



MOTA-ENGIL

CONSOLIDATED REPORT & ACCOUNTS 2022

SHAPING PARADIGMS

Actions for a sustainable future.

This report is a translation of the Portuguese original version of the Mota-Engil Group's 2022 Consolidated Report & Accounts, submitted at the CMVM website and Mota-Engil institutional website on April 4th, 2022, in ESEF format. In case of discrepancies between this version and the official ESEF version, the latter prevails.

Mota-Engil World

3 CONTINENTS

22 COUNTRIES

Latin America

Mexico
Peru
Brazil
Colombia
Dominican Republic
Panama

Europe

Portugal
Poland
Spain

Africa

Angola
Mozambique
Malawi
South Africa
Zimbabwe
Uganda
Rwanda
Guinea-Conakry
Cameroon
Ivory Coast
Kenya
Nigeria
Mali

2022 in numbers

Turnover evolution

Group (million Euros)



Turnover

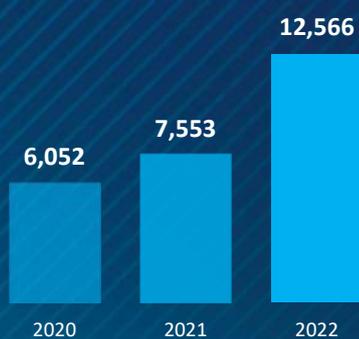
By Business Unit



(*) Includes Europe E&C business unit and other, eliminations and intercompany

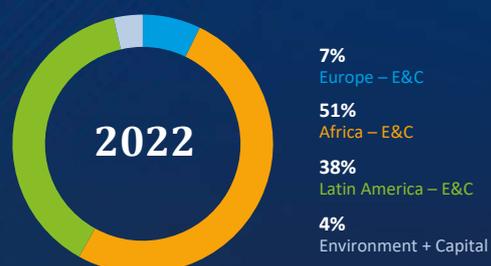
Backlog evolution

Group (million Euros)



Backlog

By Business Unit



Distinctions

With a journey of 76 years of boldness and ambition, built through a consolidated experience of several generations, the Mota-Engil Group achieved in 2022 an unprecedented position at European level and with leadership positions in Africa and Latin America.

A position that reflects customer confidence, commitment to communities and a long-term vision focused on sustainable development.

MOTA-ENGIL IN THE WORLD

TOP 100 IN THE WORLD
#76 Global Powers
of Construction 2020

Deloitte

TOP 30 IN EUROPE
#25 in the Top Global
Contractors

THE TOP 250
TOP INTERNATIONAL CONTRACTORS OF THE WORLD

**TOP 10 IN LATIN
AMERICA**
#7 in the region

THE TOP 250
TOP INTERNATIONAL CONTRACTORS OF THE WORLD

LEADER IN PORTUGAL
#1 Portuguese Company in
the Top Global Contractors

THE TOP 250
TOP INTERNATIONAL CONTRACTORS OF THE WORLD

Building '26 For a Sustainable Future

The year 2022 is marked by being the first year of implementation of the Strategic Plan Building '26 – For a Sustainable Future, a collective commitment that challenges all business areas and markets to reach a new level of dimension, as well as commitment to the Sustainable Development Goals, a priority in the Group's Strategic Agenda.



2022 Highlights

12.6

Billion Euro

RECORD BACKLOG OF 12,6 BILLION EURO, AN INCREASE OF 66% AGAINST DECEMBER 31, 2021

3.8

Billion Euro

RECORD TURNOVER OF 3.804 MILLION EURO, A GROWTH OF 47% AGAINST 2021

541

Million Euro

EBITDA OF 541 MILLION EURO WITH A MARGIN OF 14.2%, IN LINE WITH HISTORICAL LEVELS

41

Million Euro

CONSOLIDATED NET PROFIT OF 41 MILLION EURO, A GROWTH OF 69% AGAINST 2021

939

Million Euro

NET DEBT OF 939 MILLION EURO, A DECREASE OF 186 MILLION EURO AGAINST DECEMBER 31, 2021

351

Million Euro

CAPEX OF 351 MILLION EURO

Income Statement

Thousand Euros

	2022	% T	Δ	2021 (restated)	% T
Sales and services rendered (Turnover - T)	3,804,258		46.8%	2,591,776	
EBITDA(*)	540,704	14.2%	31.4%	411,632	15.9%
Amortisations and depreciations, impairment losses and provisions	-297,490	(7.8%)	(31.0%)	-227,139	(8.8%)
EBIT(**)	243,214	6.4%	31.8%	184,493	7.1%
Net financial results (***)	-154,187	(4.1%)	(22.0%)	-126,344	(4.9%)
Gains / (losses) in associates and joint ventures companies	-5,478	(0.1%)	(275.9%)	3,114	0.1%
Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies	22,034	0.6%	-	49,213	1.9%
Net monetary position	10,550	0.3%	(5.2%)	11,124	0.4%
Income before taxes	116,134	3.1%	(4.5%)	121,600	4.7%
Consolidated net profit of the period	76,479	2.0%	20.9%	63,239	2.4%
Attributable to:					
Non-controlling interests	35,750	0.9%	(8.7%)	39,138	1.5%
Group	40,729	1.1%	69.0%	24,101	0.9%

(*) EBITDA corresponds to the algebraic sum of the following captions of the consolidated income statement by nature: "Sales and Services Rendered"; "Cost of goods sold, mat. cons. and changes in production"; "Third-party supplies and services"; "Wages and salaries"; "Other operating income / (expenses)"

(**) EBIT corresponds to the algebraic sum of EBITDA with the following captions of the consolidated income statement by nature: "Amortisations and depreciations", "Impairment losses" and "Provisions"

(***) Net financial results corresponds to the algebraic sum of the following captions of the consolidated income statement: "Financial income and gains" and "Financial costs and losses"



MESSAGE FROM THE CHAIRMAN AND CEO

Carlos Mota Santos
Chairman of the Board of
Directors and CEO

Dear Shareholders,

The year 2022 will represent a period in history marked by the context of war in Europe that we did not foresee as possible 70 years after the last conflict on a global scale. This new reality, unexpected and of uncertain duration, has impacted the world, having recently emerged from a pandemic, reinforcing a climate of volatility in markets, penalised by inflationary pressure that will continue to condition the economic environment in 2023, which requires companies to further consider and reinforce risk analysis in strategic decisions.

In the case of MOTA-ENGIL, the year 2022 was characterised by the surpassing of the objectives established in the first year of implementation of the Strategic Plan.

To this extent, and as these are my first words to the Shareholders as Chairman of the Board of Directors and CEO of the GROUP, I could not fail to express, during this transition phase, my deep gratitude to the engineer António Mota, who is and always will be a reference and a major example for his business vision, sense of solidarity and humanism that he instilled in the GROUP's culture, and an inspiring leader who transformed MOTA-ENGIL into what it is today, never failing to project the preparation of the future over the more than 27 years that he served as Chairman of the MOTA-ENGIL GROUP.

On this occasion, I must also mention the contribution of Gonçalo Moura Martins, who, as CEO and throughout his professional career in which he headed different business areas of the Group, contributed to the achievement of the goals we set ourselves, sometimes in adverse contexts, and in which he was always decisive in finding the best solutions.

Thus, and taking a brief look at the GROUP's annual performance, I would begin by mentioning that 2022 represented a significant growth of 47%, reaching 3.8 billion Euro in turnover, and ensuring the resilience of the margins of the core business of Engineering and Construction, which, due to its greater contribution in relation to the total, justifies the 541 million Euro EBITDA figure.

Alongside the excellent performance in production, we achieved the best year ever in commercial activity, reaching an all-time record of 12.6 billion Euro in terms of order book, which will support the gradual and sustained growth of the GROUP over the coming years.

Dear Shareholders,

The results presented today demonstrate the capacity to combine growth, profitability and improved financial performance, in the latter case in line with the consolidation of the trend of recent years. Worthy of note is the 16% reduction in net debt this year, which over two years has enabled a reduction of 304 million Euro.

These are indeed results to be proud of, but they should be seen as a starting point to reach an unprecedented milestone as a result of the dimension now achieved and which will continue in the future. To this extent, we will maintain the focus of activity in the designated Core Markets, as well as the priority on operational optimisation and improvement of net profitability.

We will maintain our commitment to long-term management, ensuring a socially active and responsible contribution to society, and especially to the communities in which we operate, a purpose aligned with the best ESG practices we have long implemented, and where we increasingly want to make MOTA-ENGIL a place where its 44,000 employees, 6,000 of whom are women, feel fulfilled.

As a fundamental support, and as any project depends on a large team, the contributions of all members of the Board of Directors, with their vast experience, were fundamental, as was the collective commitment of all those who are part of the MOTA-ENGIL GROUP and to whom I give due recognition.

A final word to thank our customers, partners, suppliers and other stakeholders for their trust, which allows us to aspire to new horizons in the future of the MOTA-ENGIL GROUP, as well as to acknowledge the shareholders who, through their firm cohesion, have always contributed to the success of the unique journey of a Group to which we should all be proud to belong.

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01

Consolidated
Management Report

SHAPING INNOVATION

We have increased efforts focused on transforming current businesses and creating new sustainable business models.

MOTAENGIL

Actions for a sustainable future.

A. Comparability of information

Following the approval, in the last quarter of 2021, of the GROUP's new strategic plan, the segmental information presented in the notes to the attached consolidated financial statements and in this report has been restated to include the five current business units of the GROUP:

Africa - E&C;
Europe - E&C;
Environment;
Latin America - E&C; and
Capital.

Thus, the main changes that occurred in the business segments of the GROUP can be summarised as follows:

- (i) the Environment segment was spun-off from the former Europe segment and the companies in Africa and Latin America operating in that area were also transferred to it; and
- (ii) the Capital segment was separated from the former Others, eliminations and intragroup segment and some real estate companies, some concessionary companies and some companies in the infrastructure operation and maintenance area were transferred to it.

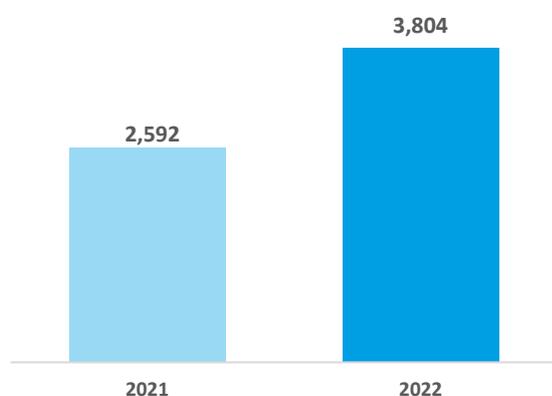
At company level, the main changes that occurred in the business segments can be summarised as follows:

- (i) Transfer of VISTA WASTE, CLEAN EBURNIE and ECO EBURNIE from the former Africa segment to the current Environment segment;
- (ii) Transfer of SUMA BRASIL from the former Latin America segment to the current Environment segment;
- (iii) Transfer of VIBEIRAS from the former Europe - E&C sub-segment to the current CAPITAL segment;
- (iv) Transfer of certain Polish real estate companies from the former Europe - E&C segment to the current Capital segment; and
- (v) Transfer of ESTRADAS DO ZAMBEZE and the OPERATOR ESTRADAS DO ZAMBEZE from the former Africa segment to the current Capital segment.

In addition, in the year ended 31 December 2022, following the occurrence of some constraints to the disposal in the short term of LINEAS and some of its subsidiaries, the GROUP no longer complies with the requirement set out in IFRS - 5 to classify that financial investment as a non-current asset held for sale. Accordingly, the accompanying consolidated financial statements have been restated in order to disregard, since September 2015, the recording of the LINEAS subgroup as a non-current asset held for sale (Note 1.2 of the Notes).

B. Analysis of economic and financial performance

TURNOVER
GROUP (million Euros)



TURNOVER
BY BUSINESS UNIT



(*) Includes others, eliminations and intra-group

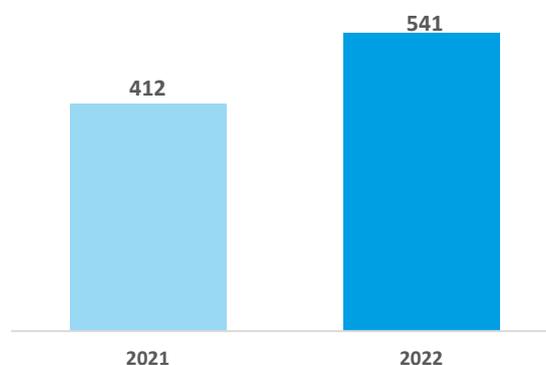
In the year ended 31 December 2022, as a result, among others, of the normalisation of the pandemic activity and the start-up / acceleration of some relevant projects, the GROUP's turnover (**) came to 3,804 million Euro, an increase of approximately 47% compared to 2021 (2,592 million Euro), reaching a record value with regard to this indicator. For the performance mentioned above, the record performance of the Latin America - E&C and Africa - E&C business units should be highlighted, as they increased their turnover by 145% and 44%, respectively, partly due to the execution of the vast order book that had been ensured.

Following on from the above, the Latin America - E&C business unit was the largest contributor to the GROUP's turnover in 2022, with a contribution of 40% (24% in 2021), followed by Africa - E&C with 31% (32% in 2021) and Environment with 15% (17% in 2021).

On the other hand, during 2022, the E&C business (excluding the industrial engineering services component) represented 57% of the Group's turnover (49% in 2021), notably as a result of the significant increase in activity in Latin America.

(**) Turnover corresponds to the item of the consolidated income statement by nature "Sales and services rendered".

