guarantees the payment of the amounts corresponding to the capital and interests payable under the terms and conditions of the contracts.
- In October 2014, the Portuguese State granted STCP an intracompany loan of 301,250,248.72 Euros aimed at meeting this company's financing needs during the period from October to December 2014. The loan bears fixed-rate interest, biannually, and will be repaid in twelve successive, equal instalments of principal, beginning in May 2016 and ending in 30 November 2021. The intracompany principal was provided in three tranches:
 1. EUR 122,166,600, on October 6, 2014;
 2. EUR 177,083,648.72, on November 27, 2014;
 3. EUR 2,000,000, on December 15, 2014.
- Order of the Secretariat of State for the Treasury n° 629/15- SET, of 4 May, and of the Secretariat of Infrastructure, Transport and Communications, of 15 May 2015, approved the granting of a medium-/long-term loan to address the operating needs for the second quarter of 2015, in the amount of €4,540,000. The loan was provided in phases in the following amounts and on the following dates:
 1. EUR 1,875,000, on May 22, 2015;
 2. EUR 1,511,000, on the same date, 22 May 2015;
 3. EUR 1,154,000, on June 16, 2015.
- Order of the Secretariat of State for the Treasury n° 1220/15-SET, of 4 August, and of the Secretariat of Infrastructure, Transport and Communications, of 16 September 2015, approved the granting of a second medium - and long-term loan of 3,178,175 Euros, the borrowing of which was also authorised, to address the operating needs for the third quarter of 2015:
 1. EUR 1,472,710 as of September 30, 2015;
 2. EUR 1,705,465, on the same date.
- Order of the Secretariat of State for the Treasury n° 1900/15-SET, of 19 November approved the granting of a third medium-and long-term loan of €4,400,000 to fund part of the company's operation in the fourth quarter of 2015. The funds were provided in one single tranche on 26 November 2015.
- By Order of the Secretariat of State for the Treasury n° 340/17-SET, of 31 May, approved the granting of the first medium-and long-term loan, by the shareholder, of up to 14,643,369.27 euros, to fund part of the company, associated to the flows to be earned in 2017, the STCP swap contract, whose payment is foreseen in n° 2 of clause 3 of the Agreement signed between the Portuguese State, the Transport Companies, and Banco Santander Totta, S.A., on 2 May 2017. The company's respective borrowing was authorized by the mentioned Order and by the Order of Deputy Secretary of State for the Environment, on 1 June 2017. The intracompany principal was provided in two tranches:
 1. EUR 6,947,865.80, on June 1, 2017;
 2. EUR 2. 7,695,503.47, on November 27, 2017.
- Order of the Secretariat of State for the Treasury no. 1140/17-SET, of 15 December, approved the granting of a 2nd medium-and long-term loan to Sociedade de Transportes Colectivos do Porto, S.A, of up to 29,666,503.73 euros to fund the company until 31 January 2018, corresponding to the earnings that were suspended, since December 2013, from the swap contract with Banco Santander Totta. The company's respective borrowing was authorized by the mentioned Order and by the Order of Deputy Secretary of State for the Environment, on 19 December 2017, with the amount allowed given only during the month of January 2018.
- Through the Orders of the Secretariat of State for the Treasury no. 407/18-SET, of 25 May 2018, and the Deputy Secretary of State for the Environment of 28 May 2018, the granting of a first medium-and long-term loan was approved, by the State to Sociedade de Transportes Coletivos do Porto, S.A., of up to €17,589,232.29, to meet the needs associated with the cashflow falling due in 2018, from the STCP swap contract, whose payment is envisaged in no. 2 of clause 3 of the Agreement signed between the State, the Transport Companies, and the Banco Santander Totta, S.A., on 2 May 2017. The intracompany principal was provided in two tranches:

1. EUR 8,427,624.65, on June 1, 2018;
 2. EUR 9,161,607.64, on November 30, 2018.
- Through the Orders of the Secretariat of State for the Treasury no. 1048/18-SET, of 20 December 2018, the granting of a 2nd medium-and long-term loan was approved from the State to Sociedade de Transportes Coletivos do Porto, S.A., for the sum of up to 1,211,424.00 euros to meet the financing needs associated with the Agreement reached between the company and the Unions, on 12 December 2018. The intracompany principal was provided in two tranches:
 1. EUR 725.557,90, as of December 31, 2018;;
 2. EUR 390.956,18 tranche was not used, the remaining amount of the total agreement.
 - Through the Order of the Secretary of State for the Treasury No. 476/19-SET, of 31 May 2019, the granting of a medium and long term loan, from the State, to the Sociedade de Transportes Coletivos do Porto was authorized, SA, in the amount of up to 20,561,846.52 euros to cover the financing needs associated with the flows, due in 2019, of the Swap contract. The borrowed capital was made available in two tranches:
 1. EUR 9.889.945,13, on June 4, 2019;
 2. EUR 10.671.901,39, on November 29, 2019.

As of December 31, 2019, the company does not register default situations in any of the loans taken out.

29.1.1.2. CURRENT

The company has a credit card intended exclusively for the timely payment of current treasury expenses, the balance of which, at 31 December 2019, amounted to 8,005.81

euros. The credit card modality is the solution offered by the Treasury and Public Debt Management Agency - IGCP, E.P.E, as an alternative to using the ATM card.

29.1.2. OTHER INVESTMENTS / FINANCIAL ASSETS**29.1.2.1. NON-CURRENT**

The caption "Other financial investments", on 31 December of 2019 and 2018 can be broken down as follows:

Other financial investments	2019	2018
Financial holdings in other companies	25.000,00	25.000,00
Loans granted to subsidiary companies	1.400.000,00	1.400.000,00
Work compensation fund	67.694,00	41.951,49
Gross Amount	1.492.694,00	1.466.951,49
Accumulated impairment losses	-1.358.048,14	-1.357.968,14
Carrying Amount	134.645,86	108.983,35
Impairment of investments not depreciable/amortizable (losses/reversals)	-80,00	-1.431,66

Financial holdings in other companies are recorded at cost because they are not quoted on an active market, and therefore fair value cannot be measured reliably.

There were no movements in these holdings, as shown in the table below, and carrying amount relates only to the holding in OPT, given that the holding in Metro do Porto

is nil (it was valued using the equity method until 2007 - the holding until this date was 25% - and has negative equity):

Other financial investments	2019		2018	
	Fair value	At cost	Fair value	At cost
Financial holdings:				
Initial balance		25.000,00		25.000,00
Final balance		25.000,00		25.000,00
Impairment losses				
Net assets		25.000,00		25.000,00

The caption "Loans granted to subsidiary companies" is impaired given the loss-making situation of the subsidiary's equity.

29.1.2.2. CURRENT

Nothing to report.

29.1.3. OTHER FINANCIAL LIABILITIES

On December 31, 2019, the company held in its portfolio an interest rate risk hedging instrument that replicates 25% of the nominal value of the debenture loan issued in the same year. This instrument matures in 2022.

As of December 31, 2019 and 2018, the fair value of this financial instrument derived from interest rate hedging was as follows:

2019					
Hedged financing	Notional Amount	Maturity	Fair value	Current	Non-current
Debenture 2007	25.000.000	05-Jun-22	-65.093.771,70	-1.629.889,21	-63.463.882,49
Other financial liabilities			-65.093.771,70	-1.629.889,21	-63.463.882,49

2018					
Hedged financing	Notional Amount	Maturity	Fair value	Current	Non-current
Debenture 2007	25.000.000	05-Jun-22	-84.040.303,11	-1.412.723,81	-82.627.579,30
Other financial liabilities			-84.040.303,11	-1.412.723,81	-82.627.579,30

The referenced transaction was the subject of a lawsuit filed by the Credit Institution before the English Court of Commerce, requiring the appraisal of the contract's validity, and the company contested and contested the dismissal of the action. Based on the legal grounds for the nullity of the contract, STCP had disengaged from the fulfillment of obligations arising from it. Pending the litigation, STCP had informed the Institution of the suspension of coupon payments since December 5, 2013, as well as any other allegedly due under the contract for the same transaction.

In 2017, the Board of Directors approved the terms of an agreement signed between the Portuguese State

and Banco Santander Totta, SA, also covering the Public Transport Companies involved, which ended the legal action brought by that Bank in the Court de Comércio de Londres, an agreement signed on 2 May 2017 and conducted by Tutela Financeira on behalf of the four public transport companies involved, under which the Portuguese State, Banco Santander Totta, SA, and Public Transport Companies with interest rate financial risk management contracts entered into, undertook to comply with the resulting contracts and payment obligations arising therefrom, and to fulfill, until January 31, 2018, the payment obligations due under them.

Breakdown of fair value changes in 2019 and 2018:

Hedged financing	Notional amount	Maturity	2019	2018
Debenture 2007	25.000.000	05-Jun-22	19.163.696,81	14.724.867,88
			19.163.696,81	14.724.867,88

As of December 31, 2019 and 2018, the fair value of the derivative financial instrument was determined by Banco Santander Totta, S.A.

Although these derivative instruments were contracted as part of a policy to cover the risk of changes in interest rates, not all the necessary conditions are met for the accounting framework of operations such as hedge accounting.

Thus, changes in fair value, which occurred in the years 2019 and 2018, were recognized directly in the income statement, under the caption Gains due to increases in fair value in financial instruments / Losses due to the reduction in fair value in financial instruments (note 12), included in income statement by nature under Interest and similar income received / obtained.

29.2. FINANCIAL RISK MANAGEMENT

The Company is exposed to financial risks, essentially to the risk of changes in the market interest rate.

29.2.1. EXCHANGE RATE RISK

Due to its nature, the company has a reduced exposure to foreign exchange risk, since financial operations are

denominated in euros and the component of acquisition of goods and services in a different currency is reduced.

29.2.2. LIQUIDITY RISK

The management of liquidity risk is of paramount importance since the company generates insufficient cash flow for its activity.

The financing model has been guaranteed, since 2014, by funds from the Shareholder, and is processed at the Company's request, based on forward-looking financial statements, in order to ensure the liquidity for the company's operation.

In 2019, the financing model followed the usual process. It should be noted that STCP's intercity process is underway, as provided for in Decree-Law no. 151/2019. Its entry into force is suspended, as determined by Decree-Law no. 175/2019, due to the lack of prior appreciation by the Court of Auditors, an opinion that is still pending.