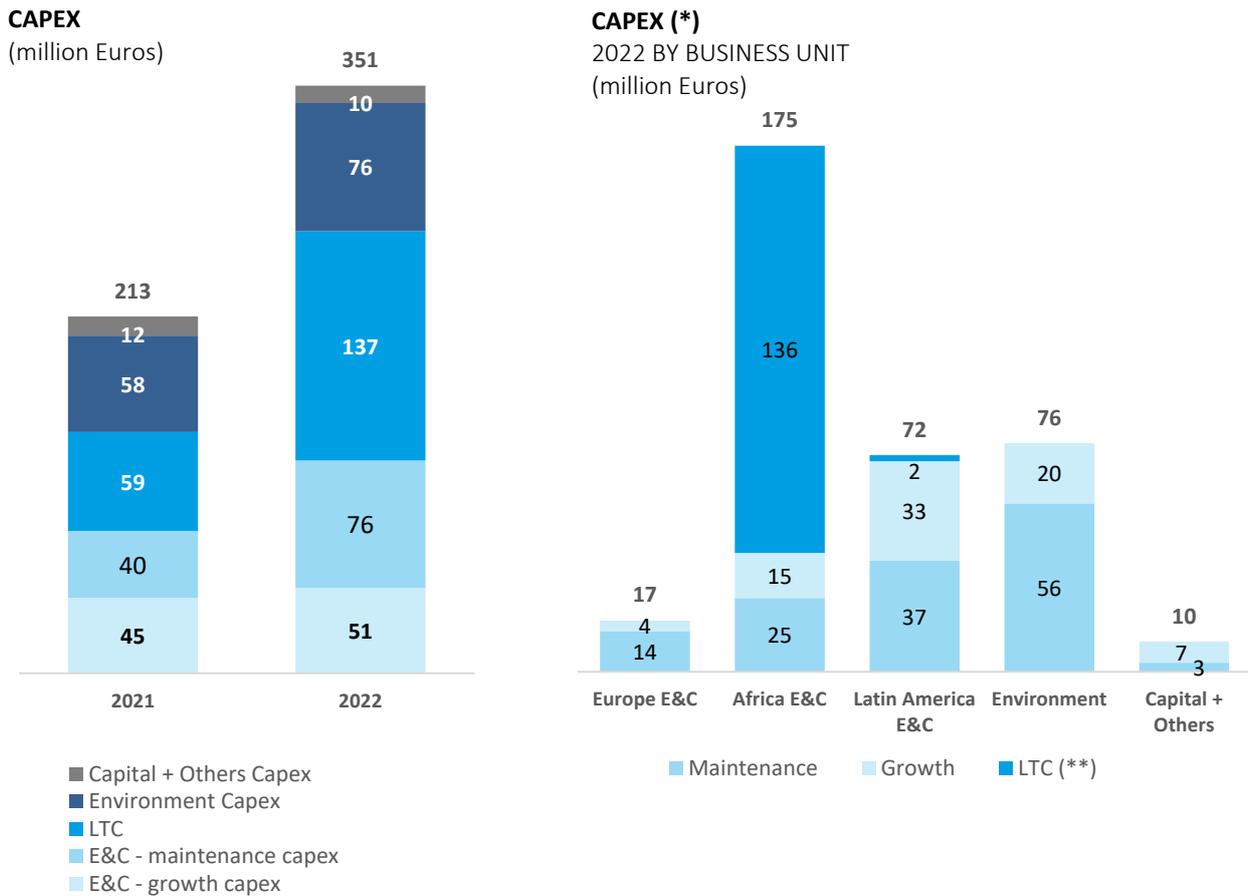
EBITDA
GROUP (million Euros)



In the year ended 31 December 2022, although impacted by the growing price increases observed in some production factors, namely those associated with energy and oil-derived products, the GROUP's EBITDA reached 541 million Euro, a 31% increase compared to 2021 (412 million Euro), having been positively influenced by the performance of Latin America - E&C - growth of 61%, Africa - E&C - growth of 30% and the Environment, to a lesser extent - growth of 8%. Thus, as a consequence of the evolution of EBITDA and turnover, the EBITDA margin (EBITDA / Turnover) reached 14.2% in 2022, in line with the value presented historically by the GROUP.

On the other hand, in 2022, the E&C business contributed 76% to the GROUP's EBITDA (74% in 2021).

With regard to EBIT, in 2022 it rose to 243 million euros (184 million euros in 2021), an increase of 32%, which was positively influenced by the increase in EBITDA and negatively influenced by the increase in depreciation, the latter mainly justified by the increase in investment associated with the new industrial engineering contracts awarded and in the start-up phase.



(*) Capital expenditure corresponds to the algebraic sum of increases and disposals of tangible and intangible assets and assets under right of use occurred during the year, excluding those allocated to the concessions business in Mexico. (Note 15)

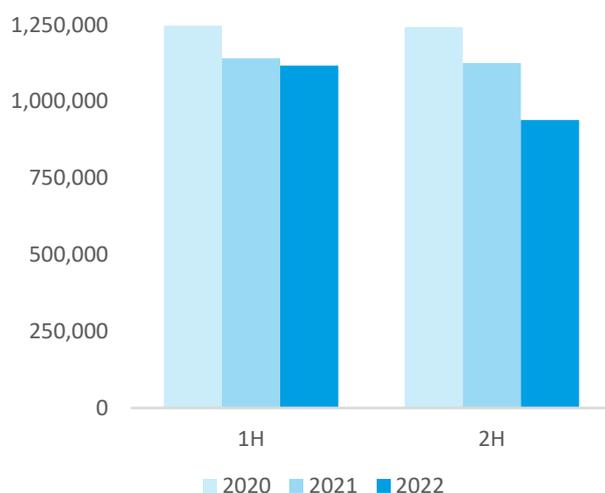
(**) Medium and long-term contracts correspond to industrial engineering contracts executed by Africa - E&C and contracts associated with the energy business in Latin America - E&C.

In 2022, the GROUP's investment amounted to around 351 million Euro (213 million Euro in 2021), of which we highlight around 137 million Euro allocated to medium and long-term contracts, namely in Mali, Mozambique and South Africa, around 50 million Euro allocated to the E&C activity in Mexico and around 60 million Euro allocated to the execution of the investment plan defined for the EGF concession companies.

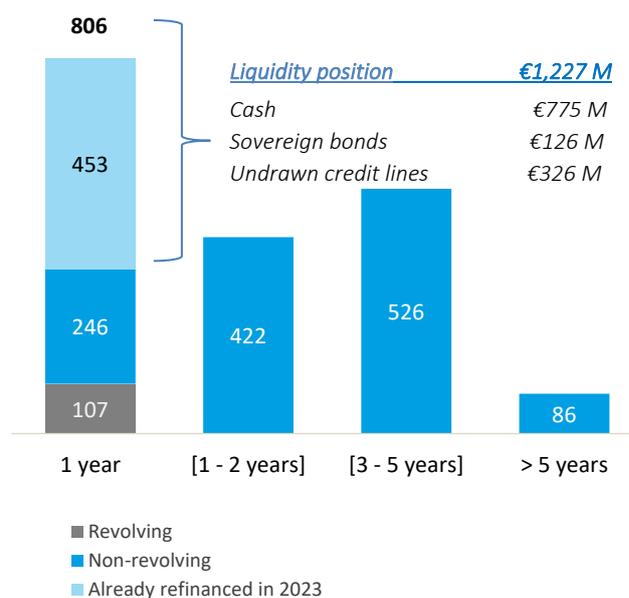
On the other hand, in 2022, the following should be highlighted: (i) 61% of the investment made was channelled to medium and long-term contracts and expansion investments; (ii) the Africa - E&C business unit contributed around 50% to the GROUP's total investment, most of which was allocated to industrial engineering contracts and to the Angola market and (iii) the Latin America - E&C business unit contributed around 21% to the GROUP's total investment, most of which was allocated to the Trem Maya project in Mexico.

Finally, in 2022, the investment/sales and services rendered ratio climbed to 9%.

TOTAL NET DEBT
GROUP (million Euros)



GROSS DEBT⁴⁾ MATURITY
GROUP (million Euros)



As at 31 December 2022, net debt¹⁾ reached 939 million Euro, a decrease of about 186 million Euro compared to 31 December 2021, essentially justified by the profitability of operations, controlled investment management and efficient working capital management.

As at 31 December 2022, net debt plus factoring operations and management of payments to suppliers²⁾, as well as lease operations³⁾, amounted to 1,510 million Euro, a decrease of 289 million Euro compared to 31 December 2021.

As a result of the evolution of debt and operating performance during the year, the ratio comparing net debt to EBITDA for the last 12 months reached 1.7x (2.7x as at 31 December 2021), exceeding the leverage target defined in the Strategic Plan.

Gross debt⁴⁾ plus factoring operations and management of payments to suppliers, as well as leasing operations as at 31 December 2022 amounted to 2,411 million Euro, with an average maturity of 2.2 years, 78% of which was denominated in Euro and 57% exposed to variable rates.

On the other hand, on 31 December 2022, the average cost of gross debt plus factoring operations and management of payments to suppliers, as well as leasing operations, even after the sharp rises in interest rates decreed by the main central banks, stood at 5.4% (5.1% on 31 December 2021).

Additionally, as at 31 December 2022, the GROUP had contracted and unused credit lines of around 326 million Euro, resulting in a total amount of liquidity⁵⁾ of 1,227 million Euro, corresponding to around 67% of gross debt. In this regard, of note is also the sale in 2022 of about 90 million Euro of Angolan public debt securities at a premium to nominal value.

Finally, in the year ended 31 December 2022, already net of the dividend distributions made to its shareholders, the GROUP strengthened its equity by approximately 98 million Euro.

¹⁾ Net debt corresponds to the algebraic sum of the following captions of the consolidated statement of financial position: "Cash and cash equivalents without recourse - Demand deposits", "Cash and cash equivalents with recourse - Demand deposits", "Other financial applications", "Other financial investments recorded at amortised cost", "Loans without recourse" and "Loans with recourse". It should be noted that leasing and factoring operations contracted by the GROUP were not stated in the abovementioned captions.

²⁾ Factoring operations and management of payments to suppliers are recorded in the consolidated statement of financial position in the caption "Other financial liabilities".

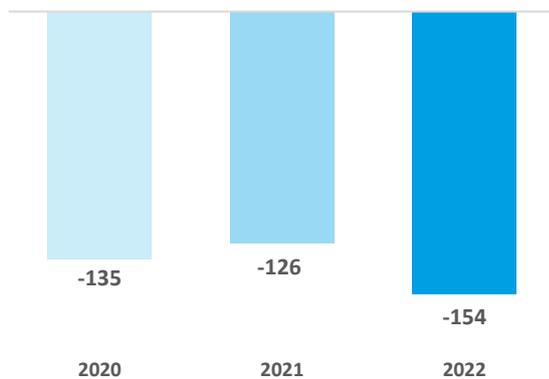
³⁾ Lease operations are recorded in the consolidated statement of financial position under the caption "Lease liabilities".

⁴⁾ Gross debt corresponds to the algebraic sum of net debt and the balances of the following captions of the consolidated statement of financial position: "Cash and cash equivalents without recourse - Demand deposits", "Cash and cash equivalents with recourse - Demand deposits", "Other financial applications" and "Other financial investments recorded at amortised cost".

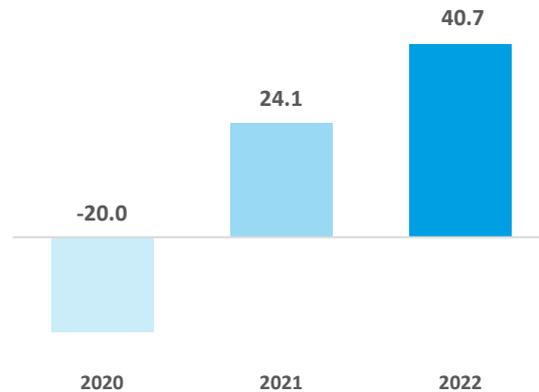
⁵⁾ Liquidity corresponds to the algebraic sum of the following captions of the consolidated statement of financial position: "Cash and cash equivalents without recourse - Demand deposits", "Cash and cash equivalents with recourse - Demand deposits", "Other financial applications" and "Other financial investments recorded at amortised cost" with the amount of credit lines contracted but unused by the GROUP.

NET FINANCIAL RESULTS

GROUP (million Euros)

**NET PROFIT / (LOSS)**

GROUP (million Euros)

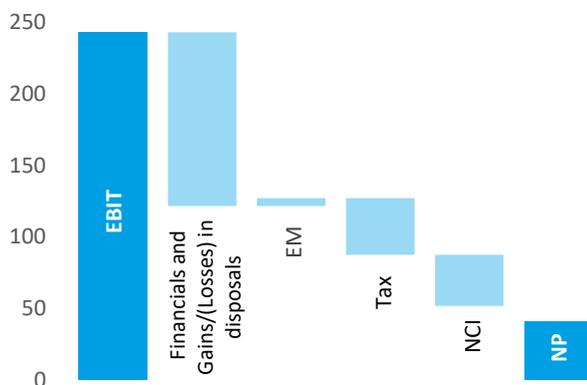


In the year ended 31 December 2022, financial results amounted to -154 million Euro, a worsening of 28 million Euro compared to 2021 (-126 million Euro), justified on the one hand by the occurrence of negative exchange rate differences, and on the other hand by an increase in the average cost of debt.

With regard to net financial charges (financial results expunged from financial exchange rate differences), these reached -141 million Euro in the year ended 31 December 2022 (-134 million Euro in 2021), exhibiting, even in an adverse scenario of rising interest rates, efficient management of the GROUP's cost of debt.

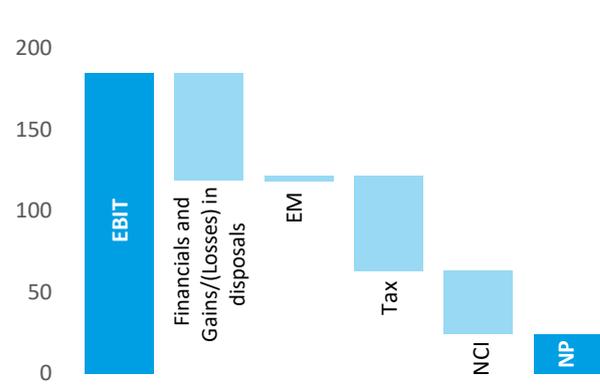
NET PROFIT COMPOSITION 2022

GROUP (million Euros)

**NET PROFIT COMPOSITION 2021**

GROUP (million Euros)

250



In the year ended 31 December 2022, the item Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associates (included in the column "Financial and Gains / (Losses) on disposals (*)" in the above chart), amounted to 22 million Euro (49 million Euro in the year 2021), influenced essentially by the capital gain generated from the partial disposal of a motorway concession company in Mexico (AUTOPISTA URBANA SIERVO DE LA NACIÓN), thus reaffirming the GROUP ability to carry out its strategy of generating and rotating assets with profitability and developing new businesses in the area of concessions.

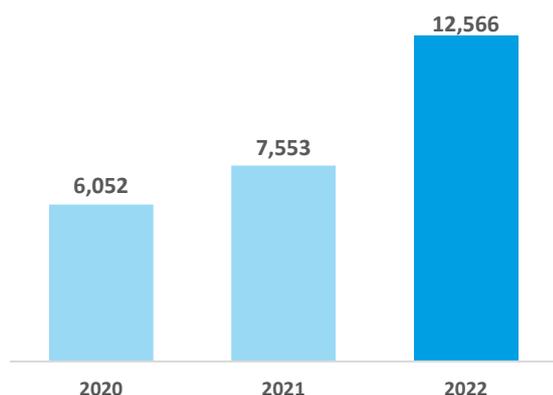
In the year ended 31 December 2022, the item Gains / (losses) in associated companies and joint ventures (MEP) contributed -5.5 million Euro to net income (3.1 million Euro in 2021), a decrease of about 8.6 million Euro, mostly justified by the occurrence of some non-recurring events in two companies of the LÍNEAS subgroup.

With regard to income tax (Tax), it amounted to 40 million Euro in the year ended 31 December 2022 (58 million Euro in 2021), and its relief was justified, in part, by the recording of deferred tax assets associated with losses and tax credits that had not been recognised in the past due to a question of uncertainty as to their future recovery (for more information on this matter, we recommend reading Note 12 of the Notes to the consolidated financial statements).

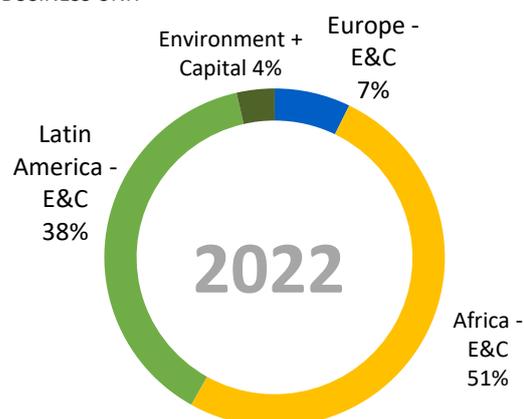
Finally, with regard to non-controlling interests (NCI), these amounted to 36 million Euro in the year ended 31 December 2022, a reduction of 3 million Euro compared to 2021 (39 million Euro), with the companies in the environment and E&C area located in Mexico essentially justifying the performance achieved in 2022.

Thus, following the operating and financial performance recorded, the consolidated net profit for the year attributable to the GROUP (NI) for the year ended 31 December 2022 amounted to 41 million Euro, an increase of 69% compared to 2021 financial year (24 million Euro), with the net margin¹ amounting to 1.1% (0.9% in 2021).

BACKLOG EVOLUTION
GROUP (million Euros)



BACKLOG
BY BUSINESS UNIT



The backlog^(*) as at 31 December 2022 reached 12.6 billion Euro, thus recording again for the year a record figure and a 66% growth compared to 31 December 2021, with the Africa - E&C and Latin America - E&C business units contributing around 89% to the total amount.

The following projects, among others, contributed to the above performance:

- Energy infrastructure construction project in Uganda;
- Industrial engineering project in Ivory Coast;
- Road construction project in Mexico, under a concession contract;
- Project to build a sports infrastructure in Guinea Conakry;
- Two railway construction projects in Mexico;
- Railway construction project in Angola;
- Railway construction project in Colombia;
- Industrial engineering project in Ivory Coast.

Thus, on 31 December 2022, the "backlog / sales and services rendered" ratio of the E&C business stood at 3.8x.

On the other hand, 77% of the E&C backlog is allocated to the rail and road segments.

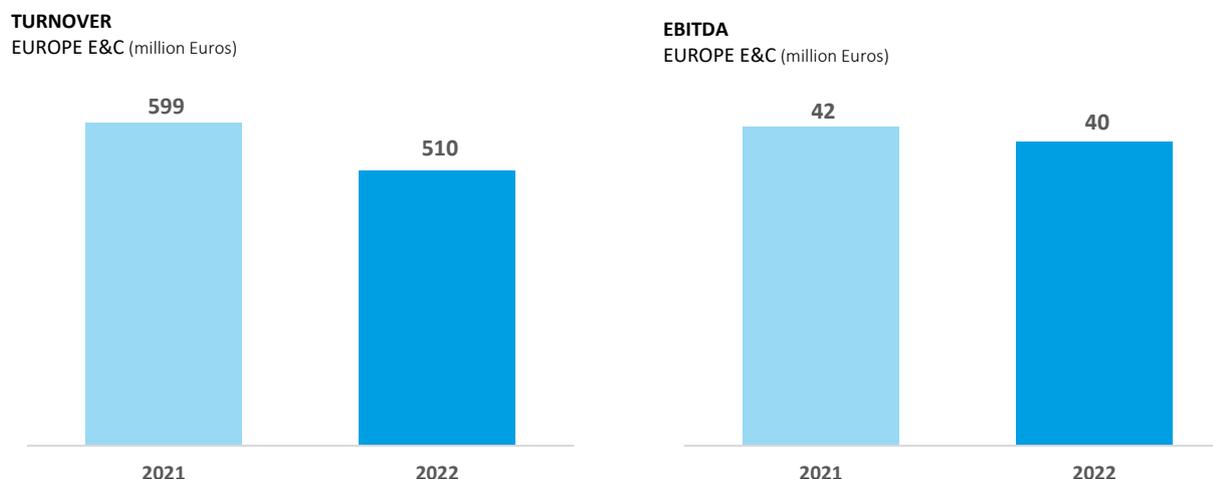
Additionally, on 31 December 2022, the Environment business contributed 381 million Euro to the GROUP's backlog, and that amount does not include the foreseeable revenue from the waste treatment and recovery contracts of the EGF concession companies and those of CLEAN EBURNIE (landfill in Ivory Coast).

1) Net margin corresponds to the quotient of the consolidated income statement by natures headings "Consolidated net profit for the year attributable to the Group" and "Sales and services rendered".

(*) Unexecuted contracts awarded at the exchange rate of 31 December 2022.

C. Analysis by Business Unit

Europe - E&C



The Europe - E&C business unit essentially includes the engineering and construction activity carried out by the GROUP in Portugal and Poland and, until January 2022, in Ireland and the United Kingdom.

In Europe - E&C, as a result of the constraints associated with the ongoing armed conflict in Ukraine, felt mostly in the Polish market, and given the effects arising from the generalized increase in prices, turnover in the year ended 31 December 2022 amounted to 510 million euros, a reduction of 15% compared to 2021 (599 million euros). However, excluding the contribution from the operations in Ireland and the United Kingdom, sold in January 2022, from the figures above, the turnover in Europe – E&C would have reduced by only 43 million euros). On the other hand, the asymmetric behaviour of the two main markets for turnover should be highlighted, with Portugal contributing with an increase of 5% and Poland with a reduction of 30%, the latter justified, in part, by the adoption of more selective criteria in the commercial area and in the definition of prices due to the uncertainty and strong volatility in the price of commodities in that region. Additionally, in the year ended December 31, 2022, Portugal contributed with around 72% to the business unit's turnover (around 58% in the 2021 financial year).

In terms of operating profitability, EBITDA for Europe - E&C in the year ended 31 December 2022, partly as a result of the constraints referred to above, nevertheless amounted to 40 million euros, a reduction of 2 million euros in relation to financial year 2021 (42 million euros), having been negatively influenced by the Polish market (a drop of 3 million euros) but positively influenced by the Portuguese market (an increase of 2 million euros).

The EBITDA margin for the year ended 31 December 2022 reached 8%.

PORTUGAL

In 2022, the Portuguese economy registered a growth of 6.2% (4.9% in 2021) with an inflation rate of 7.9% (0.9% in 2021).

In 2022, Portugal presented a scenario of economic and social recovery after the impacts caused by the Covid-19 pandemic in previous years. The country succeeded in keeping the spread of the virus under control and made progress in vaccinating the population, which allowed for a gradual reopening of economic and social activities.

The Portuguese government adopted measures to support the economy and society, such as employment incentive and company support programmes. Tourism, one of the sectors most affected by the pandemic and one of the main drivers of the economy, showed a significant recovery in 2022, with an increase in the number of foreign visitors and an upturn in the activity of companies in the sector.

However, the country still faced challenges, such as labour shortages in some sectors, pressure on the health system and the need to continue implementing measures to prevent and control the pandemic. These structural challenges were heightened by the outbreak of war in Ukraine, and the consequent generalised increase in prices and, in response, rising interest rates.

After several years with low levels of public investment, the construction sector envisaged 2022 as a turning point, based on the Portuguese Recovery and Resilience Plan (PRRP). However, the Portuguese market is still very much based on private investment essentially focused on the residential sector.

In 2022, MOTA-ENGIL once again demonstrated its historic capacity and resilience in its immediate response to major adversities, having managed to adapt to another year full of new challenges.

Throughout this year, MOTA-ENGIL continued to develop engineering and construction projects focused on the comparative advantages demonstrated throughout its history. As a result of this, in 2022, around 60% of the turnover in Portugal was generated by private clients, where the two main works developed in the year stand out, the Infinity Tower development, for the client Vanguard Properties, which will be one of the most prominent buildings in Lisbon and a real estate development for student residences and housing in Campo Pequeno, Lisbon.

For 2023, MOTA-ENGIL expects to maintain the turnover levels of the previous year, with the main focus being on generating cash flow and protecting operating margins.

POLAND

In 2022, the Polish economy registered a growth of 3.8% (5.9% in 2021) with an inflation rate of 13.8% (5.1% in 2021).

In 2022, the construction industry was under severe pressure from a number of unfavourable exogenous factors, such as the outbreak of war in Ukraine, rising inflation and, in response, rising interest rates. In addition, there was a shortage of workers in the construction sector, and a slowdown both in the real estate segment and in public spending.

These impacts were, however, mitigated by the decision of the Ministry of Infrastructure to increase the level of price indexation of construction contracts to 10%. On the other hand, it is expected that new public and European Union funds will be channelled into the development of infrastructure projects. The allocation of these funds is under discussion between the Polish Government and the European Commission, and an agreement is expected to be reached soon.

In 2022, the Polish Government maintained investment in the development of the construction sectors, in particular the main communication routes. In that year, tenders were announced for about 20 stretches of road with a total length of more than 226 km. For 2023, a substantially higher investment is planned, which will take the form of new tenders for more than 560 km of roads.

Throughout 2022, MOTA-ENGIL maintained its strategy of constant development, of innovation in its main operations, diversifying its portfolio and strengthening its position as a recognised quality brand. Thus, even going through a particularly challenging environment, MOTA-ENGIL demonstrated its resilience and managed to strengthen its position as one of the largest engineering and construction companies operating in Poland. All of this was achieved thanks to an active presence in the market, demonstrating flexibility in a rapidly changing environment, with a local approach and assurance of the best quality standards. In 2022, MOTA-ENGIL continued to design and build the motorways of greatest importance for the country's development, namely the S19 motorway in Lublin, the S3 motorway in Polkowice, the S17 motorway in Tomaszów Lubelski and the S1 motorway in Bielsko Biala.

As a result of its strategy, in 2022 MOTA-ENGIL also managed to increase its order book in the electromechanical segment with 3 projects under execution. This is a strategic segment with plenty of growth potential in the coming years.

At the same time, MOTA-ENGIL continued its policy of strengthening its portfolio in the construction sector in the main Polish cities: Warsaw, Krakow, Gdańsk, Katowice and Lublin. In this segment, MOTA-ENGIL is expanding its range of projects, namely through the construction of student residences, hotels and car parks.

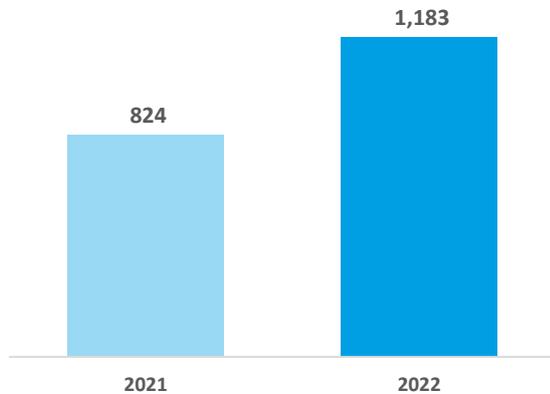
Finally, it should be noted that MOTA-ENGIL is permanently engaged in the search for new investment opportunities, entering new business areas that can benefit both segments to which it is dedicated: construction and real estate development, as well as focusing on the development of its specialised internal resources.

For 2023, in accordance with the GROUP' strategy for the region, the main focus will continue to be on projects that enable the generation of sustainable cash flow and a well-balanced management of operating margins.

Africa – E&C

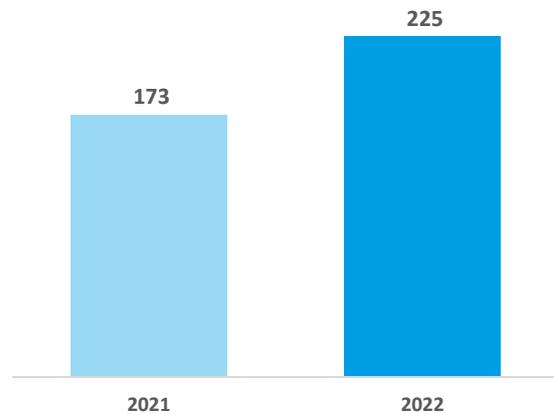
TURNOVER

AFRICA E&C (million Euros)



EBITDA

AFRICA E&C (million Euros)



The Africa - E&C business unit includes the engineering and construction activity (including the provision of industrial engineering services) conducted by the GROUP, essentially in Angola, Mozambique, Malawi, Ivory Coast, Rwanda, Uganda, South Africa, Guinea Conakry, Mali, Nigeria and Kenya.

In the year ended 31 December 2022, having overcome some constraints associated with the pandemic and with the start-up of some new projects, turnover reached 1,183 million Euro, an increase of 44% compared to 2021 (824 million Euro).

In this chapter the markets of Angola, Ivory Coast, Uganda, Rwanda and South Africa are worthy of note, with turnover rises of over 50% year-on-year. On the other hand, in the year ended 31 December 2022, Angola, Mozambique, Guinea Conakry and Ivory Coast contributed 66% to total turnover (66% also in 2021).

With regard to operating profitability, even if influenced by negative exchange rate effects, namely in Angola, the increase in inflation and the start-up phase of new projects, Africa - E&C EBITDA in the year ended 31 December 2022 amounted to 225 million Euro, an increase of 30% compared to 2021 (173 million Euro), with the EBITDA margin reaching 19%.