29.2.3. CREDIT RISK

The credit risk management policy aims to guarantee the collection, in strict compliance with the agreed conditions, of credit on third parties granted within the scope of its main activity and ancillary activities, to which the company is exposed.

In order to mitigate this risk, the company analyzes and monitors the loan portfolio, implementing procedures aimed at reducing default situations.

Detail of the Customers item, taking into account its maturity and recoverability:

Without recorded impairment	2019	2018
Customers current account	15.551,54	3.110.155,66
Not due	6.331,42	1.185.440,22
Past due	9.220,12	1.924.715,44
<30 days	995,22	1.916.400,20
<60 days	2.806,94	1.874,80
<90 days	3.183,85	1.488,00
<120 days	760,80	1.581,19
>=180 days	1.472,98	3.371,25

With impairments	2019	2018
Customers current account	15.702,51	13.572,91
Past due	15.702,51	13.572,91
>=180 days	15.702,51	13.572,91

Breakdown of the caption "Other Debtors", according to due date and recoverability:

Without recorded impairment	2019	2018
Other debtors	4.639.177,71	4.220.760,38
Not due (*)	3.323.516,11	2.582.706,23
Past due	1.260.639,49	1.587.455,44
<30 days	108.775,09	161.699,12
<60 days	560.959,87	618.719,93
<90 days	127.367,88	335.645,57
<120 days	339.555,88	255.317,74
<180 days	6.756,43	31.181,52
>=180 days	117.224,34	184.891,56
Deposits and securities paid	55.022,11	50.598,71
With impairments	2019	2018
Other debtors	26.798,83	25.081,18
Past due	26.798,83	25.081,18
>=180 days	26.798,83	25.081,18
	4.665.976,54	4.245.841,56

The analyzes of the risk of uncollectibility were carried out having verified the need to reinforce the existing impairments in relation to the risk verified at the end of the year.

Thus, on December 31, 2019 and 2018, impairments of customers and other debtors amounted to 42,501.34 euros and 38,654.09 euros, respectively, reflecting the reality of the risk of uncollectibility assumed.

29.2.4. INTEREST RATE RISK

The borrowed loans earn fixed and variable interest.

The contracted derivative financial instrument aims to reduce exposure to the interest rate risk.

Medium - and long-term loans borrowed by STCP are essentially exposed to 3-month Euribor changes, for finance leases, and 6-month Euribor for the existing debenture loan.

As mentioned above, the medium and long-term loans granted by the DGTF are fixed rate.

As of December 31, 2019, STCP had no short-term financing operations contracted, except for the credit card facility, which is not subject to interest rate risk.

SENSITIVITY ANALYSIS

Debenture estimate on 31 December of 2019 does not predict for the situation to change in 2020.

The debenture has recorded interest below zero due to the negative evolution of its index, the Euribor 6M.

The debt service estimate as of December 31, 2019 does not predict that in 2020 the situation will change.

After carrying out a sensitivity analysis for an increase of 0.5% in the interest rate, a charge of approximately 186

thousand euros will result, with the interest expected on December 31, 2019 being negative.

As for the two leasing operations in force, an increase of 0.5% in the interest rate implies a variation in the total rent payable by about another 2 thousand euros compared to the forecast on 31 December 2019.

The responsibilities for future cash flows relating to non-current loans are as follows:

Years	Interest	Repayment	Cash-flow
2020	5.100.951,17	122.278.563,98	127.379.515,11
2021	1.242.295,12	66.092.488,84	67.334.784,03
2022	398.029,27	115.884.114,08	116.282.143,39
2023	191.312,32	13.864.418,28	14.055.730,61
2024	105.259,56	13.864.418,24	13.969.677,85
2025	32.279,28	6.479.439,51	6.511.718,73
2026	6.508,87	3.426.974,42	3.433.483,29

29.2.5. COVENANTS

When contracting financial operations, the company endeavors to accept the least possible contractual restrictions with regard to the free availability of its assets and the ownership of its capital. The company has a policy of negotiating and accepting only the contractual clauses that correspond to the market standard, always limited to its negotiation capacity.

Most of the current financing contracts have, in their clauses, a set of customary "covenants" that provide for the situations usually called default, cross default,

negative pledge and *pari passu*, agreed and accepted by the counterparties. It should also be noted the existence of ownership clauses by the Portuguese State.

The agreed covenants generally do not correspond in terms of indicators, with the exception of the ownership clauses that oblige the holding of the company's capital entirely by the Portuguese State, or in other cases, the majority of detention, that is, more than 50% of the same capital.

29.3. EXPENSES, INCOME, LOSSES AND GAINS

Expenses and losses, as well as gains and income, related to loans obtained and derivative financial instruments are detailed in note 12.

29.4. EQUITY INSTRUMENTS

29.4.1. SHARE CAPITAL

On July 16, 2019, at the sole discretion of the single Portuguese State shareholder, by means of a Unanimous Written Social Resolution, it was decided to increase the Company's Capital by 2,900,000 euros, by issuing 580,000 new shares, at par value 5 euros each, subscribed by the sole shareholder, and paid in full in cash.

Immediately thereafter, on July 30, a new capital increase occurs again, by means of a Unanimous Written Social Resolution, in the amount of 11,604,285 euros, through the issue of 2,320,857 new shares, in the nominal value of 5 euros each, subscribed by the sole shareholder, and paid in full in cash.

Still at the end of 2019, on December 30, 2019, there was a third increase in the Share Capital, through Unanimous Written Deliberation, of 3,924,375 euros, through the

issuance of 784,875 new shares, with a nominal value of 5 euros each, subscribed by the sole shareholder, and paid in full in cash.

On December 31, 2019, the carrying amount of the share capital issued by the company corresponded to the item Share capital, in the amount of 306,463,440 euros, fully paid up, and represented by 61,292,688 shares, in merely book-entry form, with the nominal value of 5 euros each, wholly owned by the Portuguese State, and, at that date, the last registered capital increase was expected to be registered at the Commercial Registry Office. At the present date, it is still awaiting its definitive registration and publication in the Diário da República.

The company's share capital is 100% owned by the Portuguese State.

29.4.2. RESERVES

"Reserves" caption on 31 December of 2019 and 2018:

Reserves	2019	2018
Legal reserves	74.907,42	74.907,42
Other reserves	25.727,80	25.727,80
Other reserves - free reserves	25.256,95	25.256,95
Other reserves - staff support fund	470,85	470,85

29.4.3. REVALUATION SURPLUS

Movements in tangible and intangible assets revaluation surplus, in 2019 and 2018:

	Before taxes	Income tax	Total
Balance at 01.01.2018	42.787.993,72		42.787.993,72
Amortisation	-748.864,38		-748.864,38
Sales	-34.792,94		-34.792,94
Revaluation reversal (*)	-1.021.120,28		-1.021.120,28
Balance at 31.12.2018	40.983.216,12		40.983.216,12
Balance at 01.01.2019 (**)	40.983.216,12	-6.870.286,61	34.112.929,51
Amortisation	-726.163,80	163.386,86	-562.776,94
Sales	-27.501,19		-27.501,19
Revaluation reversal (*)	-2.990.400,00	668.272,50	-2.322.127,50
Revaluation surplus	5.601.633,15	-1.069.918,69	4.531.714,46
Balance at 31.12.2019	42.840.784,28	-7.108.545,94	35.732.238,34

(*) In 2019, the amount of EUR 20.300,00 related to the revaluation reserve to compensate losses in fair value of investment property which were carried over from tangible fixed assets with an established revaluation reserve.. In 2018, this value was EUR 1.021.120,28.

(**) In 2019 was carried out the recognition of income tax impact over revaluation surplus, but only for property that is subject to operating activity.

29.4.4. ADJUSTMENTS / OTHER CHANGES IN EQUITY

Adjustments and other changes in equity at 31 December 2019 and 2018:

	2019	2018
Adjustments in financial assets - equity method	1.047.129,94	521.635,89
Transitional adjustments	-32.560,03	-32.560,03
Undistributed profits	950.122,57	404.290,98
Arising from other changes in equity of the subsidiaries	129.567,40	149.904,94
Other changes in equity	10.083.253,74	8.482.165,97
Subsidies related to assets (*)	9.177.575,11	7.576.487,34
Donationss	281.048,63	281.048,63
Other changes in equity	624.630,00	624.630,00
Adjustments/Other changes in equity	11.130.383,68	9.003.801,86

(*) In 2019, as a result of the application of of FAQ13 of the Accounting Standardization Commission, the adjustment of the income tax on subsidies was recognized against the caption Payable Debts (associated tax), cataloged in non-current liabilities. Thus, the amount of this caption is deducted from EUR 2,664,457.29 related to income tax.

29.4.5. EARNINGS PER SHARE

Earnings per share in 2019 and 2018:

	2019	2018
Net profit for the period	-3.162.821,26	-1.820.042,93
Weighted average n° of shares	58.854.956	44.915.126
Basic earning per share	-0,05	-0,04

Since there are no situations that give rise to dilution, the diluted net income per share is equal to the basic net income per share.

30. EMPLOYEE BENEFITS

30.1. POST-EMPLOYMENT BENEFITS - DEFINED BENEFIT PLAN

Since 1 May 1975, the company has had a defined benefits plan to award retirement and invalidity pension contributions to all employees, pursuant to the company's agreements and existing legislation. These are calculated based on a fixed formula and paid provided that the sum of the Social Security pension and the contribution does not exceed 650 euros (value effective since 2007).

In December 1998, the company transferred its responsibility to the BPI Valorização Open Pension Fund

(Adhesion No. 24), having been contributing annually, and since that date, in accordance with the financing requests required by the Fund.

As of December 31, 2019 and 2018, according to the actuarial study carried out by BPI Vida e Pensões, the present value of the obligations assumed with responsibilities for supplementary retirement and disability pensions was as follows:

	2019	2018
Cost of past retirement services	1.537.988,00	1.792.487,00
Fund liability	1.537.988,00	1.792.487,00

The actuarial evaluation of liabilities, in 2019 and 2018, used the projected unit credit method and was based on the following actuarial assumptions:

Main assumptions	2019	2018
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Financial Assumptions

Discount rate in determining liabilities	0,08%	0,83%
Discount rate in determining costs	0,83%	0,52%
Salary growth rate	Not applicable	Not applicable
Social Security pensions growth rate	1,75%	1,75%
STCP pensions growth rate	Equal to interest growth of pensions of Social Security with difference limit between the ceiling value and the pension of Social Security	Equal to interest growth of pensions of Social Security with difference limit between the ceiling value and the pension of Social Security
Ceiling growth rate (*)	Without growth, fixed value of 650,00 Euros	Without growth, fixed value of 650,00 Euros

Demographic assumptions

Life table	French table TV 73/77	French table TV 73/77
Invalidity table	Not applicable	Not applicable

(*) In years prior to 2001, the ceiling was 548.68 euros. From 2001 to 2006 inclusive, it increased to €598.56. From 2007, it increased to €650.00. However, in the period from January 2014 to March 2016, by virtue of Article 75 of law 83-C/2013, of 31 December 2013, and Article 78 of law 82-B/2014 of 31 December 2014, by March 2016, it became €600.00. Under law no. 11/2016, the value of €650.00 was reinstated.