Additionally, in the year ended 31 December 2022, Angola, Mozambique, Guinea-Conakry and Rwanda contributed 76% to total Africa - E&C EBITDA (76% also in 2021).

Finally, in the year ended 31 December 2022, the 31% contribution of industrial engineering contracts to the turnover of Africa - E&C, with an EBITDA of 97 million Euro and an EBITDA margin of 27%, stands out.

ANGOLA

In 2022, the Angolan economy registered a growth of 2.9% (0.8% in 2021) with an inflation rate of 21.7% (25.8% in 2021).

In 2021, Angola came out of recession after five years, with GDP growth of 0.8 percent. The removal of Covid-19 related restrictions, the fiscal discipline implemented, the lagged impact of macroeconomic reforms and the Government's efforts to diversify the economy, boosted non-oil growth, especially in agriculture and services, which offset a further contraction of the oil sector, ending the country's long cycle of recession.

That positive economic momentum continued into 2022, with the economy growing, influenced by increased levels of oil production as well as continued strong performance in the non-oil sectors. On the other hand, as a result of high oil prices, Angola has enjoyed favourable macroeconomic conditions, such as a high level of net international reserves, exports, tax revenues, and a sharp decline in public debt in relation to GDP.

With this dynamic, public expenditure recovered in comparison with the same period of the previous year, namely in goods, services and investment. This expenditure boost mainly benefited the education, social protection, housing, agriculture and communication sectors, as well as defence and security.

Regarding the near future, an average economic growth of about 3% is forecast for the next few years, with greater growth in the non-oil sector to balance oil production. Given rapid population growth, GDP per capita is expected to remain relatively stable, underlining the need to accelerate economic growth and promote inclusiveness by deepening reforms and making strategic investments in human capital, infrastructure and the productive sectors of the economy.

The transformation of the economic model was rigorously state-led, and imminently financed by oil production, into a model of sustainable, inclusive growth supported by the private sector, with strong political commitment underpinned by coordination and communication capacity, and solid institutions. This transformation has been visible in some important measures that the Angolan government has taken to safeguard macroeconomic stability, carrying out various structural reforms, namely a more flexible exchange rate regime, active debt management, greater budgetary discipline, and the publication of some laws, such as the Law to Prevent and Combat Money Laundering, the Law on Fiscal Responsibility and the Privatisation Law and Policies.

In terms of operational activity in 2022, it is important to highlight the conclusion of the Cabinda General Hospital and the Paediatric Haematological Institute in Luanda, as well as the development of the requalification project for the Soyo Naval Base, the rehabilitation of National Highway 230, Malange - Saurimo section, the Calucuve Dam and also the rehabilitation of the runway of the 4 de Fevereiro International Airport. Also in 2022, it should be noted that MOTA-ENGIL signed the rail services and logistics support concession contract for the Lobito Corridor, in Angola, worth 450 million dollars.

Considering the quality and relevance of the current order book, as well as the expected improvement of economic and financial conditions in Angola, it is expected that 2023 will represent for MOTA-ENGIL the year of definitive consolidation of the growth trend in this market, which should reach the scale of the best years of the recent past.

MOZAMBIQUE

In 2022, the Mozambican economy registered a growth of 3.7% (2.3% in 2021) with an inflation rate of 11.3% (5.7% in 2021).

On the other hand, the economic update for Mozambique forecasts accelerated growth in the medium term, averaging 5.7% until 2024, benefiting from the recovery in demand, the start of liquefied natural gas (LNG) production in 2022, and the resumption of larger LNG projects. These projects should stimulate the extractive sector, increase demand for services and boost exports. Similarly, growth in agricultural production is expected to remain significant. However, some potential risks remain on the horizon, namely high oil and wheat prices and the occurrence of natural disasters, which could increase pressure on public spending.

Additionally, the ongoing insurgency in the Cabo Delgado region, although potentially manageable, has been prejudicial to the achievement of the goals and targets initially set for Mozambique in terms of LNG production. Mozambique LNG, led by Total Energies, is now expected to start production only in 2026. With the efforts of the Government of Mozambique forces, supported by a regional coalition, sustainable progress has been made in improving the security situation in the region, and the project is expected to resume in 2023.

Also noteworthy is the historical milestone reached by ENI, in the South Coral FLNG project, with the first shipment of LNG, produced from a floating platform, shipped on 13 November 2022. This is a benchmark project for the industry and places Mozambique firmly on the global LNG stage.

In terms of operational activity, in 2022 MOTA-ENGIL maintained its involvement in structural projects for the development of the Mozambican economy, namely by maintaining one of the main sources of foreign exchange for its economy, the metallurgical and thermal ore industrial engineering operation in Moatize, and the maintenance of one of the main railway lines for the circulation of goods, the Nacala Corridor.

Thus, MOTA-ENGIL's past performance allows it to face the future with optimism, since the strategy implemented, the strong presence of a solid operating structure and the stable position in the Mozambican market, will allow it not only to overcome the challenges ahead, but more importantly, to be in a privileged position to seize the opportunities that invariably continue to arise in the market.

MALAWI

In 2022, the Malawian economy registered a growth of 0.9% (2.2% in 2021) with an inflation rate of 18.4% (9.3% in 2021).

Malawi's economy has been negatively affected by both endogenous and exogenous shocks. Although there was economic growth, it remained below pre-pandemic levels influenced by dry spells at the beginning of the growing season, which reduced crop yields, and by several tropical storms that damaged agricultural land and some infrastructure relevant to the economy.

In 2022, inflation was high, particularly affecting foodstuffs (more than 30%), with an increase in the price of maize being noteworthy. On the other hand, non-food inflation essentially affected the prices of transport and public services, due to the increase in international prices and the adjustment of the exchange rate, which, by decision of the Reserve Bank of Malawi, was devalued by 25% against the US dollar in May 2022.

Present in Malawi since 1990, Mota-Engil has developed some of the largest engineering and construction projects in the country and has always known how to mitigate the risks inherent to this economy. Thus, in terms of operational activity, in 2022, MOTA-ENGIL continued to stand out in the construction and rehabilitation of the country's road and railway communication routes, as well as in the rehabilitation and increase of the capacity of the Kamuzu dam.

IVORY COAST

In 2022, the Ivorian economy registered a growth of 5.5% (7.0% in 2021) with an inflation rate of 5.5% (4.2% in 2021).

Côte d'Ivoire has enjoyed political and social stability since the end of tensions related to the October 2020 presidential elections, won by incumbent President Alassane Ouattara. The country is thus preparing for the municipal and regional elections scheduled for 2023.

Ivory Coast's economy has been gradually growing despite shocks induced by the Covid-19 pandemic and the war between Russia and Ukraine. The growing concern in the country today is inflation, which has reached its highest level in 10 years, largely as a result of rising food prices.

In recent years, the construction sector and public investment have been the main drivers of growth. In 2022, the diversification of the economy allowed sectors such as industry, services and those linked to exports to play an increasingly important role in economic growth.

Furthermore, the central government maintained its commitment in 2022 to create substantial improvements in infrastructure to host the organisation of the African Nations Cup (CAN), to be held at the beginning of 2024.

Present in the market since 2017, in operational terms, in 2022, MOTA-ENGIL continued the extension and rehabilitation works of the Bouaké Stadium and the Félix Houphouët-Boigny Stadium in Abidjan, as well as the construction of the municipal market in the city of Bouaké, which will be the largest covered market in West Africa. Additionally, in 2022, we highlight the winning of two industrial engineering contracts in the mining sector, with a total value of more than 800 million euros, which should start during this year.

Thus, the stabilisation of the operations underway and the increasingly profound knowledge of the market suggest the existence of ideal conditions to strengthen the presence of MOTA-ENGIL in Côte d'Ivoire and boost its activity in the future.

GUINEA

In 2022, Guinea's economy registered a growth of 4.6% (3.8% in 2021) with an inflation rate of 12.7% (12.6% in 2021).

Guinea underwent a regime change in 2021 and, despite the political instability that took place, maintains a robust long-term growth outlook for the country underpinned by increased investment and production in the mining industry. In this regard, it is important to highlight the potential of the Simandou iron deposit, considered to be the largest unexploited high-grade iron reserve in the world, which represents a great opportunity in the medium to long term.

In this way, MOTA-ENGIL, in addition to the two industrial engineering contracts it is currently carrying out, continues to develop various commercial initiatives to boost its presence in the country, both in the mining area and by diversifying its presence, taking advantage of the GROUP's natural competencies in the business areas it usually carries out, namely urban waste and civil and infrastructure construction.

RWANDA

In the year 2022, Rwanda's economy recorded a growth of 6.0% (10.9% in 2021) with an inflation rate of 9.5% (0.8% in 2021).

Rwanda has set a goal to be considered a "middle income country" by 2035 and a "high income country" by 2050. This goal is based on a series of National Strategies for Transformation (NST1) renewed every seven years, underpinned by sectoral strategies focused on achieving Sustainable Development Goals. The programme was preceded by two five-year strategy plans for economic development and poverty reduction (2008-12 and 2013-18), under which Rwanda achieved robust economic and social performance. Thus, average growth was over 7% in the previous decade, up to 2019, and gross domestic product per capita grew by 5% per year. However, the restrictive and socially distancing measures, key to controlling the Covid-19 pandemic, drastically reduced economic activities in 2020 and 2021 leading, in 2020, to the first recession since 1994.

The country's effective response in containing the pandemic has strengthened support for the Government both at home and abroad, ensuring that Rwanda remains one of the most politically stable countries in the region. With the support of the International Monetary Fund and other strategic partnerships, the country has been carrying out important economic and structural reforms with sustained economic growth and is currently one of the sub-Saharan economies with the highest growth rate.

Following on from the above, the year 2022 was marked by the holding of the 26th Commonwealth Heads of Government Meeting in June, and by the recovery, following the slowdown of the Covid-19 pandemic, of the tourism and services industry, with the holding of international events and conferences, sectors in which the country has been investing heavily.

In 2022, the annual Aviation Africa Summit was also held in the country, which allowed to publicly disclose the Bugesera International Airport project, which is being developed by the Government of Rwanda and Qatar Airways and whose construction of the first phase is the responsibility of MOTA-ENGIL. On the other hand, the infrastructure and construction sector are also recovering, with the number of public and private projects started in the country being noteworthy, of which we highlight the project started by MOTA-ENGIL in 2022 with the construction of the BioNTech Laboratories.

Supported by the continuous public investment in the infrastructure sector announced by the Government, namely in the construction of connection roads in the interior of the country and in energy production through the construction of hydroelectric dams, the outlook for 2023 and beyond is encouraging for the sector where MOTA-ENGIL operates.

UGANDA

In 2022, Uganda's economy registered a growth of 4.4% (6.7% in 2021) with an inflation rate of 6.4% (2.2% in 2021).

Uganda's economy grew above expectations in 2022 mainly as a result of the lifting of the health restrictions associated with the Covid-19 pandemic. On the supply side, services and industry, namely construction, were the main drivers of this economic growth. There has also been a strong recovery in the trade, real estate and education sectors. On the demand side, investment and private consumption came close to pre-Covid levels.

For the future, the country's medium-term economic growth is expected to exceed 6%, despite inflationary pressures sustained by the increase in commodity prices, gradual fiscal consolidation and a more restrictive monetary policy. This growth will essentially be sustained by the gradual increase of investments in the oil sector, the promotion of tourism, the diversification of exports and agro-industrialisation. However, slowing global growth and tightening financial conditions pose potential risks to the country's growth.

In operational terms, in 2022, MOTA-ENGIL completed the last works on the Northern Bypass highway widening project, located around the capital Kampala, and continued the work on the NERAMP (North East Road Asset Management) project, the latter having seen, after some constraints, the new implementation projects and budgets approved by the competent authorities. On the other hand, the award of the project for the "International Specialized Hospital of Uganda", MOTA-ENGIL 's first civil construction project in the country, also stands out. At the same time, as part of the focus on one of the engines of the country's economy, MOTA-ENGIL began three projects in the Tilenga area in the Oil & Gas sector with TotalEnergies and McDermott as clients.

Thus, it is expected that by 2023 MOTA-ENGIL will have reached a relevant dimension in this market, compared to previous years.

KENYA

In the year 2022, Kenya's economy recorded a growth of 5.3% (7.5% in 2021) with an inflation rate of 7.4% (6.1% in 2021).

The election period experienced in the country had a major impact on the year 2022 putting some decision-making processes on hold. The elections, although highly disputed, took place peacefully and no serious incidents were reported. This turned out to be a major step in the country's development as it was the most peaceful election held in Kenya since its independence and was seen as a positive sign for international investors and multilateral organisations.

Thus, this was another step in a country that has carried out significant political and economic reforms that have contributed to sustained growth, social development and political stability in the last decade. However, the main development challenges are still inequality, high poverty rates, youth unemployment and transparency, as well as low private sector investment and the vulnerability of the economy to endogenous and exogenous shocks.

On the other hand, the new presidency has resumed negotiations with the World Bank and the IMF in order to maximise access to development funds. This approach has revived the need to implement both social and environmental sustainability measures in order for the country to be able to access these international funds.

In operational terms, in 2022, MOTA-ENGIL started the construction of 2 lots of the Kenyan Annuity Roads Programme, projects with a total value of approximately 120 million euros.

Regarding the future, the new presidency is focused on achieving a development agenda, which involves investment in communication routes, infrastructures, water supply and in the energy sector, based mostly on public-private partnerships (PPPs), an area in which MOTA-ENGIL has vast experience of success and a comparative advantage over the local competition.