Movements in the Pension Fund at 31 December 2019 and 2018:

	2019	2018
Valud of the fund assets at the beginning of the financial year	1.228.731,00	1.642.119,00
Company contributions	213.317,00	
Pensions paid	-293.152,00	-326.765,00
Effective income	102.032,00	-86.623,00
Value of the fund assets at the end of the financial year	1.250.928,00	1.228.731,00

Changes in liabilities assumed for supplementary retirement and disability pensions as at 31 December 2019 and 2018:

	2019	2018
Liabilities at the start of the financial year	1.792.488,00	2.119.771,00
Cost of interest on liabilities	13.521,00	10.064,00
Pensions paid	-293.152,00	-326.765,00
Actuarial experience losses (and gains)	-40.494,00	21.709,00
Losses (and gains) from changes in discount rate	65.625,00	-32.291,00
Liabilities at the end of the financial year	1.537.988,00	1.792.488,00

A change in the discount rate to less than 0.25% would result in an increase in the liabilities assumed for supplements of retirement and disability pensions by 23.242 euros, and a change in the discount rate to an additional 0.25% would result in a decrease in the liabilities assumed by supplements of retirement and disability pensions at 22,538 euros.

A change in the growth rate of pensions to less than 1% would result in an increase in the liabilities assumed

for supplements of retirement and disability pensions by 302,577 euros, and a change in the growth rate of pensions to an additional 1% would result in a decrease in the responsibilities assumed by supplements of retirement and disability pensions in 258,328 euros.

During the years of 2019 and 2018, the responsibilities for supplementary retirement and disability pensions, recognized in the item Staff costs were as follows:

	2019	2018
Recognised in the profit and loss statement	4.679,00	2.484,00
Net cost of interest	4.679,00	2.484,00
Recognised in equity	-68.059,00	83.621,00
Remeasurement of net liabilities (assets) of defined benefits	-68.059,00	83.621,00
Actuarial losses and (gains)	-6.808,00	63.710,00
(Pension) benefits losses and (gains)	-33.686,00	-42.001,00
Income losses and (gains)	-93.190,00	94.203,00
Discount rate changes losses and (gains)	65.625,00	-32.291,00
	-63.380,00	86.105,00

Effective income rates of the pension fund in the last 5 years

	2019	2018	2017	2016	2015
Effective income rate	9,10%	-3,6%	5,3%	-0,10%	4,00%

Evolution of the present value of the defined benefits liability, in the last 5 years of the fair value of assets in the plan and of the plan surplus or deficit:

Year	Fund liabilities	Value of the fund assets	Fund deficit/surplus	Fund coverage rate
2015	1.776.576,00	1.142.024,00	-634.552,00	64%
2016	2.385.763,00	1.820.027,00	-565.736,00	76%
2017	2.119.771,00	1.642.119,00	-477.652,00	77%
2018	1.792.488,00	1.228.731,00	-563.757,00	69%
2019	1.537.988,00	1.250.928,00	-287.060,00	81%

Composition of the BPI Valorização open pension fund at 31 December 2019 and 2018:

	2019		2018	
Composition	Amount	%	Amount	%
Shares	333.441	26,7%	335.248	27%
Fixed-rate bonds	721.163	57,7%	709.603	58%
Variable-rate bonds	62.647	5,0%	53.632	4%
Absolute return	62.337	5,0%	80.709	7%
Real estate	12.285	1,0%	13.967	1%
Liquidity	59.055	4,7%	35.572	3%
	1.250.928		1.228.731	

The BPI Valorização Open Pension Fund does not have assets of the Sociedade de Transportes Colectivos do Porto in its composition.

As at 31 December 2019 and 2018, the equity value of the company's adhesion to the BPI Valorização Open Pension Fund was 1,250,928 euros and 1,228,731 euros respectively, representing 0.5% and 0.6% of the value total of the Pension Fund.

In 2019, the Open Pension Fund BPI - Valuation / Adhesion 24 ensured the attribution of all supplements for retirement and disability pensions.

With the publication of Decree-Law no. 151/2019, of October 11, as provided for in paragraph c) of Article 7, the responsibilities formed or in formation related to pension supplements and retirement or disability of STCP workers retired on December 31 December 2019,

as well as the employees on that date, Caixa Geral de Aposentações, IP are assumed.

As provided for in Chapter II of Decree-Law No. 151/2011, the necessary steps were taken to liquidate the BPI Open Pension Fund - Valuation / Adhesion 24, with entry into force scheduled for January 1, 2020.

Thus, on January 9, 2020, the Bank liquidated and transferred the value of Adhesion Fund N° 24 to CGA, I.P., extinguishing the STCP pension fund.

Despite the publication of Decree-Law n° 175/2019, on December 27, suspending the entry into force of

Decree-Law 151/2019, subjecting it to obtaining a prior opinion by the Court of Auditors, the entire administrative process of the transfer of responsibilities with the supplements of retirement and disability pensions was already administratively in a final stage, so the process of transferring responsibilities was completed.

Thus, since January, the ISS, I.P., has been paying the STCP retirement pension supplements.

30.2. BREAKDOWN OF STAFF COSTS

Staff expenses at 31 December of 2019 and 2018:

	2019	2018
Wages of governing bodies members	288.159,79	312.044,27
Personnel wages	24.940.519,75	25.804.642,59
Post-employment benefits	55.361,84	52.619,95
Indemnities		2.500,00
Charges on remunerations	5.626.578,58	5.847.579,55
Occupational accidents and diseases insurance	386.813,79	393.890,21
Social action expenses	193.894,39	184.432,82
Other personnel expenditure	130.172,94	178.422,18
Personnel expenditure	31.621.501,08	32.776.131,57

In 2018, personnel expenses included the amount of 1,116 thousand euros related to the accounting of the Agreement signed between the company and the

Union, on December 12, 2018, to regularize past legal responsibilities.

30.3. NUMBER OF EMPLOYEES

During the years of 2019 and 2018, the average number of employees at the company (without corporate bodies) was 1,267 and 1,231 workers, respectively.

As of December 31, 2019, the number (without corporate bodies) was 1,289 workers and 1,271 as of December 31, 2018.

31. DISCLOSURE REQUIRED DUE TO LEGAL INSTRUMENTS

Nothing to report.

32. OTHER INFORMATION**32.1. SUPPLIERS AND OTHER CREDITORS**

Debts to suppliers at 31 December of 2019 and 2018:

	2019	2018
Suppliers (current account)	2.696.319,42	2.738.396,39
Not due	2.154.507,03	1.398.509,39
Past due	343.901,88	615.206,10
<30 days	207.060,22	354.756,68
<60 days	47.405,43	118.530,67
<90 days	17.900,76	66.781,40
<120 days	10.016,52	8.307,55
<180 days	18.408,12	7.223,45
>=180 days	43.010,83	59.606,35
Em receção e conferência	197.910,51	724.680,90

	2019	2018
Investment Suppliers	2.041.727,11	3.058.423,98
Not due	2.040.097,36	3.044.688,76
Past due	1.629,75	13.735,22
<30 days		6.334,18
<60 days		1.629,75
<90 days		1.978,89
<120 days		250,00
>=180 days	1.629,75	3.542,40

Other creditors at 31 December of 2019 and 2018:

	2019	2018
Other credits	591.049,05	443.470,77
Not due	318.030,97	222.231,59
Past due	75.151,30	119.223,89
<30 days	8.710,90	26.884,89
<60 days	20.350,89	33.028,99
<90 days	3.682,62	41.451,54
<120 days	2,82	15.530,29
<180 days	13.160,82	5,64
>=180 days	29.243,25	2.322,54
Deposits and securities received	197.866,78	102.015,29

The debts of suppliers and accounts payable were recorded at their nominal value because they do not bear interest and, on the other hand, because the effect

of their financial discount is not significant, considering the applicable average payment term, which is purely commercial: 60 days.

32.2. GOVERNMENT AND OTHER PUBLIC ENTITIES

"Government and Other Public Entities" caption at 31 December 2019 and 2018:

	2019		2018	
Composition	Assets	Liabilities	Assets	Liabilities
Income tax	468.584,98		563.955,26	
Corporate income tax - payment on account	332.325,00		402.325,00	
Corporate income tax - recoverable	136.259,98		161.630,26	
Withholding of income tax		253.263,57		511.293,76
Value added tax	1.232.498,90		1.706.747,81	
VAT - recoverable/requested/repayments	1.232.498,90		1.706.747,81	
Social security contributions		615.810,10		910.837,65
Other taxes		419.526,88		362.002,24
Government and other public entities	1.701.083,88	1.288.600,55	2.270.703,07	1.784.133,65

32.3. OTHER DEBTS PAYABLE

Breakdown of other debts payable at 31 December 2019 and 2018:

Other debts payable	2019	2018
Personnel	188.205,49	187.804,30
Other debtors - credit balances	854,47	
Investment suppliers (current account)	2.041.727,11	3.058.423,98
Accrued costs payable	6.205.167,70	6.740.267,37
Sundry creditors	591.049,05	443.470,77
	9.027.003,82	10.429.966,42

Accrued costs payable	2019	2018
External supply and services	1.863.490,45	2.216.776,05
Specialised work	1.657.085,50	2.119.327,11
Material	504,52	655,38
Energy and other fluids	54.698,40	6.362,86
Travels, accomodations and transports	98,00	
Other services	151.104,03	90.430,70
Staff costs	4.184.796,39	4.413.483,00
Other expenses	156.880,86	110.008,32
	6.205.167,70	6.740.267,37

32.4. OTHER RECEIVABLES

In 2019, Other receivables, classified in non-current assets, in the amount of 896,676.42 euros, refer to the item of various debtors whose maturity only occurs in 2021 and 2022. In 2018, this item also referred to debts

of various debtors due in 2020.

Breakdown of other receivables classified as current assets, on 31 December 2019 and 2018:

Other receivables	2019	2018
Suppliers and other creditors - debit balances	6.540,14	6.754,86
Advances to suppliers	937,27	635,54
Personnel	191.769,99	178.569,98
Debtors from income increase	2.605.968,99	723.552,65
Sundry debtors	4.665.976,54	4.245.841,56
Gross amount	7.471.192,93	5.155.354,59
Accumulated impairment losses	-26.798,83	-25.081,18
Carrying amount	7.444.394,10	5.130.273,41

Debtors from income increase	2019	2018
Service provision	2.426.963,58	553.537,66
Other income - additional proceeds	4.931,19	2.379,25
Other income - Other	174.074,22	164.012,12
Interest receivable		3.623,62
	2.605.968,99	723.552,65

32.5. DEFERRALS

"Deferrals in current assets and current liabilities" caption, at 31 December 2018 and 2017:

Deferrals	2019	2018
Assets - expenses to be recognized	803.629,38	632.272,64
External supply and services	560.976,87	421.436,40
Other expenses	242.652,51	210.836,24
Liabilities - income to be recognized	2.637.286,76	2.040.959,06
Service provision	6.345,25	180.436,69
Operating subsidies	2.486.949,31	1.693.246,99
Other income	143.992,20	167.275,38

32.6. EXTERNAL SUPPLIES AND SERVICES

"External supplies and services" caption, in the 2019 and 2018 financial years:

	2019	2018
Specialized services	8.903.402,98	8.476.081,22
Specialised work	256.812,96	327.436,36
Advertising	91.252,87	91.150,32
Supervision and safety	272.103,32	240.571,02
Fees	85.116,75	110.066,23
Commission	1.870.290,41	1.854.988,97
Maintenance and repairs	5.955.792,63	5.539.902,45
Communication and public information	52.742,34	32.951,86
Revenue inspection	312.644,75	274.927,58
Others	6.646,95	4.086,43
Material	46.835,67	55.362,01
Energy and Fluids	9.148.536,39	9.180.265,07
Electricity	589.608,25	519.313,13
Fuel	8.526.015,69	8.633.759,95
Water	32.912,45	27.191,99
Travel, accommodation and transport	17.097,05	12.993,40
Other services	2.261.594,42	2.188.369,94
Rents and leases	92.727,46	72.091,72
Communications	177.624,37	203.452,43
Insurances	593.020,91	544.890,42
Royalties	164.166,83	141.929,41
Litigation and notary public fees	17.589,68	14.683,16
Representation expenses	7.598,20	2.774,25
Cleaning, hygiene and comfort	999.158,25	996.517,41
Other services	209.708,72	212.031,14
External supply and services	20.377.466,51	19.913.071,64

32.7. OTHER EXPENSES

Other operating expenses at 31 December of 2019 and 2018:

Deferrals	2019	2018
Taxes	158.493,06	154.776,32
Direct taxes	113.203,24	111.938,91
Indirect taxes	6.280,58	6.055,16
Rates	39.009,24	36.782,25
Inventory losses	11.624,55	59.750,97
Expenses and losses in non-financial investments	64.266,00	67.984,04
Disposals		5.318,66
Write-Offs	362,86	468,06
Expenses on investment properties	63.903,14	62.197,32
Other expenses	450.160,08	644.852,22
Donations	87.303,00	87.296,60
Contributions	20.870,13	22.229,55
Unfavourable exchange rate differences	128,41	
Others not specified	341.858,54	535.326,07
Fines and penalties	229,78	453,09
Accident compensation	318.212,83	502.893,80
Bank charges and other financial services	12.372,59	13.605,23
Late-payment and compensatory inter	4.615,71	850,99
Others not specified	6.427,63	17.522,96
Other expenses	684.543,69	927.363,55

32.8. OTHER INCOME

Breakdown of other operating income at 31 December 2019 and 2018:

	2019	2018
Supplementary income	915.451,68	933.163,03
Discounts obtained for prompt payment	5.227,55	6.803,92
Inventory gains	65.412,41	70.213,33
Income and gains in non-financial investments	518.372,82	655.797,31
Disposals	66.486,54	193.699,09
Accidents		8.820,81
Rents and other income from investment properti	449.228,04	453.277,41
Other income	2.658,24	
Others	1.507.732,55	1.419.244,19
Tax estimate surplus		2.381,24
Allocation of subsidies for investments	967.749,90	616.287,83
Others not specified	539.982,65	800.575,12
Contractual benefits and penalties	79.201,82	122.543,49
Accident compensation	381.009,11	510.345,01
Late payment interest and compensation	0,10	42.623,01
Others not specified	79.771,62	116.701,10
Other income	3.012.197,01	3.085.221,78

32.9. LIABILITIES FOR GUARANTEES PROVIDED

Liabilities assumed for guarantees provided to third parties, at 31 December 2019 and 2018:

Beneficiary of the Guarantee	Description	2019	2018
Labour Tribunals	Benefits for accidents at work	459.245,71	447.473,97
		459.245,71	447.473,97

32.10. NEGATIVE EQUITY

In 2019, the company incurred a loss of 3,162,821.26 euros, with the total liability on that date exceeding the total asset by 319,479,089.95 euros.

STCP systematically presents net results and negative equity. The Shareholder has always assumed global responsibilities to third parties. It is the understanding of STCP that, by developing a service of general interest,

with a relevant share of social service, it plays a vital role in the mobility of the Porto Metropolitan Area, thus ensuring the commitment of the Shareholder to maintain the company's activity.

Porto, 15 May 2020

Certified Accountant n° 6622

The Board of Directors
Chief executive

Executive voting members

Non-executive voting members



LEGAL CERTIFICATION OF ACCOUNTS

CERTIFICAÇÃO LEGAL DAS CONTAS E RELATÓRIO DE AUDITORIA

Relato sobre a auditoria das demonstrações financeiras

Opinião

Auditámos as demonstrações financeiras anexas da SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A. (a Entidade) que compreendem o balanço em 31 de dezembro de 2019 (que evidencia um total de 130.008.369 EUR e um total de capital próprio negativo de 319.479.090 EUR, incluindo um resultado líquido negativo de 3.162.821 EUR), as demonstrações dos resultados por naturezas e por funções, a demonstração das alterações no capital próprio e a demonstração dos fluxos de caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, as demonstrações financeiras anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira da SOCIEDADE DE TRANSPORTES COLECTIVOS DO PORTO, S.A. em 31 de dezembro de 2019 e o seu desempenho financeiro e fluxos de caixa relativos ao ano findo naquela data de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística.

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", abaixo. Somos independentes da Entidade 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 que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião.

Ênfases

De acordo com o divulgado no ponto 8.3.1 do Relatório de Gestão e na nota anexa 1 às demonstrações financeiras, o Decreto-Lei n.º 151/2019, de 11 de outubro, alterado pelo Decreto-Lei n.º 175/2019, de 27 de dezembro, no que respeita à data de entrada em vigor, que deve ocorrer trinta dias após a obtenção do visto prévio do Tribunal de Contas ao novo aditamento ao Contrato de Serviço Público, opera a intermunicipalização da Entidade, definindo, entre outros aspetos, as obrigações financeiras do Estado e o destino do património imobiliário que deixe de ficar afeto à atividade de prestação de serviço público de transporte de passageiros. Nas obrigações financeiras do Estado inclui-se a assunção da dívida financeira da STCP, reconhecida no balanço em 31 de dezembro de 2019, as responsabilidades formadas ou em formação relativas a complementos de pensões de reforma ou de invalidez, quer dos trabalhadores reformados quer dos que se encontram em funções, as responsabilidades associadas a operações de derivados financeiros contratadas até 31 de dezembro de 2019, as responsabilidades apuradas ou que venham a apurar-se no âmbito de processos judiciais relativamente a factos anteriores e ainda a assunção de custos relativos à renovação da frota e outros já aprovados, conforme Portaria n.º 761/2019, de 29 de outubro.

Conforme decorre do balanço, da nota anexa 29.4 e do ponto 9.4 do Relatório de Gestão, embora o capital social tenha sido aumentado em 2019 no montante de 18.428.660 Euros, o capital próprio da STCP mostra-se negativo em 319.479.090 EUR (331.741.409 EUR em 31 de dezembro de 2018), situação em que se aplica o disposto nos artigos 35º e 171º do Código das Sociedades Comerciais. Para a recomposição do capital próprio nos termos a que se refere o artigo 35º, a assunção pelo Estado das responsabilidades previstas no Decreto-Lei n.º 151/2019 e referidas no parágrafo anterior poderá ter de ser complementada por outras medidas consideradas adequadas.

Face à pandemia decorrente do "COVID 19" declarada pela Organização Mundial de Saúde, e vivida no país, o Governo tem vindo a estabelecer medidas excecionais e temporárias, nomeadamente de confinamento, no sentido de conter a disseminação da doença. Conforme referido no ponto 11 do relatório de gestão e nas notas anexas 4.1 e 26 tal situação tem impactos significativos no setor do transporte público de passageiros, os quais não se encontram totalmente quantificados pela Entidade face à incerteza ainda existente. Embora seja referida a existência de queda acentuada da procura e das receitas com redução pouco significativa nos gastos, considera-se nas referidas notas não estar em causa o pressuposto da continuidade.

A nossa opinião não é modificada em relação a estas matérias.

Matérias relevantes de auditoria

As matérias relevantes de auditoria são as que, no nosso julgamento profissional, tiveram maior importância na auditoria das demonstrações financeiras do ano corrente. Essas matérias foram consideradas no contexto da auditoria das demonstrações financeiras como um todo, e na formação da opinião, e não emitimos uma opinião separada sobre essas matérias.