NIGERIA

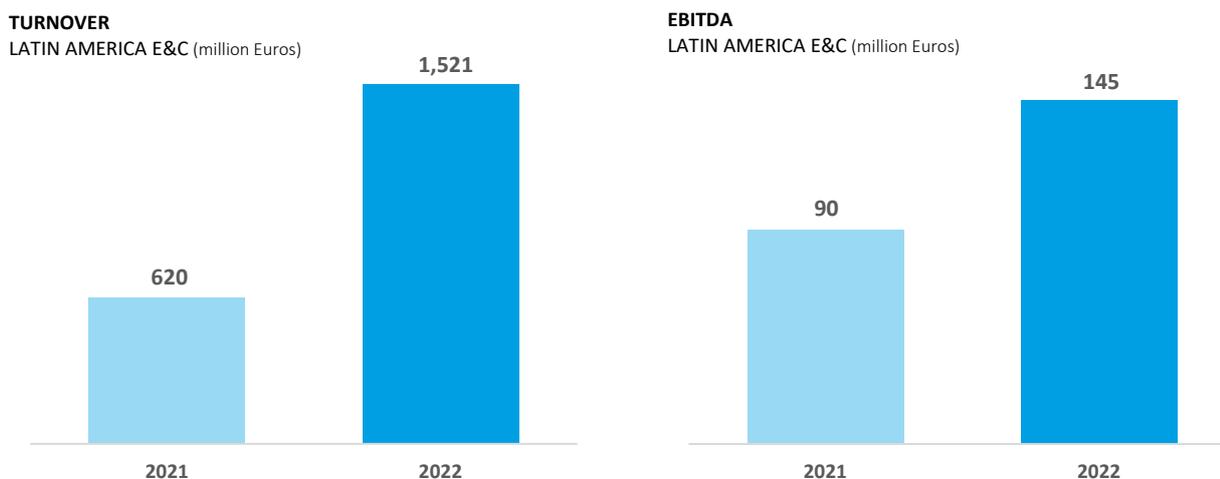
In 2022, Nigeria's economy registered a growth of 3,2% (3,6% in 2021) with an inflation rate of 18.9% (17.0% in 2021).

Following the Covid-19 pandemic-induced recession in 2020, Nigeria has recovered economic growth, although some macroeconomic instability remains, resulting from global shocks to commodity markets, currency devaluation, trade restrictions and the balance of trade deficit. On the other hand, since 2021, Nigeria has not been able to benefit from rising global oil prices as its production has fallen to historic lows.

In operational terms, MOTA-ENGIL's activity in 2022 consisted of the execution of the Kano-Maradi railway project. Additionally, MOTA-ENGIL continues to develop a strong commercial effort in this market, which continues to reveal the existence of many opportunities.

Following on from the above, it should be noted that MOTA-ENGIL, together with its consortium partners, was selected as preferred bidder for 2 lots of the "Highway Development Management Initiative" project (Shagamu-Benin and Lagos-Badagry) and for the concessions for the Abuja and Kano International Airports, meaning that Nigeria continues to be profiled as a market with enormous potential for its near future.

Latin America – E&C



The Latin America - E&C business unit includes the engineering and construction activities carried out by the GROUP, essentially in Mexico, Peru, Brazil and Colombia. In addition, it also includes the power generation and commercialisation business in Mexico and the concession management and operation business in Mexico and Colombia.

In the financial year ended 31 December 2022, having overcome most of the constraints associated with the pandemic and benefiting from the significant order book secured in the meantime, the turnover of Latin America - E&C reached the historic figure of 1,521 million Euro, an increase of 145% compared to 2021 (620 million Euro).

In this chapter, the excellent performance of the Mexican market must be highlighted, which registered growth of 198% compared with the previous year, with the engineering and construction business growing 293%, strongly driven by the Trem Maya construction projects, and the energy generation and commercialisation business growing 26%. Also noteworthy in the year ended 31 December 2022 were the double-digit growth rates in Peru and Brazil.

On the other hand, in the year ended 31 December 2022, Mexico contributed 77% to the turnover of Latin America - E&C (63% in 2021).

With regard to operating profitability, the EBITDA of Latin America - E&C in the year ended 31 December 2022 amounted to 145 million Euro, an increase of 63% compared to 2021 (90 million Euro), this having been influenced essentially by the very positive performance of the Mexican and Peruvian markets.

The EBITDA margin for the year ended 31 December 2022 reached 10%.

Finally, in the year ended 31 December 2022, the energy business contributed 185 million Euro to turnover, and 17 million Euro to the EBITDA of the business unit.

The Latin America - E&C business unit has been implementing a sustainable growth strategy over recent years with very positive results. Three fundamental pillars have contributed to this growth: on the one hand, (i) the stabilisation of a set of large markets in the region; (ii) the commercial and execution capacity, focusing on projects that are important for the growth of the countries and with attractive margins; and (iii) finally, an increasing diversification of the business and cash flow profile, with a focus on the concessions and energy areas, in particular.

Thus, in geographical and business terms, the following stand out in the year ended 31 December 2022:

MEXICO

In 2022, the Mexican economy registered a growth of 2.1% (4.8% in 2021) with an inflation rate of 8.0% (5.7% in 2021).

During 2022, the Mexican economy continued its recovery process, driven by exports to the United States, increased tourism activity, and the recovery of the domestic market in its main sectors.

In 2022, in operational terms, MOTA-ENGIL MEXICO showed a strongly positive performance influenced by the high level of execution of some projects it had raised in the past and, already in 2022, with emphasis on Tren Maya (sections 1 and 5). Additionally, in commercial terms, MOTA-ENGIL MEXICO was awarded an important number of new projects, of which we highlight the following: Tren Maya (construction of section 5); Monterrey Metro L4, L5 and L6 (engineering and construction); Extension of line 4 of the Guadalajara Metro (execution of the integral mobility model project in the southern zone of the metropolitan area); Tepic International Airport (infrastructure expansion); Puerto Escondido International Airport (expansion and modernisation); among others.

For 2023, MOTA-ENGIL MEXICO expects to maintain the good performance of its activity and will face an enormous challenge in terms of the execution of the large portfolio that it has as at 31 December 2022. Additionally, MOTA-ENGIL MEXICO will maintain its active participation in public and private tenders with the aim of winning new projects.

With regard to the energy business, particularly in the generation segment, in which MOTA-ENGIL operates in Mexico through GENERADORA FÉNIX, 2022 was characterised by: (i) the generation of energy in excess of 820 GWh (optimising the operation in terms of resource management); (ii) the sale of the majority of the clean energy certificates (CEL) attributed in 2022, mainly through long-term contracts; and (iii) the implementation of the plan to improve existing assets. Additionally, in 2022, GENERADORA FÉNIX continued to develop the Jorge Luque project (construction of a 110 MW combined cycle power plant), which will be executed in two stages, with the first stage having an installed capacity of up to 37 MW available for operation. On the other hand, in the energy supply segment, whose activity is conducted through SUMINISTRADORA FÉNIX, 2022 was characterised by the expansion of the client portfolio for the purchase and sale of products (energy, power and clean energy certificates), both in number and volume of energy traded, which approached 2,000 GWh/year.

Finally, during 2022, and in accordance with its policy of asset rotation and monetisation, MOTA-ENGIL MEXICO completed the sale of its remaining stake in the tourism area (after having sold 30% of its stake in 2021).

PERU

In 2022, the Peruvian economy registered a growth of 2.7% (13.6% in 2021) with an inflation rate of 7.5% (4.0% in 2021).

The Peruvian economy continued its process of recovery driven by both external and internal factors, despite facing some uncertainty associated with the installed political instability. Growth was thus resumed with the contribution of the productive sectors (after their continuous reopening), with the recovery of aggregate demand, particularly domestic demand, as a result of the recovery of the consumption capacity of families and the increase in investment, especially in the construction sector, as well as the record prices achieved by commodities.

During 2022, MOTA-ENGIL PERU significantly increased its production levels compared to the previous year, and also increased its order book, driven by the revival of the construction sector and by securing new projects, of which the following stand out: the expansion of the Cuenca de Plata Terminal (in Uruguay) and the expansion of the Relaves Toromocho dam - Stage 5.

For 2023, MOTA-ENGIL PERU foresees a favourable performance of its activity supported by the order book already secured, which includes, among others, the following projects: Puerto del Callao, Minera las Bambas, Establecimiento de Salud Huari, as well as the projects raised in 2022 mentioned above. Additionally, MOTA-ENGIL PERU will maintain its active participation in public and private tenders with the aim of winning new projects.

BRAZIL

In 2022, the Brazilian economy registered a growth of 2.8% (4.6% 2021) with an inflation rate of 9.4% (8.3% 2021).

The Brazilian economy continued its recovery process in 2022, driven by the agricultural and livestock sector, services and household consumption. Nevertheless, in the second half of the year, there was a slowdown in economic activity as a result of expectations regarding the development of the electoral process for the presidency and potential associated impacts.

During 2022, the ECB increased its production levels, having carried out relevant projects, of which the following stand out: UO - River Lot A; UO - River Lot B; ALSUB and CCR Castelo Branco. On the other hand, the award of an important series of new projects in 2022, of which the project for the CCR in Castelo Branco (expansion and widening of tracks, among others) and the Quay Wall Improvement project (management of civil construction and engineering) stand out.

For 2023, the ECB foresees a positive operating performance based on the order book already secured. Additionally, the ECB will look to state infrastructure plans for opportunities to expand its order book, as well as to find new private clients, supporting them in the development of their strategic projects.

COLOMBIA

In 2022, the Colombian economy registered a growth of 7.6% (10.7% in 2021) with an inflation rate of 9.7% (3.5% in 2021).

During 2022, the Colombian economy showed a gradual recovery driven by a slight increase in household consumption and a growing dynamism in investment. On the other hand, there was also an increase in exports, induced by the recovery of external demand as well as by the record prices reached for commodities.

During 2022, MOTA-ENGIL COLOMBIA maintained its production levels, reflecting the execution of some projects already in their final phase, namely the Estación Elevadora Canoas and the Planeta Rica Solar Park. On the other hand, of note in 2022 is the award of an important contract to boost MOTA-ENGIL's activity in that country and for its development - the construction of the Medellin Metro.

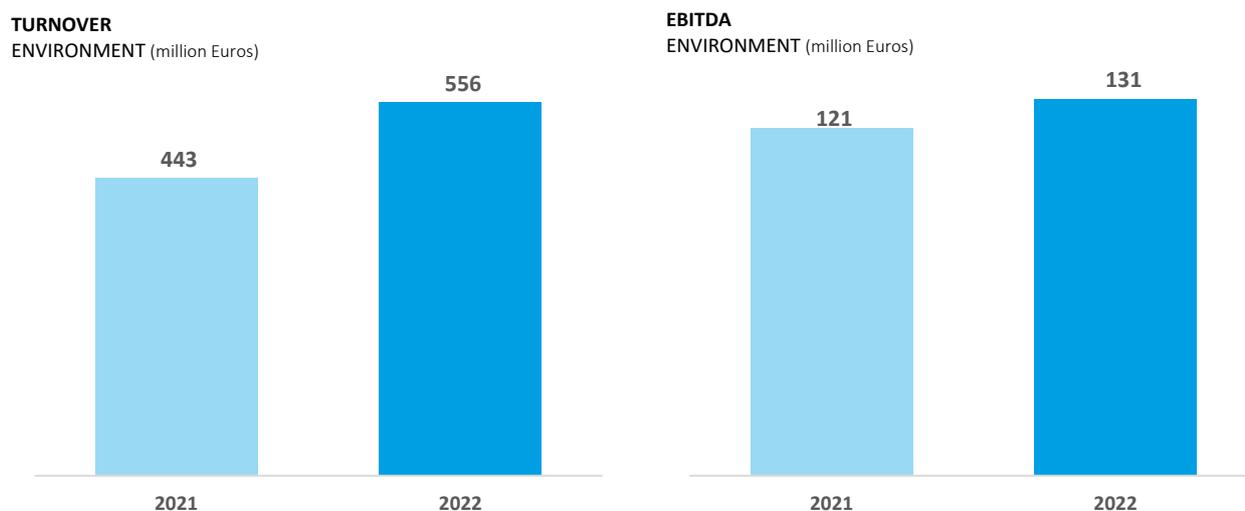
For 2023, MOTA-ENGIL COLOMBIA estimates a positive operating performance embodied in the order book already secured, as well as in the award of some relevant projects in the bidding phase.

OTHER COUNTRIES

In 2022, outside the four core markets in which the MOTA-ENGIL GROUP operates in Latin America, it is important to highlight the continuation of the project to extend Line 1 of the Metro in Panama, which has been running smoothly.

Finally, the MOTA-ENGIL GROUP will remain attentive and active in the search for and analysis of relevant business opportunities in the region, as long as they meet its strategic objectives.

ENVIRONMENT



The Environment business unit is divided into the following sub-segments: (i) Treatment and recovery of waste (whose vehicle is EGF); (ii) Collection of urban waste (whose activity is mainly carried out by SUMA); (iii) Industrial (whose main activity is the collection and treatment of used oils) and (iv) International (with a presence essentially in Angola, Ivory Coast and Brazil).

In the year ended 31 December 2022, Environment's turnover reached 556 million Euro, an increase of 26% compared to 2021 (443 million Euro).

In this chapter, the performance of the International sub-segment, which registered a growth of 44% compared to the previous year, must be highlighted. On the other hand, in the year ended 31 December 2022, the Waste Treatment and Recovery and International sub-segments contributed 83% to turnover (79% in 2021).

Regarding the operating profitability, the Environment's EBITDA for the year ended 31 December 2022 reached 131 million Euro, an increase of 8% compared to 2021 (121 million Euro), the latter having been influenced, essentially, by the positive performance of the International sub-segment.

The EBITDA margin for the year ended 31 December 2022 reached 24%.

Finally, in the year ended 31 December 2022, the Waste Treatment and Recovery and International sub-segments contributed 89% to total EBITDA (84% in 2021).

In 2022 the MOTA-ENGIL GROUP consolidated the management of its business in the Environment area in MEAS (MOTA-ENGIL AMBIENTE E SERVIÇOS), a company that came to function as the management company for all national and international business in this area. This consolidation, reflecting the GROUP's new management and reporting structure, allowed greater management autonomy and information visibility for this business area. Thus, in 2022, the main events that occurred in the Environment area within the MOTA-ENGIL GROUP are briefly highlighted:

- Establishment of an agreement to settle overdue debt between VISTA WASTE and the Provincial Government of Luanda, with part of the overdue debt being received in cash and part in Angolan treasury bonds;
- SUMA BRASIL was awarded a new collection contract in Itapevi;
- Presentation by CLEAN-EBURNE of a proposal to build a new cell at the Abidjan landfill, thus allowing an increase in installed capacity.

On the other hand, in geographical and business terms, the following stand out:

SUMA (PORTUGAL)

The year 2022 was marked by worsening inflation, which had already been on an upward trajectory since the pandemic period, with a visible escalation after the start of the war in Ukraine.