Reconhecimento do rédito decorrente do serviço de transporte público de passageiros	
Risco	Síntese da abordagem de auditoria
<p>O rédito da Entidade decorre, essencialmente, do serviço de transporte público de passageiros, cujo total, de acordo com o divulgado no relatório de gestão e nas notas anexas 4.5 e 22, foi de 49.468 milhares de EUR em 2019 e de 47.822 milhares de EUR em 2018.</p> <p>Do total da receita de 2019, 47.497 milhares de EUR respeitam ao modo autocarro (22.388 milhares referentes a títulos intermodal, 3.592 milhares de EUR a participação do Estado no tarifário social Andante, 4.983 milhares de EUR ao Programa de Apoio à Redução Tarifária e 16.534 milhares de EUR a outros títulos) e 1.971 milhares de EUR ao modo carro elétrico.</p> <p>A gestão operacional de parte significativa da receita é feita pelo TIP – Transporte Intermodal do Porto, ACE, no qual participam, em partes iguais, a própria STCP, o Metro do Porto, S.A. e a CP-Comboios de Portugal. E.P.E.</p> <p>De acordo com a nota 24, são reconhecidos como subsídio à exploração as compensações financeiras pelo cumprimento das obrigações de serviço público a suportar pela Área Metropolitana do Porto, mais concretamente, pelos Municípios servidos pela rede STCP, cujo total em 2019 ascendeu a 4.546 milhares de EUR (4.757 milhares em 2018).</p> <p>A relevância do rédito no contexto da informação financeira e a particularidade de a receita ser gerida, maioritariamente, por entidade externa (o agrupamento complementar), conduzem a que esta matéria se afigure relevante para efeitos de auditoria.</p>	<p>A abordagem adotada com vista a validar as asserções contabilísticas inerentes ao rédito envolveu o seguinte:</p> <ul style="list-style-type: none"> - Compreensão da proveniência da receita e revisão analítica por categoria de títulos de transporte. - Compreensão dos controlos existentes ou desenvolvidos pela Entidade relativamente à receita comunicada pelo TIP – Transportes Intermodais do Porto, ACE e quanto aos títulos vendidos a bordo dos autocarros e carros elétricos. - Comunicação com o revisor oficial de contas do TIP de modo a conhecer a avaliação do sistema de controlo e os procedimentos desenvolvidos com vista a assegurar a integralidade da receita e a adequada repartição por operador de transporte. - Confirmação das participações recebidas inerentes ao tarifário social Andante, as quais são reconhecidas como componente da prestação de serviços. - Análise do contrato de serviço público (versão consolidada) celebrado entre o Estado, a Área Metropolitana do Porto e a STCP. - Confirmações externas do TIP e dos diferentes Municípios, tendo sido obtidas reconciliações relativamente às respostas divergentes e os esclarecimentos considerados necessários.



Mensuração dos ativos imobiliários: ativos fixos tangíveis e propriedades de investimento
Risco

Conforme divulgado nas notas 4.14 e 9 (ativos fixos tangíveis), nas notas 4.15 e 13 (propriedades de investimento) e na nota 29.4.3 (excedente de revalorização), os ativos imobiliários que integram o ativo fixo tangível são mensurados segundo o modelo da revalorização (última avaliação em 2019) e os ativos imobiliários que integram as propriedades de investimento são mensurados anualmente segundo o modelo do justo valor através de resultados, tendo sido reconhecido relativamente a estas um ganho de 214 mil EUR no exercício de 2019 (2.636 milhares de EUR em 2018). Os referidos ativos representam, no seu conjunto, 44% do ativo.

As referidas avaliações são elaboradas por peritos externos com recurso a métodos de avaliação que envolvem um elevado nível de julgamento, abrangendo diferentes pressupostos e metodologias, que requerem validações por parte do órgão de gestão da Entidade.

Face à materialidade dos valores envolvidos e ao grau de julgamento subjacente ao método de avaliação adotado, que pode ter impacto na recuperabilidade do valor de avaliação dos imóveis, consideramos a valorização dos referidos ativos imobiliários como matéria relevante para a nossa auditoria.

Síntese da abordagem de auditoria

Como resposta aos riscos de distorção material identificados, foram desenvolvidos os seguintes procedimentos de auditoria:

- Obtenção da lista dos ativos imobiliários classificados como ativo fixo tangível e como propriedades de investimento e confirmação da adequada classificação e respetiva titularidade.
- Obtenção dos relatórios de avaliação e análise dos métodos e pressupostos usados bem como da aderência dos dados considerados face aos dados constantes dos registos e cadernetas prediais.
- Indagações sobre a competência e objetividade do perito.
- Verificação do adequado registo contabilístico decorrente das avaliações dos imóveis face aos montantes apresentados nos respetivos relatórios de avaliação.
- Avaliação sobre a adequação das divulgações efetuadas, incluindo o tratamento seguido relativamente aos impostos diferidos, considerando o referencial contabilístico aplicável.

Financiamentos obtidos e instrumentos financeiros derivados
Risco

Conforme divulgado nas notas 4.20 e 29.1.1, a Entidade apresenta financiamentos obtidos de 346.068 milhares de EUR mensurados ao custo amortizado (126.462 milhares de EUR de passivo corrente e 219.606 milhares de EUR de passivo não corrente), cujo valor nominal é de 342.970 milhares de EUR.

Em termos de valor nominal, 241.890 milhares de EUR respeitam a empréstimos do acionista Estado, 100.000 milhares de EUR a um empréstimo obrigacionista, 1.072 milhares de EUR a locação financeira e 8 mil EUR a outros.

Associado ao empréstimo obrigacionista, ainda que se considere que não verifica os requisitos contabilísticos de cobertura, a entidade detém um instrumento financeiro derivado de cobertura de taxa de juro, com montante notional de 25.000 milhares de EUR (25% do empréstimo obrigacionista) e justo valor em 31 de dezembro de 2019 de -65.094 milhares de EUR. A variação registada face a 31 de dezembro de 2018 (justo valor de -84.040) está associada ao cumprimento das obrigações de pagamento vencidas na sequência do acordo assinado entre o Estado e o

Síntese da abordagem de auditoria

Como resposta aos riscos de distorção material identificados, foram desenvolvidos os seguintes procedimentos de auditoria:

- Confirmação pela DGTF dos empréstimos concedidos pelo Estado e correspondentes juros corridos.
- Verificação da ficha técnica do empréstimo obrigacionista e da adequada mensuração ao custo amortizado.
- Obtenção dos contratos de locação em vigor e confirmação do respetivo passivo.
- Confirmação pelo Santander Totta do justo valor do derivado e análise de todos os movimentos financeiros ocorridos no exercício.
- Confirmação dos gastos de financiamento reconhecidos pela Entidade e dos pagamentos efetuados no exercício.
- Análise da apresentação no balanço dos financiamentos obtidos e do passivo financeiro inerente ao swap.
- Análise das divulgações efetuadas.



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Banco Santander Totta, pondo termo à ação judicial interposta pelo banco em 2018, e a própria valorização do swap, conforme divulgado nas notas 4.21 e 29.1.3.

A materialidade dos financiamentos e do swap de taxa de juro, no contexto da informação financeira da STCP, tornam estes passivos matéria relevante de auditoria.

Provisões

Risco

Conforme divulgado nas notas 4.19 e 23, a Entidade apresenta provisões para processos judiciais em curso e outras no montante de 12.615 milhares de EUR (15.176 milhares em 31 de dezembro de 2018).

O julgamento inerente a esta matéria e os montantes envolvidos fazem da mesma uma matéria relevante.

Síntese da abordagem de auditoria

Como resposta aos riscos de distorção material identificados, foram desenvolvidos os seguintes procedimentos de auditoria:

- Confirmação externa de todos os advogados com quem a STCP opera e confronto das respostas obtidas com as provisões reconhecidas e passivos contingentes divulgados.
- Leitura das atas dos diferentes órgãos sociais.
- Indagações e análise das operações subsequentes.

Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras

O órgão de gestão é responsável pela:

- preparação de demonstrações financeiras que apresentem de forma verdadeira e apropriada a posição financeira, o desempenho financeiro e os fluxos de caixa da Entidade de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística;
- elaboração do relatório de gestão, incluindo o relatório do governo societário e a Demonstração da informação não financeira, nos termos legais e regulamentares aplicáveis;
- criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras isentas de distorção material devido a fraude ou erro;
- adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- avaliação da capacidade da Entidade 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.

Responsabilidades do auditor pela auditoria das demonstrações financeiras

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras 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, 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 da Entidade;
- 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 da Entidade para dar continuidade às suas atividades. Se concluímos 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 a Entidade descontinue as suas atividades;
- avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- 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;
- das matérias que comunicamos aos encarregados da governação, incluindo o órgão de fiscalização, determinamos as que foram as mais importantes na auditoria das demonstrações financeiras do ano corrente e que são as matérias relevantes de auditoria. Descrevemos essas matérias no nosso relatório, exceto quando a lei ou regulamento proibir a sua divulgação pública;
- declaramos ao órgão de fiscalização que cumprimos os requisitos éticos relevantes relativos à independência e comunicamos todos os relacionamentos e outras matérias que possam ser percebidas como ameaças à nossa independência e, quando aplicável, as respetivas salvaguardas.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório de gestão com as demonstrações financeiras e as verificações previstas nos números 4 e 5 do artigo 451.º do Código das Sociedades Comerciais, bem como a verificação de que a demonstração não financeira foi apresentada.

Relato sobre outros requisitos legais e regulamentares

Sobre o relatório de gestão

Dando cumprimento ao artigo 451.º, n.º 3, alínea 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 auditadas e, tendo em conta o conhecimento e apreciação sobre a Entidade, não identificámos incorreções materiais. Conforme previsto no artigo 451.º, n.º 7 do Código das Sociedades Comerciais, este parecer não é aplicável à demonstração não financeira incluída no relatório de gestão.



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Sobre a informação não financeira prevista no artigo 66º-B do Código das Sociedades Comerciais

Dando cumprimento ao artigo 451º, n.º 6, do Código das Sociedades Comerciais, informamos que a Entidade incluiu no seu relatório de gestão a demonstração não financeira prevista no artigo 66º-B do Código das Sociedades Comerciais.

Sobre o relatório de governo societário

Dando cumprimento ao artigo 451º, n.º 4, do Código das Sociedades Comerciais, somos de parecer que o relatório de governo societário inclui os elementos exigíveis à Entidade nos termos do artigo 245º-A do Código dos Valores Mobiliários, não tendo sido identificadas incorreções materiais na informação divulgada no mesmo, cumprindo o disposto nas alíneas c), d), f), h), i) e m) do referido artigo.