Additionally, the disruption in the production and supply chains has created strong imbalances between supply and demand, generating internal efficiency problems in operations, with a notable impact on SUMA, as it is still very dependent on fossil fuels for its current activity in the field, particularly with regard to the fleets assigned to waste collection and urban cleaning contracts, especially the growing investment made in hybrid or green vehicles.

On the other hand, the need to create new forms of labour organisation arising from the concern to generate energy savings and procedural profitability has made it possible to frame distance working beyond the context of urgency and health safety, taking on greater expression in meetings with clients, suppliers and teams, which has made it possible to achieve a dematerialisation profile compatible with the decarbonisation of the economy and with the environmental demands of battling climate change.

The emergency in complying with the recycling rates to which Portugal is bound by Community commitments, especially with regard to the bio-waste sector - with the obligation to implement selective collection networks for organic waste by 2023 for all national municipalities - has brought new business opportunities, both in operational terms and in terms of communication with the population, namely through the provision of support services for the introduction of proximity and door-to-door collection systems, uni- and multi-flow, even in municipalities that are not Suma customers.

In the commercial activity generated, in addition to the trend towards the provision of services that enable waste recovery as a resource, there is also a profile of shorter duration of contracts with public entities and a greater incidence on the integration of corporate structures or events.

Finally, in 2022, SUMA was nominated, for the sixth consecutive year, as a "Trusted Brand - Environment", in the category of "Waste Treatment Companies", which, as an award voted for directly by a significant sample of the Portuguese population, is indicative of the maintenance of the quality standards of operations and the trust established in the partnerships that Suma is part of.

National plan

Public entities (municipalities, associations of municipalities and municipal companies) remained the main contractors in 2022, representing 97% of all services provided in the areas of waste collection and urban cleaning.

Commercial activity in 2022 recorded 153 new contracts, which corresponded to a success rate of 76% in the total number of bids submitted by Suma, reaching a total value of 36.9 million Euro, of which 74% related to contracts with a duration of one year or more.

Among the new contracts awarded in 2022, special mention should be made of the following:

- ALGAR - selective waste collection, 1 year;
- LIPOR - communication and environmental awareness-raising to support the selective bio-waste collection system, 2 years;
- Municipality of Lagoa - urban cleaning, 3 years;
- Leiria Municipality - waste collection (urban and construction and demolition) and urban cleaning, 9 months;
- Oeiras Municipality - washing and cleaning of deposition equipment, 15 months;
- Vila do Bispo Municipality - urban cleaning, 3 years;
- Vila do Conde Municipality - waste collection (with washing equipment) and urban cleaning, 1 year; renewable;
- Amadora Municipality - waste collection (bulky) and urban cleaning, 1 year, renewable;
- Guarda Municipality - waste collection and urban cleaning, 3 years;
- Marinha Grande Municipality - waste collection, 1 year.

The continuation of the trend to shorten contracting periods, observed in recent years, associated with a growing requirement to respond to tender specifications focused on the single awarding factor "lowest price", has imposed a change in the commercial approach and field operations, with real consequences for the projection of the SUMA brand, which must be corrected in the coming cycles, requiring the reformulation of procedures and rules of institutional image and the definition of a new transversal strategic plan to safeguard the company's exposure in terms of fleets and equipment.

The need to absorb the negative impact arising from the aspects mentioned above and the continued increase in the minimum wage (which covers 61% of the company's workers in waste collection and urban cleaning operations), has generated new forms of organisational efficiency, which have been greatly assisted by technological innovation, embodied in the creation of new tools to manage and support production and the remote control of operations. In addition to systems that allow access, processing and continuous analysis of information on a given contract, those tools also make it possible to locate teams and vehicles in real time and issue alerts to reallocate resources during a given event; to control information, such as speed, sudden stops and starts, in operations or on routes, thus contributing to safety or identifying needs to reinforce training; identify and receive data on container collection or road cleaning services, resulting in better control and planning and, consequently, in greater efficiency of routes and collection circuits, as well as in more assertive management of attendance, requests and services, among others.

In the area of safety, risk mitigation, and worker protection, SUMA has continued with training as an essential element for good performance and for the preventive profile of its operations, alternating face-to-face modules with distance learning modules, and distinguishing itself from the sector through the mandatory use of helmets for collection drivers and individual protection sleeves for operators associated with glass collection functions.

EGF (Portugal)

Regarding the new 2030 Strategic Plan for municipal waste, EGF awaits the publication of this crucial document so that its subsidiaries, in conjunction with the municipalities, can draw up their action plans.

Meanwhile, in 2022, the application of a transitory tariff was defined by ERSAR, as well as the postponement of the definition of the allowed revenues for the 2022-2024 period due to:

- the completion of the review process of the 2019-2021 forward-looking regulated accounts which only took place in August 2022;
- changes to the investment plan approval process, which is now the responsibility of the Concession Authority, instead of ERSAR;
- the uncertainties in the sector due to the lack of publication of the Strategic Plan and the 2030 environmental targets; and
- the importance of a critical look at the evolution of the municipal tariff and, at the same time, to other structuring themes, such as the financing of the sector.

Also in this chapter, the draft decision on the regulated tariff for the period 2022-2024 was received on 30 November 2022, and the concessionaires submitted their opinion by 30 December 2022.

Also in regulatory terms, the fact that ERSAR held a public consultation at the end of 2022 regarding the regulation of regulatory procedures stands out.

On the other hand, it should also be noted that an investment of around 250 million Euro has been approved by the Concession Authority for the 2022-2024 regulatory period, for which a loan has already been negotiated and contracted with the European Investment Bank for a total amount of 100 million Euro, with a maturity of 12 years.

In terms of current activity, during 2022, the focus of the EGF concession companies was on the continuity of operations and the execution of the ambitious investment plan defined for the three-year period 2022-2024, fulfilling their public service obligations arising from the concession contract. However, the assumptions that were the basis for the preparation of the investment plan, in 2020 and 2021, are not in line with the current reality, namely the acquisition values foreseen and approved for its implementation, as a result of abrupt increases in the price of some raw materials, materials and labour, given the global crisis situation experienced in the energy market (oil and gas) and the negative effects of the war in Ukraine. Thus, to guarantee the conditions of execution and conclusion of the investments foreseen for the regulatory period 2022-2024, and safeguard the public interest, it will be necessary to establish an exceptional and temporary mechanism for the approval of new acquisition values of some investments and assets, given the current market conditions.

Additionally, in 2022, the continuity of the computerisation projects of the companies (e.g. unified weighbridges, automatic calculation of tariff deviations in the SAP system, and development of financial information consultation in SAP analytics cloud), as well as the focus on the harmonisation of management information and processes among the various concessionaires, is also noteworthy. In terms of human resources, the continuity of the single evaluation system for the 11 concession companies, with uniform procedures, should be highlighted. Likewise, with a particular focus on efficiency, continuity was also given to the centralised procurement process and to the process of development and monitoring by the technical management of the operations of the concessionaires. Finally, in terms of communication, the communication campaigns with an impact on the sector and on the population as a whole were reinforced, of which those associated with the Recycling Line and the Recycle BinGo app stand out, both successful, having received several awards and distinctions.

However, in summary, the implementation of all these actions was a strong challenge for the management of the concessionaires in view of the: (i) the growing complexity of the application of the regulatory model; (ii) the instability of the SIGRE, given the performance of the managing entities; and (iii) the future environmental targets.

CLEAN EBURNIE (Ivory Coast)

During 2022, CLEAN EBURNIE continued its activity of managing the only landfill site serving the city of Abidjan. In operational terms, the quantities of waste received at the Kossihouen landfill have stabilised, compared to 2021, at 4,070 tonnes per day.

On the other hand, in 2022, important steps were taken to improve the infrastructure, namely, the reformulation of slopes, the provisional covering of the cells of the landfill, the rental of three additional osmoses to deal with the treatment of accumulated passive leachate, the construction of a definitive leachate basin with 100,000m³ in the technical area, the improvement of the drainage of leachate from the cells through the construction of drainage ditches, the completion of the work on internal roads, the start of work on definitive access roads and the start of some social works.

In parallel, the investment proposal to increase the capacity of the landfill ("Casier 3") has been submitted to the Ivorian State, and a reply is still pending.

As for 2023, the following challenges with an impact on CLEAN EBURNIE's performance stand out:

- Complete the infrastructure, social works and access road;
- Finalise and obtain approval from the Grantor of the new financial model; and
- Finalise negotiations for the construction of Casier 3.

ECO EBURNIE (Ivory Coast)

During 2022, as has been the case for the last three years, there has been an increase in the area of operation of the sweep expressed in kilometres.

However, in the area of waste collection (expressed in tonnes), contrary to what happened in the last three years, there was a decrease in the quantities collected, particularly in one of the sectors of the city of Abidjan.

In contrast, in 2022, the following aspects had a positive impact on ECO EBURNIE's activity, namely:

- The Improvement of urban cleaning circuits, with an increase in the number of employees and the implementation of procedures and controls that have increased efficiency in this area;
- The increase in training and control by the safety, hygiene and quality department, which had a positive impact on quality, resulted in fewer work accidents and a decrease in equipment stopped due to accidents;
- The reinforcement of control and efficiency in the purchasing process, foreseeing, among others, long stoppages of rolling equipment;
- The high wear and tear of the metal vaults, and the consequent need to remove them from the circuits, which led to a decrease in the tonnes collected;
- The increase in 2022 in the prices of some raw materials, namely oil and other energy sources.

ECOLIFE (Mozambique)

ECOLIFE was created in 2013 based on the accumulated know-how of each of its shareholders (MOTA-ENGIL, SUMA and Moza Capital), with the aim of promoting environmental sustainability and responding to the needs of Mozambique in all activities related to the management of different types of waste, from packaging, transport, disposal, treatment and recycling, to the design, construction and operation of landfills, composting stations, sorting, transfer, energy recovery and mechanical-biological treatment.

Currently, ECOLIFE is developing its activity under a contract established with the Maputo Municipal Council, which began in March 2020, and has a duration of five years.

In 2022, under the aforementioned contract, 77,000 tonnes were collected, which represented an increase of 23% compared to 2021.

Aiming at the growth and diversification of its activity, ECOLIFE has been participating in tenders in the Oil&Gas sector, for the centre and north of the country, still awaiting the awarding of the first contracts in this area.

ECOVISION (Oman)

During 2022, ECOVISION, SUMA's subsidiary for the Sultanate of Oman market, started a new project for the sealing and installation of a biogas system at two landfills, which is estimated to be completed during 2023.

On the other hand, the waste collection contract in force was renewed for two more years, as expected, and the possibility of extending it for another three years and expanding the services provided is currently under discussion.

SUMA BRASIL (Brazil)

Following the change in its corporate name, 2022 was marked by the affirmation of the brand SUMA BRASIL - SERVIÇOS URBANOS E MEIO AMBIENTE S.A. in the waste management and recovery market in Brazil.

Currently, SUMA BRASIL and its affiliates, ECOSS AMBIENTAL and MAIS ITAPEVI, provide urban cleaning and environmental education services in Brasília, São Paulo and various municipalities in Minas Gerais and Paraná, constantly monitoring new market opportunities with a view to consolidating their business.

On the other hand, in the last quarter of 2022, we highlight the awarding of a new contract by Petrobras, the renewal of the ECOSS Ambiental contract and the consolidation of the operations of the subsidiary MAIS ITAPEVI in the Public-Private Partnership (PPP) maintained with the Municipal Government of Itapevi.

As a result of the above, the services currently provided by SUMA BRASIL and its subsidiaries cover a population of more than 5 million inhabitants, an amount of waste collected of more than 75 thousand tonnes per month, a staff of almost 4,500 employees and a fleet of around 500 pieces of production support equipment.

Also in 2022, SUMA BRASIL implemented some optimisation plans in existing contracts, enhancing their economic sustainability, as well as resumed the construction of the first cell of the Santa Luzia landfill, which allowed waste reception operations to begin at the end of 2022, after the signing of a first contract with a consortium of neighbouring municipalities.

Aware of its role in the social and environmental development of Brazil, during 2022 SUMA BRASIL promoted various communication and awareness campaigns.

Finally, for the near future, an increase in the activities related to the treatment of solid waste in Brazil is expected, due to the current social and environmental policies implemented, and SUMA BRASIL is focused on presenting solutions that are mature for the new market opportunities, capitalising on all the knowledge acquired over decades of operation by the multinational GROUP it belongs to.

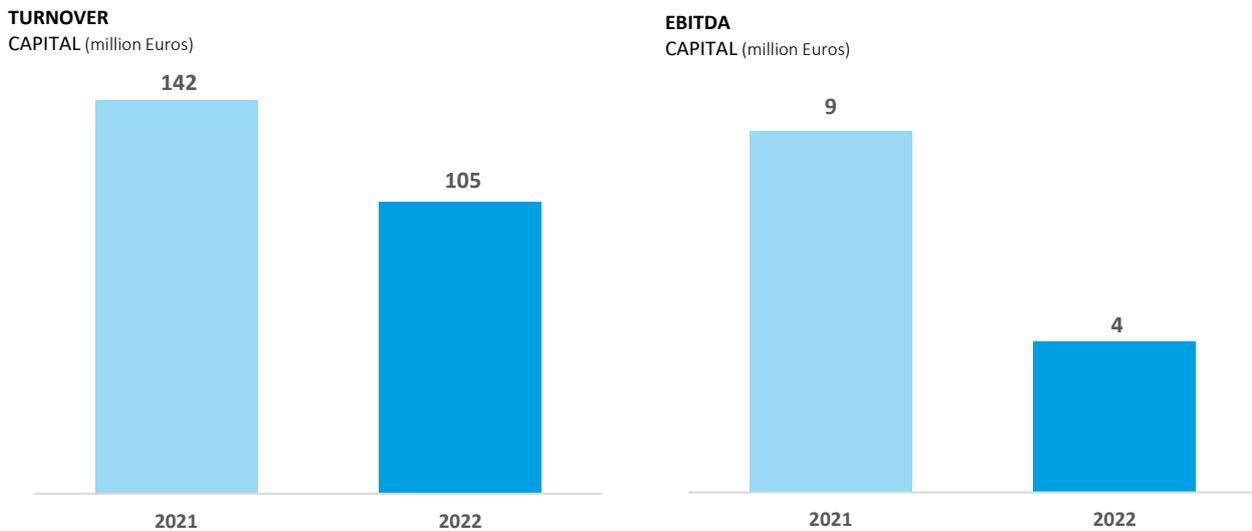
VISTA WASTE (Angola)

During 2022, VISTA WASTE'S business was marked by the return to providing waste collection and urban cleaning services in the province of Luanda, initially through emergency contracts in the municipalities of Viana and Kilamba Kiaxi and, as of 1 May 2022, through the signing of contracts in the municipalities of Viana and Belas, for a period of three years, for an overall value of 41.1 billion kwanzas.