Sobre os elementos adicionais previstos no artigo 10º do regulamento (EU) nº 537/2014

Dando cumprimento ao artigo 10º do Regulamento (EU) nº 537/2014 do Parlamento Europeu e do Conselho, de 16 de abril de 2014, e para além das matérias relevantes de auditoria acima indicadas, relatamos ainda o seguinte:

- fomos eleitos auditores da Entidade pela primeira vez em 19 de março de 2019 para os exercícios de 2018 a 2020, conforme Deliberação Social Unânime por Escrito;
- o órgão de gestão confirmou-nos que não tem conhecimento da ocorrência de qualquer fraude ou suspeita de fraude com efeito material nas demonstrações financeiras. No planeamento e execução da nossa auditoria de acordo com as ISA mantivemos o ceticismo profissional e concebemos procedimentos de auditoria para responder à possibilidade de distorção material das demonstrações financeiras devido a fraude. Em resultado do nosso trabalho não identificámos qualquer distorção material nas demonstrações financeiras devido a fraude.
- confirmamos que a opinião de auditoria que emitimos é consistente com o relatório adicional que preparámos e entregámos ao órgão de fiscalização da Entidade nesta mesma data, em 15 de junho de 2020.
- declaramos que não prestámos quaisquer serviços proibidos nos termos do artigo 77º, número 8, do Estatuto da Ordem dos Revisores Oficiais de Contas e que mantivemos a nossa independência face à Entidade durante a realização da auditoria.
- informamos que, para além da auditoria, não prestámos à Entidade qualquer outro serviço permitido.

Lisboa, 15 de junho de 2020

RCA – Rosa, Correia & Associados, SROC, S.A.
representada por Gabriel Correia Alves, ROC



SUPERVISORY BOARD'S REPORT

RELATÓRIO E PARECER ANUAL DO CONSELHO FISCAL

Contas Individuais de 2019 da STCP – Sociedade de Transportes Colectivos do Porto, S.A.

1. Introdução

No cumprimento do estabelecido no artigo 14.º dos Estatutos que regem a Sociedade de Transportes Coletivos, S.A. (STCP), conjugado com o n.º 1 do artigo 420.º do Código das Sociedades Comerciais (CSC), e em conformidade com a legislação em vigor e com o mandato que lhe foi confiado, vem o Conselho Fiscal emitir o seu Relatório e Parecer anual, sobre o Relatório e Contas de 2019, o qual contempla, igualmente, as orientações constantes do ofício da Direcção-Geral do Tesouro e Finanças n.º 770, de 11 de março de 2020.

A Sociedade de Revisores Oficiais de Contas RCA – Rosa, Correia & Associados, SROC, S.A. representada pelo sócio Gabriel Correia Alves, nomeada através de Deliberação Social Unânime Por Escrito de 19 de março de 2019, para o biénio 2019-2020, emitiu a respetiva Certificação Legal das Contas, em 15 de junho de 2020.

O Conselho Fiscal, eleito, para o mandato 2019-2021, na Assembleia-Geral realizada no dia 31 de maio de 2019, efetuou durante o exercício em análise reuniões com membros do Conselho de Administração e com o Revisor Oficial de Contas da Sociedade, de forma a acompanhar o desempenho da empresa, emitiu parecer sobre uma operação de financiamento, e elaborou relatórios e pareceres que incidiram sobre os relatórios de atividades e execução orçamental trimestrais, apresentados pelo Conselho de Administração nos termos previstos no Regime Jurídico do Sector Público Empresarial (RJSPE). Para o efeito obteve toda a cooperação por parte dos membros do Conselho de Administração da Sociedade bem como dos respetivos colaboradores, a qual foi indispensável à elaboração do presente Relatório e Parecer.

A Sociedade de Transportes Colectivos do Porto, S.A. é uma sociedade anónima de capitais exclusivamente públicos (detida 100% pelo Estado Português), criada pelo Decreto-Lei n.º 202/94, de 23 de julho, cujo objeto principal é a exploração do transporte público rodoviário coletivo de passageiros na Área Metropolitana do Porto (AMP) e acessoriamente a exploração de atividades complementares ou subsidiárias daquele objeto.

2. Análise Económico-Financeira do Relatório e Contas de 2019

- O Relatório e Contas apresentado pelo Conselho de Administração reflete adequadamente a atividade da empresa durante o exercício de 2019, encontrando-se as análises, nele efetuadas, coerentes com as demonstrações financeiras, do referido exercício, realçando-se os seguintes aspetos:
- Em termos da atividade verifica-se que os passageiros transportados aumentaram 4,6% relativamente a 2018, atingindo o total de 76.723 milhares de passageiros. No modo autocarro foram transportados 75.985 milhares de passageiros, aproximadamente mais 3.313 milhares de passageiros quando comparado com o ano anterior. No modo carro elétrico foram transportados cerca de 738 milhares de passageiros, aproximadamente menos 7 milhares (-0,9%) em relação ao ano anterior.
- Em 2019, a STCP disponibilizou aos clientes uma rede de transporte público de passageiros, composta por 70 linhas em modo autocarro com uma extensão total de 489 km no modo rodoviário (abrangendo 33 freguesias de 6 concelhos da Área Metropolitana do Porto – Porto, Vila Nova de Gaia, Matosinhos, Gondomar, Valongo e Maia) e 3 linhas em modo carro elétrico com uma extensão de rede total de 9 km (desde a Foz até ao centro histórico do Porto).
- No ano de 2019 foram percorridos 22.065 milhares de quilómetros serviço em modo autocarro, praticamente os mesmos (-0,7%) quando comparados com o ano anterior. A taxa de cumprimento do serviço do modo autocarro, foi de 96,2%, apresentando um ligeiro aumento de 0,2 p.p. face à taxa de cumprimento de 2018.
- A receita atingiu 49,5 milhões de euros no ano, crescendo 1,6 milhões de euros (3,4%) face ao ano anterior, explicada pelo aumento médio de tarifas de 1,14% em janeiro, e a partir de abril, com a entrada em vigor do PART, o acréscimo de receita resulta do aumento da procura.

- A frota da STCP em 2019 era constituída por um total de 425 autocarros e 7 carros elétricos. A percentagem de autocarros a gás e eletricidade representa 67% da frota no final de 2019, quando em 2018 representava 62%.
- Em 31 de dezembro de 2019 a STCP contava com 1.289 trabalhadores o que representa um aumento de 18 elementos relativamente ao final do ano anterior (o pessoal tripulante em funções ascendia a 956 efetivos).

As autorizações para as contratações foram obtidas pela aprovação do Plano de Atividades e Orçamento de 2019.

- O resultado líquido do exercício de 2019 foi negativo em 3,2 milhões de euros, apresentando um agravamento de 1,34 milhões de euros, face ao ano de 2018. Considerando o valor orçamentado o resultado líquido apresenta um desagravamento de 4,5 milhões de euros.
- Os resultados operacionais foram positivos em 1,3 milhões de euros, apresentando uma redução de 3,8 milhões de euros face a 2018.

Os rendimentos obtidos com Vendas e Serviços Prestados ascendeu au montante de 49,6 milhões de euros que corresponde a um aumento de 1,7 milhões de euros.

- Os gastos com o pessoal apresentam um diminuição de 1.155 milhares de euros face a 2018, no entanto, no ano de 2018, os gastos com o pessoal incluíam o montante de 1.116 milhares de euros relativos a contabilização do Acordo celebrado entre a Empresa e os Sindicatos, em 12 de dezembro de 2018, para regularização de responsabilidades legais passadas, pelo que, sem o efeito de eventos extraordinários, os gastos com pessoal apresentam um ligeira diminuição de 37 milhares de euros face a 2018.
- O Resultado Financeiro de 2019 foi negativo em 4,6 milhões de euros verificando-se um desagravamento de mais de 2,2 milhões de euros face a 2018, devido essencialmente à diminuição dos encargos com o *Swap*, em cerca de 1,5 milhões de euros e aos juros e encargos de financiamento, que diminuíram aproximadamente 761 milhares de euros.
- A empresa detém, desde 2007, uma operação de cobertura de risco de taxa de juro contratada junto do Banco Santander Totta, S.A., com maturidade em 2022. Em resultado do processo negocial conduzido pela Tutela Financeira, em representação das quatro

empresas públicas de transporte envolvidas, em concreto, a Sociedade de Transportes Colectivos do Porto, S.A., a Metro do Porto, S.A., o Metropolitano de Lisboa, E.P.E. e a Companhia Carris de Ferro de Lisboa, S.A., foi assinado, em 2 de maio de 2017, o acordo entre o Estado Português, o Banco Santander Totta, S.A., e as Empresas Públicas de Transporte com contratos de gestão de risco financeiro de taxa de juro celebrados, que determinou o termo à ação judicial interposta por aquele Banco no Tribunal de Comércio de Londres, no qual as citadas empresas se comprometeram a cumprir os referidos contratos e as obrigações de pagamento vincendas daí decorrentes.

Para financiar encargos com *swaps*, o Estado, através da DGTF, concedeu um empréstimo de médio e longo prazo à STCP em 2019, no montante de 20.561.846,52 euros, autorizado através do Despacho do Senhor Secretário de Estado do Tesouro n.º 476/19-SET, de 31 maio de 2019, disponibilizado em duas tranches, a primeira de 9.889.945,13 euros, em 4 de junho de 2019 e a segunda de 10.671.901,39 euros, em 29 de novembro de 2019.

Em 31 de dezembro de 2019, o valor de mercado do instrumento derivado contratado ascendia ao montante de -65.093.771,70 euros, o qual foi determinado pelo Banco Santander Totta, S.A.

- O EBITDA recorrente de 2019 foi de 3,5 milhões de euros, registando uma melhoria face a 2018, de 1,5 milhões de euros, em resultado essencialmente do aumento da receita.
- A dívida remunerada total da STCP atingiu os 346,1 milhões de euros em 31 de dezembro de 2019. Face a 2018, registou um aumento de aproximadamente 21,4 milhões de euros (+6,6%). Para o aumento da dívida remunerada contribuiu o empréstimo contraído ao Estado, para pagamento de encargos com *swap*, e o diferimento do pagamento do serviço da dívida, relativo aos empréstimos do Estado, para 2020.

No âmbito da política de financiamento a partir de dezembro de 2013 e por aplicação do Decreto-Lei n.º 133/2013, de 3 de outubro, sendo a STCP uma empresa pública não financeira do setor empresarial do Estado, que anualmente apresenta capital próprio negativo, só pode aceder a financiamento junto de instituições de crédito com prévia autorização da Direção-Geral do Tesouro e Finanças, a qual solicita parecer do IGCP, E.P.E., quanto às condições financeiras aplicáveis. Assim, no ano de 2019 em cumprimento das supramencionadas determinações foram concedidos pela DGTF empréstimos no valor de 20.561.846,52 euros.