In parallel, it should also be noted that VISTA WASTE has advanced with the consolidation of its activity in the area of management and recovery of waste (industrial, hospital and recyclable), currently boasting a portfolio of more than 400 clients, essentially private.

Finally, it should also be noted that in 2022 an agreement was signed to settle all overdue debt with the Provincial Government of Luanda, which made it possible to receive a portion of the debt in cash in 2022 and to schedule the receipt of the remaining amount for 2023.

CAPITAL



The Capital business unit is divided into the following sub-segments: (i) Services (which includes essentially the operation and maintenance services currently provided by MOTA-ENGIL ATIV (ex-VIBEIRAS and MANVIA); (ii) Real Estate; (iii) Concessions (operating in Portugal and Mozambique), (iv) Tourism (operating in Portugal) and (v) Energy (operating in Portugal).

In the year ended 31 December 2022, Capital's turnover reached 105 million euro, a decrease of 26% compared to the year 2021 (142 million euro), partly justified by the completion and disposal in 2021 of some real estate projects in Poland.

Additionally, in the year ended 31 December 2022, the Services and Real Estate sub-segments contributed 81% to turnover (73% in 2021).

Regarding the operating profitability, Capital's EBITDA in the year ended 31 December 2022 reached 4 million Euro, a reduction of 5 million Euro compared to 2021 (9 million Euro), the latter having also been influenced by the completion and disposal in 2021 of some real estate projects in Poland and the lower profitability of the operations of the Concessions sub-segment, namely in Mozambique.

The EBITDA margin for the year ended 31 December 2022 reached 4%.

On the other hand, in the year ended 31 December 2022, the Services and Real Estate sub-segments contributed 151% to EBITDA (69% in 2021).

Finally, and following the definition in its new strategic plan regarding asset rotation, during the first half of 2022 the GROUP sold TAKARGO and HL (Loures Hospital).

MOTA-ENGIL ATIV

In the Services sub-segment, the strengthening of the shareholder position in MANVIA and VIBEIRAS in 2022 should be noted, as it enabled the GROUP to come to hold the entire share capital of those companies.

On the other hand, also noteworthy is the merger by incorporation of VIBEIRAS and its subsidiaries into MOTA-ENGIL ATIV (previously called MANVIA), which took place on 30 November 2022.

Through the merger and implementation of the new brand (MOTA-ENGIL ATIV), the GROUP established an integrated management platform in its multi-services segment, promoting efficiency and new synergies in its portfolio. Under a single brand, better solutions for maintenance and asset management became available, as well as a broader portfolio of services focused on the following strengths:

- Facility management;
- Industry;
- Water and environmental systems;
- Landscaping;

- Agriculture and sustainability;
- Energy and carbon;

With the above-mentioned merger, MOTA-ENGIL ATIV became the market leader in Portugal in the maintenance sector, and in 2022 it also expanded its activity to Latin America, through the signing of two maintenance contracts in Bolivia.

REAL ESTATE

With regard to the activity carried out by EMERGE (formerly MOTA-ENGIL REAL ESTATE) during 2022, in addition to the management of its property portfolio, both in the rental and sale component, the start of construction and marketing of an iconic development on the right bank of the Douro River, called "Aurius", which, together with another development to be developed nearby, will boost and expand that area of the city of Porto.

In 2023, the MOTA-ENGIL GROUP'S real estate area will continue to consolidate its strategy, focusing its efforts on developing its portfolio of assets and creating more partnerships. Therefore, 2023 will be a structural year in terms of the construction and marketing of part of the projects that the GROUP has been developing over recent years.

On the other hand, the long cycle of real estate development requires permanently keeping an eye on the market for future opportunities so as to have a strong presence and recognition. Thus, the sale of some assets considered non-strategic will continue during 2023, as well as the optimisation of the operation of the assets in operation.

CONCESSIONS

In the Concessions, 2022 was a year of investment, innovation and improvement in the management of operation and maintenance contracts and IT systems. In this segment, we highlight new paving solutions that are more environmentally sustainable and economically efficient, namely in the DOURO INTERIOR sub-concession.

On the other hand, in February 2022, LÍNEAS refinanced all of its bank debt by contracting a non-recourse financing of 103 million Euro with Nomura Bank, following the reinforcement of its stake in Lusoponte by 8.5%, which currently amounts to 50.5%. This acquisition, made following the exercise of a preference right, made it possible to maintain the shared control of this entity and to thus maintain the value of the asset.

Lastly, of note, in July 2022, is the award to the consortium led by MOTA-ENGIL of the 30-year concession for the new Lisbon Oriental Hospital, in a total investment of more than 300 million Euro.

TOURISM

In Tourism, after two years of major constraints due to the imposition of containment measures associated with the Covid-19 pandemic, 2022 was a year of recovery, with revenue figures very close to pre-pandemic levels.

In the hotel business, we regained our position in international markets, namely the North American market, the Spanish market and the French market, while at the same time there remains strong demand in the domestic market.

However, in order to continue providing a high-quality service to its clients, in 2023, the remodelling project of Casa da Calçada Relais & Chateaux will begin. This project includes a thorough renovation of the hotel facilities, but also of the Largo do Paço restaurant, as well as the construction of new features, among which the SPA and the wine routes on the estate where the hotel is located stand out.

In the restaurant area, the opening of a new restaurant space in Amarante stands out, with a focus on a young and relaxed environment, combining an Italian restaurant concept and a strong lounge bar component.

ENERGY

MOTA-ENGIL RENEWING is a recent company under expansion in the area of renewable energies, but also in the area of technological innovation. In this regard, the company is developing projects that combine technology, innovation, sustainability and creativity in the areas: Smart Energy, Smart Charging and Smart Mobility.

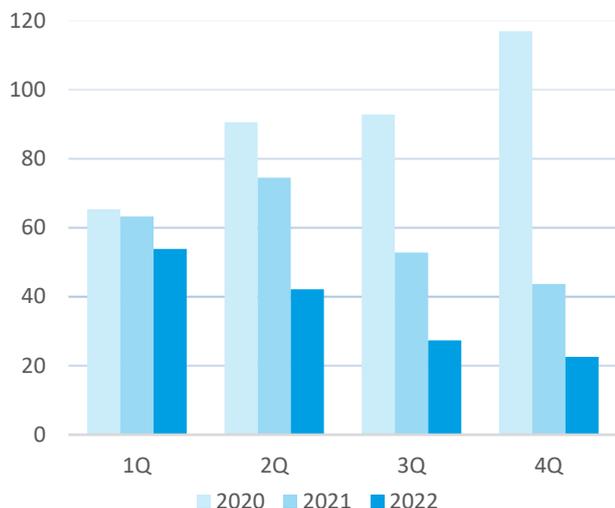
Thus, and after a 2022 of implementation and consolidation of processes, 2023 is expected to be a year of investment and expansion in new projects, as well as in the search for new solutions in the area of electric mobility and renewable energies.

D. Mota-Engil on the Stock Market

The evolution of performance of MOTA-ENGIL SGPS share price in 2022 is shown in the following charts:

AMOUNT OF SHARES TRADED BY QUARTER

(million shares)



PERFORMANCE OF SHARE

2022



As at 31 December 2022, the share capital of MOTA-ENGIL SGPS was represented by 306,775,950 shares, with a nominal value of one euro each, all of which are listed on Euronext Lisbon. On that date, MOTA-ENGIL SGPS held 6,091,581 own shares, representing 1.99% of its share capital.

On 24 February 2022, a military conflict broke out in Ukraine, which is still ongoing at the date of this report and which caused an increase in volatility in the financial markets, namely in the stock market, as well as the escalating price of various goods, namely some commodities. Additionally, during 2022, and partly due to that conflict, there was an increase in inflation, well above the target defined by the major Central Banks, namely in Europe and the United States of America. In this context, these Central Banks began a cycle of increases in key interest rates to control inflation, which led to growing fears of the emergence of recessive economic scenarios. Thus, the year 2022 was characterised by a decrease in confidence among economic agents and an increase in risk aversion on the part of investors, with both factors having a negative influence on the behaviour of stock markets.

In the year ended 31 December 2022, MOTA-ENGIL SGPS shares registered a negative evolution of 8.3%, having closed the year at 1.170 euros, corresponding to a market capitalisation of approximately 359 million euros. During that year, MOTA-ENGIL SGPS shares reached a high of 1.428 euros and a low of 1.060 euros. During the year, a total of 146 million MOTA-ENGIL SGPS shares were traded on Euronext Lisbon, corresponding to an average daily volume of 568 thousand shares.

In 2022, the Portuguese share index, PSI20, registered a positive performance of 2.8%, while the European "Construction & Materials" sector index, SXOP, closed the year down 21.1%.

Finally, the Annual General Shareholders' Meeting of MOTA-ENGIL SGPS was held on 6 May 2022, and all the points considered in it were approved, namely the proposal for the appropriation of profits, which included: (i) the distribution of a dividend of 5.175 euro cents per share (paid in June 2022); and (ii) the distribution of a conditional dividend if the condition that the consolidated net profit attributable to the MOTA-ENGIL GROUP at the end of the first half of 2022 exceeded 50% of the consolidated net profit attributable to the MOTA-ENGIL GROUP in 2021 was verified, and having been verified, an additional amount of 1.725 euro cents per share was paid (in October 2022).

E. Activity developed by the non-executive members of the Board of Directors

During the year of 2022, non-executive directors participated regularly in the meetings of the Board of Directors, discussed matters under analysis and expressed their opinion on strategic guidelines and specific business areas. Whenever necessary, they stayed connected with the teams of the Corporate Centre and of Shared Services Centre, as well as with the business unit managers. As described in the report on Corporate Governance practices, some non-executive directors participated in the meetings and other activities of the GROUP's Corporate Committees.

F. Proposals for the application of results and distribution of corporate assets

The Individual Management Report contains the following proposals:

"The Board of Directors proposes to the Annual General Meeting:

- That the negative net result in the amount of 17,430,287 euros and 24 cents be transferred to the "Retained Earnings" account; and
- To distribute to shareholders corporate assets, in particular part of the amount recorded in the "Free reserves" account, in the total amount of 30,748,153 euros and 47 cents, thus the amount of 10,023 euro cents per share, tax-captive

Excluded from this total amount is the amount of the distribution that would be due to the shares that, on the date of the distribution of the referred corporate assets, are held by the COMPANY itself or by its affiliated companies, which should remain allocated to the "Free Reserves" account."

G. Outlook 2023

The outlook for the MOTA-ENGIL GROUP for 2023 is as follows:

- 1 - Growth in turnover of around 20%;
- 2 - Generation of an EBITDA margin in line with the levels achieved historically;
- 3 - Investment volume at the 2022 level;
- 4 - Focus on cash flow generation;
- 5 - Focus on the execution of the sizeable order book secured;
- 6 - Continued strengthening of the capital structure with controlled debt;
- 7 - Strong commitment to the ESG goals for 2026 taking into account sustainable development.

It should be noted that these prospects do not represent a commitment to the GROUP's future performance, but only the best forecasting capacity, at this date, regarding the activity of its companies. Therefore, the actual performance achieved in 2023 may differ substantially from these forecasts. Additionally, MOTA-ENGIL GROUP does not undertake to make updates or corrections to this information due to changes in any endogenous or exogenous factor that may alter its performance.

H. Relevant facts after the end of the financial year

On 30 January 2023, following the holding of a general meeting of the COMPANY's shareholders, the following changes to the Board of Directors were approved:

- (i) Appointment of Carlos António Vasconcelos Mota dos Santos as Chairman of the Board of Directors and of the Executive Committee, replacing António Manuel Queirós Vasconcelos da Mota and Gonçalo Nuno Gomes de Andrade Moura Martins, respectively, who became the Deputy-Chairman of that body;
- (ii) Acceptance of the resignation as member of the Board of Directors of Xiangrong Wang; and
- (iii) Appointment of three new members to the Board of Directors: João Pedro dos Santos Dinis Parreira, José Carlos Barroso Pereira Pinto Nogueira and Paulo Sacadura Cabral Portas.

On 1 March 2023, the MOTA-ENGIL GROUP announced the acquisition of the remaining 38.5% of Suma's share capital held by the Urbaser Group, as well as the sale to that GROUP of 61.5% of the industrial waste business operated by SUMA to date.

The conclusion of this transaction, scheduled for 2023, is subject to the non-opposition of the Portuguese Competition Authority, among other prerequisites.

I. Final note

It remains to express our gratitude for the personal and professional commitment of all the employees of the MOTA-ENGIL GROUP, the members of the governing bodies, customers and all those who have had dealings with its various companies.

Porto, March 31, 2023

Carlos António Vasconcelos Mota dos Santos
Chairman of the Board of Directors and
Chairman of the Executive Committee (Chief Executive Officer)

António Manuel Queirós Vasconcelos da Mota
Non-executive deputy-chairman of the Board of Directors

Gonçalo Nuno Gomes de Andrade Moura Martins
Non-executive deputy-chairman of the Board of Directors

Jingchun Wang
Non-executive deputy-chairman of the Board of Directors

Ana Paula Chaves e Sá Ribeiro
Non-executive and independent member of the
Board of Directors

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

Francisco Manuel Seixas da Costa
Non-executive and independent member of the
Board of Directors

Helena Sofia Salgado Cerveira Pinto
Non-executive and independent member of the
Board of Directors

Isabel Maria Pereira Aníbal Vaz
Non-executive and independent member of the
Board of Directors

João Pedro dos Santos Dinis Parreira
Member of the Board of Directors and
Member of the Executive Committee

José Carlos Barroso Pereira Pinto Nogueira
Member of the Board of Directors and
Member of the Executive Committee (Chief Financial Officer)

Leong Vai Tac
Non-executive and independent member of the Board of Directors

Manuel António da Fonseca Vasconcelos da Mota
Member of the Board of Directors and
Member of the Executive Committee (Deputy Chief Executive Officer)

Maria Paula Queirós Vasconcelos Mota de Meireles
Non-executive member of the Board of Directors

Paulo Sacadura Cabral Portas
Non-executive and independent member of the Board of Directors

Ping
Non-executive member of the Board of Directors

Tian Feng
Non-executive member of the Board of Directors

02

Non-Financial
Information Report

SHAPING GROWTH

We are increasing the relevance of long-term cash generating businesses with accelerated growth in international development.