- Os encargos financeiros em 2019 atingiram o montante de 23,8 milhões de euros, o que corresponde a um aumento de 10% (+2,2 milhões de euros), em resultado essencialmente dos encargos com o *swap*.
- O ativo atingiu, em 31 de dezembro de 2019, o montante de 130 milhões de euros, registando um aumento de 20,3 milhões de euros (18,6%) face a 2018, devido principalmente ao investimento realizado no ano, e ao aumento das disponibilidades em 4.5 milhões de euros.
- O passivo, em 31 de dezembro em 2019, atingiu 449,5 milhões de euros, registando um aumento de 8,1 milhões de euros (1,8%), face ao período homólogo de 2018, devido, aos novos empréstimos contraídos junto do Estado e à constituição de um passivo por impostos diferidos, de 7,1 milhões de euros, gerados pelos imóveis afetos à atividade operacional da empresa. As provisões atingiram o montante de 12,6 milhões de euros a 31 de dezembro, tendo-se registado uma variação negativa face ao ano de 2018 de 2,6 milhões de euros.
- O capital próprio da STCP, a 31 de dezembro de 2019, era negativo em 319,5 milhões de euros, registando um desagravamento de 12,3 milhões de euros (3,7%), devido essencialmente aos aumentos de capital, ocorridos no ano, que totalizaram cerca de 18,4 milhões de euros.

Em 31 de dezembro de 2019, a quantia escriturada do capital social emitido pela empresa correspondia à rubrica Capital subscrito, no montante de 306.463.440 euros, totalmente realizado, e representada por 61.282.688 ações, em forma meramente escritural, com o valor nominal de 5 euros cada, totalmente detido pelo Estado Português, sendo que, a essa data, se aguardava o registo na Conservatória do Registo Comercial do último aumento de capital social.

- O montante do investimento realizado em 2019 foi de a cerca 16,3 milhões de euros, do qual se destaca a renovação da frota de autocarros que ascendeu a 13,2 milhões de euros (81%) e a infraestruturas associadas à frota, tais como postos de carregamento de autocarros elétricos e de abastecimento de gás natural.

- O investimento aprovado em 2019 foi de 20,2 milhões de euros, tendo parte deste investimento transitado para 2020 devido a atrasos nas especificações de alguns projetos e/ou nos processos de contratação.
- O Revisor Oficial de Contas emitiu a certificação legal das contas e relatório de auditoria na qual expressa a opinião de que as demonstrações financeiras apresentam de forma verdadeira e apropriada a posição financeira da STCP, mencionando as seguintes ênfases:

De acordo com o divulgado no ponto 8.3.1 do Relatório de Gestão e na nota anexa 1 às demonstrações financeiras, o Decreto-Lei n.º 151/2019, de 11 de outubro, alterado pelo Decreto-Lei n.º 175/2019, de 27 de dezembro, no que respeita à data de entrada em vigor, que deve ocorrer trinta dias após a obtenção do visto prévio do Tribunal de Contas ao novo aditamento ao Contrato de Serviço Público, opera a intermunicipalização da Entidade, definindo, entre outros aspetos, as obrigações financeiras do Estado e o destino do património imobiliário que deixa de ficar afeto à atividade de prestação de serviço público de transporte de passageiros. Nas obrigações financeiras do Estado inclui-se a assunção da dívida financeira da STCP, reconhecida no balanço em 31 de dezembro de 2019, as responsabilidades formadas ou em formação relativas a complementos de pensões de reforma ou de invalidez, quer dos trabalhadores reformados quer dos que se encontram em funções, as responsabilidades associadas a operações de derivados financeiros contratadas até 31 de dezembro de 2019, as responsabilidades apuradas ou que venham a apurar-se no âmbito de processos judiciais relativamente a factos anteriores e ainda a assunção de custos relativos à renovação da frota e outros já aprovados, conforme Portaria n.º 761/2019, de 29 de outubro.

Conforme decorre do balanço, da nota anexa 29.4 e do ponto 9.4 do Relatório de Gestão, embora o capital social tenha sido aumentado em 2019 no montante de 18.428.660 Euros, o capital próprio da STCP mostra-se negativo em 319.479.090 EUR (331.741.409 EUR em 31 de dezembro de 2018), situação em que se aplica o disposto nos artigos 35º e 171º do Código das Sociedades Comerciais. Para a recomposição do capital próprio nos termos a que se refere o artigo 35º, a assunção pelo Estado das responsabilidades previstas no Decreto-Lei n.º 151/2019 e referidas no parágrafo anterior poderá ter de ser complementada por outras medidas consideradas adequadas.

Face à pandemia decorrente do “COVID 19” declarada pela Organização Mundial de Saúde, e vivida no país, o Governo tem vindo a estabelecer medidas excecionais e temporárias, nomeadamente de confinamento, no sentido de conter a disseminação da doença. Conforme referido no ponto 11 do relatório de gestão e nas

notas anexas 4.1 e 26 tal situação tem impactos significativos no setor do transporte público de passageiros, os quais não se encontram totalmente quantificados pela Entidade face à incerteza ainda existente. Embora seja referida a existência de queda acentuada da procura e das receitas com redução pouco significativa nos gastos, considera-se nas referidas notas não estar em causa o pressuposto da continuidade.

3. Aferição das orientações legais vigentes para o SEE

No âmbito do disposto no artigo 420.º do Código das Sociedades Comerciais tanto quanto é do conhecimento deste Conselho Fiscal, a STCP deu cumprimento à generalidade das orientações legais vigentes para o Setor Empresarial do Estado previstas no Decreto-Lei n.º 133/2013, de 3 de outubro, bem como às disposições constantes na Lei n.º 71/2018, de 31 de dezembro (LOE 2019), no Decreto-Lei n.º 84/2019, de 28 de junho (DLEO 2019), e no ofício-circular n.º 770, de 11 de março de 2020, da Direção-Geral do Tesouro e Finanças, salientando-se as seguintes situações:

- O Contrato de Gestão Operacional celebrado entre o Estado Português e a Área Metropolitana do Porto, em 2 de janeiro de 2017, estabeleceu os objetivos/metasp para cada ano do contrato, os quais não foram integralmente cumpridos, pela Sociedade, no que se refere a alguns indicadores designadamente:
 - i) o EBITDA (de gestão) do modo rodoviário, que foi de 2,69 milhões de euros, registando um desvio negativo em cerca de 1,6 milhões de euros (-38%), face à meta estabelecida;
 - ii) a Velocidade Média foi de 15,63 Km por hora, ficando abaixo do objetivo estabelecido para este indicador, em cerca 0,07 Km por hora, justificada pelo agravamento das dificuldades de circulação, em especial no centro da cidade do Porto, com impacto no aumento dos tempos de percurso das linhas;
 - iii) os Veículos Km de Serviço atingiram os 22.065 mil, situando-se abaixo da meta em cerca de 391 mil quilómetros (-1,7%). Este resultado é essencialmente explicado pelo acréscimo de desvios provisórios de percurso de linhas, por motivos de obras e eventos, que ocorreram em 2019;

- iv) o número de Reclamações por Milhão de Veículos Km foi de 108, apresentando um agravamento face ao objetivo de 7,8%. As reclamações por incumprimento de horários aumentaram cerca de 16%, sendo responsáveis por cerca de 81% das reclamações. O aumento dos tempos de circulação das viaturas, com implicações no cumprimento dos horários das linhas, e o acréscimo de passageiros no ano, tiveram como consequências um aumento das reclamações;
- v) a compensação Financeira – Obrigações de Serviço Público (OSP), no ano de 2019, foi de 4.546 milhares de euros, inferior à meta estabelecida, de 5.430 milhares de euros, em -16,3% (884 milhares de euros), devido à melhoria de resultados da rede (OSP).

Os desvios verificados no EBITDA e no Resultado Rodoviário são explicados essencialmente pelas reposições salariais e reposições dos direitos previstos em instrumentos de regulamentação coletiva, decorrentes da aplicação da Lei do Orçamento de Estado de 2017. O impacto acumulado destas reposições nos gastos com pessoal de 2019 é de aproximadamente 3,2 milhões de euros, incluindo encargos sociais. As metas também não previam o aumento do efetivo da empresa, nomeadamente pessoal tripulante, essencial para o cumprimento da oferta contratualizada.

Quanto aos objetivos cumpridos:

- O resultado rodoviário foi de -1,17 milhões de euros, melhorando em cerca de 1,7 milhões de euros, face à meta estabelecida;
- A Taxa de Cumprimento de Serviço foi de 96,2%, registando um acréscimo de 1,2 p.p. face à meta do contrato de gestão. A evolução favorável deste indicador é explicada pela contratação de pessoal para reforço e substituição, por motivos de saída, efetuadas durante o segundo semestre do ano, de forma a colmatar o défice de pessoal tripulante na empresa;
- O número de Reclamações por Milhão de Passageiros foi de 31, apresentando uma melhoria face ao objetivo de 22%. Pese embora o aumento do número de reclamações, o acréscimo de 3,3 milhões de passageiros em 2019, face ao ano anterior, reduziram as reclamações por milhão de passageiros.

- De acordo com o n.º 1 do artigo 58.º da Lei n.º 71/2018, de 31 de dezembro (LOE 2019), o crescimento global do endividamento das empresas públicas fica limitado a 2 %, considerando o financiamento remunerado corrigido pelo capital social realizado e excluindo investimentos, nos termos a definir no decreto-lei de execução orçamental.

A STCP terminou o ano de 2019 com uma dívida remunerada total de 346,1 milhões de euros, tendo efetuado aumentos de capital por dotação, no montante de 18.428.660 euros, não tendo existido conversão de créditos do Estado. Assim, considerando o endividamento corrigido pelo capital social realizado, e considerando novos investimentos no valor de cerca de 16 milhões de euros, a empresa registou um aumento do endividamento em 3,85%, face a 31 de dezembro de 2018.

Se ao cálculo da variação do endividamento for retirado o efeito do montante da dívida contraída para pagamento das obrigações decorrentes do contrato *swap*, o crescimento do endividamento apurado é de 0,54 %.

- O Prazo Médio de Pagamento apurado no final do ano de 2019 foi de 45,5 dias, quando em igual período de 2018 era de 46 dias, o que se traduz uma diminuição de 0,5 dias (-1%), face ao ano anterior, incumprindo com o objetivo definido na RCM n.º 34/2008, de 22 de fevereiro, que estipula que “quando o PMP no ano anterior for superior a 45 dias, deve ser atingida uma redução pelo menos de 15%”. No cálculo do PMP é considerada a totalidade da dívida a fornecedores incluindo a dívida não vencida e dívida com um prazo igual ou inferior a 30 dias, que correspondem a 97% do total da dívida. Quanto à dívida a fornecedores a 31 de dezembro de 2019 é de aproximadamente 4,74 milhões de euros, sendo que 1,5% (cerca de 73,1 mil euros) se encontrava vencida nos termos do artigo 1º, do DL 65-A/2011, de 17 de maio, referente essencialmente a faturas em regularização e conferência.
- No que respeita às remunerações, no ano de 2019 foram cumpridas e aplicadas aos órgãos sociais e trabalhadores da empresa, as orientações recebidas respeitantes a remunerações. Durante o ano de 2019, na vigência da Lei n.º 71/2018, de 31 de dezembro, que aprovou o orçamento de Estado para 2019, manteve-se a redução de 5% da remuneração fixa aos membros do Conselho de Administração e Conselho Fiscal (conforme artigo 12.º da Lei n.º 12-A/2010, de 30 de junho que estabelece a redução dos vencimentos dos gestores

públicos e equiparados). Não houve lugar à atribuição ou pagamento de prémios de gestão aos membros do Conselho de Administração.

- No âmbito do Estatuto do Gestor Público foi dado cumprimento ao disposto nos artigos 32.º e 33.º, no que se refere: i) à não utilização de cartões de crédito nem de outros instrumentos de pagamento por gestores públicos, tendo por objeto a realização de despesas ao serviço da empresa; ii) ao não reembolso a gestores públicos de quaisquer despesas que caíam no âmbito do conceito de despesas de representação pessoal; iii) ao valor das despesas associadas a comunicações; e, iv) ao valor associado a gastos anuais associados às viaturas afetas ao Conselho de Administração.
- A empresa elaborou o Relatório sobre Remunerações por género do ano de 2018, sobre as remunerações pagas a mulheres e homens, conforme determina o n.º 2 da Resolução do Conselho de Ministros n.º 18/2014, de 7 de março, o qual foi divulgado através da sua publicação na intranet, e disponibilizado na internet no sítio da empresa.
- Em 2019 foi elaborado relatório anual sobre prevenção da corrupção, conforme disposto no n.º 1 do artigo 46.º do Decreto-Lei n.º 133/2013, de 3 de outubro, o qual se encontra publicado nas páginas de internet e intranet da STCP.
- Em 2019 a STCP aplicou o Código dos Contratos Públicos (CCP), aprovado pelo Decreto-Lei n.º 18/2008, de 29 de janeiro, nas adjudicações em que aquele diploma se aplicava, e, nas restantes em que tal regime não era aplicável, efetuou consultas através da plataforma eletrónica. De salientar que no ano de 2019, foram lançados 4 concursos públicos internacionais à luz do CCP. No sentido de obter uma maior de transparência em matéria de aquisições, o Conselho de Administração deliberou, no ponto 6.2 da ata nº15/17 de 11/04, a recomendação a todos os departamentos da empresa para que fosse utilizada a plataforma eletrónica em todos os procedimentos de contratação pública futuros com valores superiores a € 5.000,00 (cinco mil euros). Em 2019 foram lançadas na plataforma eletrónica de contratação pública 21 consultas por convite.
- A STCP aderiu ao Sistema Nacional de Compras Públicas, em março de 2011, através da celebração de contrato com a Agência Nacional de Compras Públicas, E.P.E. (ANCP), no entanto, em 2019, não procedeu a qualquer adjudicação ao abrigo deste sistema.

- No âmbito do cumprimento das medidas de redução de gastos operacionais, em conformidade com o determinado no artigo 158.º do Decreto-Lei n.º 84/2019, de 28 de junho (DLEO 2019), constata-se o seguinte:
 - Em 2019 o peso dos gastos operacionais (CMVMC + FSE + Gastos com o Pessoal corrigidos dos encargos com indemnizações por rescisão de contrato e valorizações remuneratórias) sobre o volume de negócios foi de 86,3% em 2019, apresentando uma redução de 5,61 pontos percentuais (-6,1%) face a 2018., dando, assim, cumprimento ao disposto sobre a promoção do equilíbrio operacional;
 - Os FSE atingiram o montante de 20,4 milhões de euros, ficando abaixo do limite autorizado em 1,8 milhões de euros (-8,2%). No entanto o valor de 2019 ficou acima do valor de 2018 em 464,4 mil euros (2,3%);
 - Em 2019 o conjunto dos gastos com deslocações, com ajudas de custo e alojamento e gastos associados à frota automóvel atingiu 216,8 mil euros, situando-se acima do valor de 2018, em 24,8 mil euros (13%), mas abaixo em 4 mil euros, do valor previsto no orçamento de 2019, que foi autorizado.;
 - Os encargos com contratação de estudos, pareceres, projetos e consultoria foram de 186,7 mil euros, apresentando um valor inferior ao verificado em 2018, em 68 mil euros (-27%);
 - A 31 de dezembro de 2019, o efetivo da STCP, sem órgãos sociais, era constituído por 1.289 trabalhadores o que corresponde a um aumento de 18 trabalhadores face a 2018. No ano de 2019 verificaram-se 87 entradas e 69 saídas, resultando num aumento líquido de 18 elementos, sendo que as saídas foram distribuídas durante todos os meses do ano, mas as entradas só ocorreram a partir de junho inclusive, após aprovação do orçamento, não onerando, por isso, os primeiros 5 meses do ano.

A STCP, através do Despacho n.º 452/19-SET, de 28.05.2019, obteve autorização para a substituição de trabalhadores afetos à operação, que cessaram ou venham a cessar o seu contrato no ano de 2019, e para reforço até 20 trabalhadores afetos à operação. Este despacho contempla igualmente as vagas dos trabalhadores, que cessaram contrato em 2018 e que para os quais não foi possível assegurar a sua substituição até 31 de dezembro desse ano.

No entanto, embora em 2019 tenham entrado os 20 trabalhadores para reforço de pessoal afeto à operação, não foi possível proceder à totalidade das contratações para substituição das saídas, na sua maioria por motivo de reforma.

A autorização da contratação, para reforço de efetivos, foi condicionada à redução das horas extraordinárias, face a 2018. Em 2019 foram realizadas 61 mil horas extraordinárias, -14 mil horas (-18,7%) do que as realizadas em 2018, que foram de 75 mil. Os gastos com horas extraordinárias (sem encargos sociais) foram de 458 mil euros, apresentando também uma redução face ao ano anterior, de 89 mil euros (-16,3%);

- Os Gastos com o Pessoal em 2019, apresentam uma redução de 1,2 milhões de euros (-3,5%) face a 2018. Se os mesmos forem corrigidos dos encargos com indemnizações por rescisão de contrato e do impacto das valorizações remuneratórias serão de 28 milhões de euros, inferiores em cerca de 2,1 milhões de euros (-6,8%) relativamente aos de 2018;
- O IGCP, através do seu ofício n.º SGC – 2018/11914, de 18 de julho de 2018, proferiu o despacho de autorização no sentido de excecionar do cumprimento da UTE, a STCP, para os anos de 2018 e 2019. No ano de 2019 a empresa concentrou a maioria das suas disponibilidades na Conta da Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, E.P.E., não tendo auferido quaisquer juros de aplicações financeiras junto da banca comercial.

4. Relatório de governo societário

Em cumprimento do estabelecido no n.º 2 do artigo 54.º do Decreto-Lei n.º 133/2013, de 3 de outubro, o Conselho Fiscal é de parecer que o Relatório de Governo Societário de 2019 da STCP inclui informação atual e completa sobre todas as matérias reguladas no Capítulo II – Secção II do supramencionado diploma, e que o mesmo foi elaborado em conformidade com o modelo disponibilizado pela Unidade Técnica de Acompanhamento e Monitorização do Setor Público Empresarial.

5. Outros aspetos

- No que se refere às demonstrações não financeiras previstas no artigo 66.º-B do Código das Sociedades Comerciais, verifica-se que foi dado cumprimento a esta obrigação, tendo a STCP incluído a citada informação no seu Relatório de Gestão o qual irá ser publicado no seu sítio na Internet.
- Em face dos resultados de 2019 e considerando o elevado endividamento da empresa esta continua a depender do suporte financeiro do acionista Estado, através da obtenção de novos financiamento junto da DGTF ou através de novos aumentos de capital, enquanto não entra em vigor o Decreto-Lei n.º 151/2019, de 11 de outubro e do Decreto-Lei n.º 175/2019, de 27 de dezembro, que opera a intermunicipalização da empresa.

6. Parecer

Assim, face ao exposto e considerando os elementos disponibilizados, bem como, tendo em consideração a Certificação Legal das Contas, o Conselho Fiscal no âmbito das suas competências, conclui que o Relatório e Contas de 2019 cumpre a generalidade das exigências legais aplicáveis, refletindo a atividade da empresa ao longo do ano e a sua evolução económica e financeira face ao período homólogo, evidenciando os factos mais relevantes, pelo que, somos de parecer que seja:

- Aprovado o Relatório e Contas do exercício de 2019, bem como o Relatório de Governo Societário referente ao mesmo ano, apresentados pelo Conselho de

Administração da Sociedade de Transportes Coletivos do Porto, S.A. atentas as ênfases constantes na Certificação Legal de Contas; e,

- Apreciada e aprovada a proposta de aplicação de resultados apresentada pela Administração, a qual está em conformidade com as disposições legais e estatutárias.

Porto, 15 de junho de 2020

O Conselho Fiscal,

Assinado por : LUÍS MANUEL ABRANTES
Num. de Identificação: BI075121255
Data: 2020.06.15 23:57:40+01'00'



Luís Manuel Abrantes (*Presidente*)

Assinado por : Ana Alexandra Filipe Freitas
Num. de Identificação: BI08820013
Data: 2020.06.16 00:09:09+01'00'



Ana Alexandra Filipe Freitas (*Vogal*)

Paulo Jorge Rodrig





GLOBAL REPORTING INICIATIVE (GRI) INDEX

GLOBAL REPORTING INICIATIVE (GRI) INDEX

(not subject to external confirmation)

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COMPLIANCE

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N.A. - Not Applicable

N.D. - Not Available







ANY QUESTIONS OR SUGGESTIONS

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