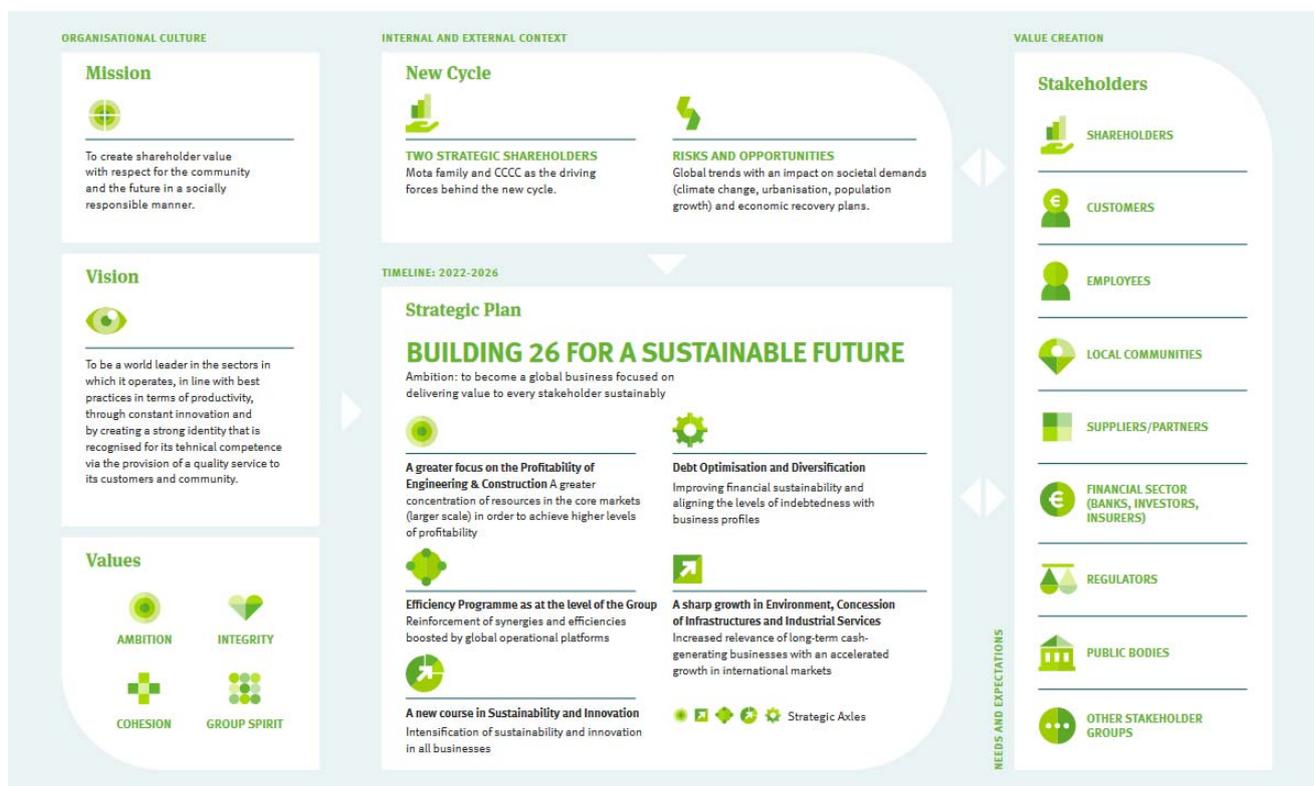
MOTAENGIL

Actions for a sustainable future.

INFORMATION ON POLICIES ADOPTED

A. Introduction

The topic of sustainable development represents today a concern and a challenge on a global scale. Aware that the companies perform a fundamental role in achieving a sustainability agenda, the ambition of the MOTA-ENGIL GROUP is to become “A company globally focused on delivering value to all stakeholders in a sustainable manner”, wherefore it has integrated, in its new Strategic Plan, concerning the 2022-2026 period and disclosed on the 8th of November 2021, sustainability and innovation as one of the five axes for action. Through this new strategic cycle – “[BUILDING 26 | FOR A SUSTAINABLE FUTURE](#)” – the goal is to attain top performance and to strengthen the competitive position of the GROUP, for that purpose taking advantage from the consistency and cohesion provided by its two strategic shareholders, the Mota family and CCCC¹.



With this line of action in mind, the GROUP shall follow up the main global tendencies with an impact on society (climate change, urbanisation, population growth) and make the most of the new opportunities generated by the economic recovery plans.

¹ CCCC is currently ranked third in the top 10 worldwide construction companies.

Source: <https://www.engenhariacivil.com/rankings/ranking-empresas-construtoras-mundo>

Against this background, it is worth highlighting the development of the **Sustainability Roadmap**. This roadmap is aimed at defining the actions to be developed in line with MOTA-ENGIL's strategy and following the best international practice. The Roadmap is supported by the following pillars:

A. Purpose of MOTA-ENGIL

At the end of 2022, the project for updating MOTA-ENGIL's purpose was initiated, with a view to internally and externally reinforce that sustainability is the basis of the strategy of the GROUP's business. This action is being developed with a retrospective and prospective approach in mind, involving the organised participation of various stakeholders who impact the GROUP.



B. Sustainability objectives and targets

Considering the exponential relevance that sustainability (and related concerns) has been assuming, MOTA-ENGIL is committed to the **Sustainable Development Goals (SDGs)** of the United Nations and is dedicated to reach, within the scope of the "Sustainability Innovation New Road", the following objectives and goals - ESG - Environmental, Social and Governance.



In line with this positioning, in 2022 the GROUP launched new **Sustainability MOTA-ENGIL Obligations (22-27)** related to the Sustainability strategic objective of "reduction in 50% of accidents in Engineering and Construction accidents", based on the year of 2020 in which the aforementioned index marked 5.5.

In order to achieve the goals defined, MOTA-ENGIL intends to make sustainability a top priority and implement a structured innovation process, following the guiding principles below:

- **Acting for Climate:** introducing circularity principles in all businesses, increasing the use of renewable energies and promoting a switch to new sustainable business solutions;
- **Inspiring progress:** aligning the decision-taken process and performance measurement with the ESG aspects;
- **Fostering well-being and equality:** increasing programmes and campaigns aimed at improving health and safety at work and promoting gender equality in management positions, as well as the balancing of personal professional life and women's education;
- **Speeding up innovation:** increasing efforts focused on the transformation and efficiency of current business and creating new sustainable business models; and
- **Empowering local communities:** supporting social, educational, environmental and cultural causes, adapted to the context and needs of the countries in which MOTA-ENGIL operates.

C. Leadership in sustainability

The centrality that sustainability assumes in MOTA-ENGIL's strategy also translates into a new and reinforced structure of sustainability's governance, which is aimed at developing competences and guidelines within the GROUP and reaching a position recognised in sustainability rankings, ratings and indices.

In late 2021, the Sustainability area, previously incorporated into the human resources and sustainability strategy corporate centre became independent and started reporting directly to the CEO of the GROUP.

As regards leadership structures, various leadership levels were constituted, in particular:

Sustainability Committee, led by the CEO of MOTA-ENGIL and composed by Members of Management and Directors of most strategic areas of the GROUP linked to ESG matters, seeking a broader comprehensiveness and efficiency of action. A member of Manuel António da Mota Foundation, a partner of the GROUP, was also appointed to this Committee. The purpose of the appointment is to reinforce MOTA-ENGIL's Sustainability Strategy, based on the Foundation's know-how and activism in the Social and Environmental areas.

Sustainability Ambassadors, composed of people with influence and capacity to implement sustainability actions in the various areas of the GROUP, and to obtain feedback from all business units/geographies.

Leaders of the Sustainability Work Groups, taking on a more active role regarding both the development and implementation of material sustainability matters.

It should be highlighted that, in addition, all people from the GROUP are considered to be **sustainability agents**.

D. Materiality

The year of 2022 marked the beginning of a new materiality analysis process, in anticipation of the transposition into national Law of the Corporate Sustainability Reporting Directive (CRSD) of the European Commission, and also considering the requirements of the new Universal Standards of the Global Reporting Initiative (GRI) (in its 2021 version), which the transition is in progress. This analysis is based on the concept of "double materiality".

To that end, two distinct analysis are underway:

- Impact materiality: focused on the impact of MOTA-ENGIL's activities to the economy, the environment and to the people, including to human rights – "inside out" perspective.
- Financial materiality: concerning the risks and opportunities arising from the external context, and which affect or are liable to affect the generation of value of MOTA-ENGIL – "outside in" perspective.

This way, the material matters of the GROUP shall be updated considering the most recent international benchmarks and the internal and external stakeholders' views, aiming a clear prioritisation of the topics of sustainability which shall subsequently be developed in the Sustainability Work Groups.

E. Sustainability Work Groups

During the reporting year, Work Groups (SWG) were defined and developed by sustainability matters currently identified as relevant by MOTA-ENGIL, namely: 1) Climate & Decarbonisation; 2) Safety and Wellbeing; 3) *Accountability*, Transparency and Reporting; 4) Sustainable *Procurement*; 5) Equality; 6) Circularity e 7) Social Responsibility. These SWG engaged people from various departments and geographic areas of the GROUP. They are aimed at measuring and acting upon each of the matters, identifying and carrying out specific actions devoted to improvement opportunities. As an example it is worth mentioning that, within the scope of the Climate & Decarbonisation SWG, an improvement to the methodology for calculating The GROUP's Greenhouse Gas Emissions (GGE) was implemented, marking the first steps towards the calculation of the emission of scope 3 - other indirect emissions associated with value chain.

F. Training and awareness in sustainability

The commitment to ongoing training is considered both an investment in people of the GROUP and a need. It should be emphasised that, in 2022, customised trainings in sustainability areas for empowering keypersons of the organisation were carried out, including approximately 50 participants of the top management and 69 heads of the Safety, Hygiene, Environment and Quality (SHEQ) and human resources corporate area, with greater influence and action in the social and environmental areas. The realisation of such trainings included the collaboration of experts in the sustainability area and the Business Council for Sustainable Development (BCSD) Portugal.

G. Partnerships in sustainability

The creation of partnerships is crucial in the path towards sustainability. Within this scope, it is worth emphasising the involvement since 2004 in the BCSD Portugal, in which, in 2022, we assumed as members of the Statutory Audit Board. This participation had an active role in promoting sustainability skills in MOTA-ENGL's employees, this year. It's also important to note the establishment of new partnerships and external commitments, in particular:

- The reinforcement of the partnership with GRACE - Responsible Companies - through the expansion of the adhesion at GROUP level, since the Manuel António da Mota Foundation was already a member.
- The signature of the Porto Pact for Climate, since MOTA-ENGL Renewing has developed projects that encourage the energy transition of the city.
- The participation of MOTA-ENGL at the Net Zero Built Environment Council, an initiative promoted by McKinsey & Company, related to the topic of climate change and aimed at boosting the green growth of the sector.
- The adhesion to the Portuguese Letter for Diversity and the collaboration with the initiative "Female Engineers for a Day" (APPDI - Associação Portuguesa para a Diversidade e Inclusão, the Portuguese Association for Diversity and inclusion).

H. Reporting and communicating sustainability.

With a view to report the GROUP's performance in a transparent manner regarding the various sustainability aspects, MOTA-ENGL releases, since 2006 and on an annual basis, its Sustainability Report. The Sustainability Report is available on [MOTA-ENGL's](#) website and details and complements the information contained in the present document.

The non-financial information report of MOTA-ENGL, either through this document or the Sustainability Report, is drawn up according to the Global Reporting Initiative (GRI) Standards, and to the Non-Financial Report Directive 2014/95 EU, of the European Parliament and of the Council of 22 October, transposed into national legislation through Decree-Law no. 89/2017, of 28 July.

Due to the multi-sectoral nature of MOTA-ENGL GROUP's activities and its presence in very diverse geographical contexts, the identification and report of performance information is a highly complex, slow and demanding exercise involving several people. In order to permanently improve the ESG report, through a regular and timely internal report that ensures the reliability of information and the access, by the central structures of the GROUP, to the necessary data to allow monitoring its performance, MOTA-ENGL started, in 2021 a structuring process: (1) identification and review of relevant indicators, in line with the strategy defined, legal and regulatory requirements; (2) consolidation of the methodology for determining the indicators; (3) standardization of sources of information, criteria, means and platforms, throughout the various markets/geographies, with the purpose of reporting information. It must be emphasised that the base year of the strategic objectives is 2020. Since this process will still be taking place throughout 2023, for some of the indicators reported in the present document and at the date of their release (particularly where environmental and safety and health at work data is concerned), the data presented is still preliminary.

It should be mentioned that the indicators associated with the ESG targets defined in the Strategic Plan shall still be subject to a verification carried out by an independent external entity, a process that will confirm the performance regarding the targets, and which the declaration of verification will be in the Sustainability Report. Therefore, for a consolidated, final and more detailed information, we refer to the Sustainability Report of 2022, the release of which shall take place by the end of the first quarter of 2023. The GROUP intends that, through the ongoing process of digitalisation of the reporting, supported by the relevant software, from 2023 (and with reference to the previous year) the ESG data can be reported on a quarterly basis, thus allowing for a timely analysis and adjustment of the actions throughout the year.

It should be noted that the new Strategic Plan also entailed the restructuring of the business units (see the following paragraph, "B. Business Model"), which will allow the GROUP's financial performance and ESG to be reported based on the various business areas, thus more directly mirroring environmental, social and economic impacts specifically associated with each type of business. Since this restructuring is still underway, for purposes of the present reporting, the structured information was considered by the current business units, namely: E&C Europe, E&C Africa, E&C Latin America, Environment, *Holding* and Capital.

Apart from the reporting of information in the Sustainability Report, it is worth highlighting that MOTA-ENGL is currently updating its policies, for internal and external communication purposes, and improving its website, with a view to streamline the reporting between the various companies of the GROUP.

Additionally, MOTA-ENGL is still making efforts to achieve the 2026 target that all workers are covered by an integrated management system – ISO 45001, 9001 and 14001 – through the Global Certification of the GROUP. Presently, external audits covering Engineering and Construction companies located in Europe, Latin America and Africa and waste management companies in Africa (ME Environment) are being carried out.

B. Business Model

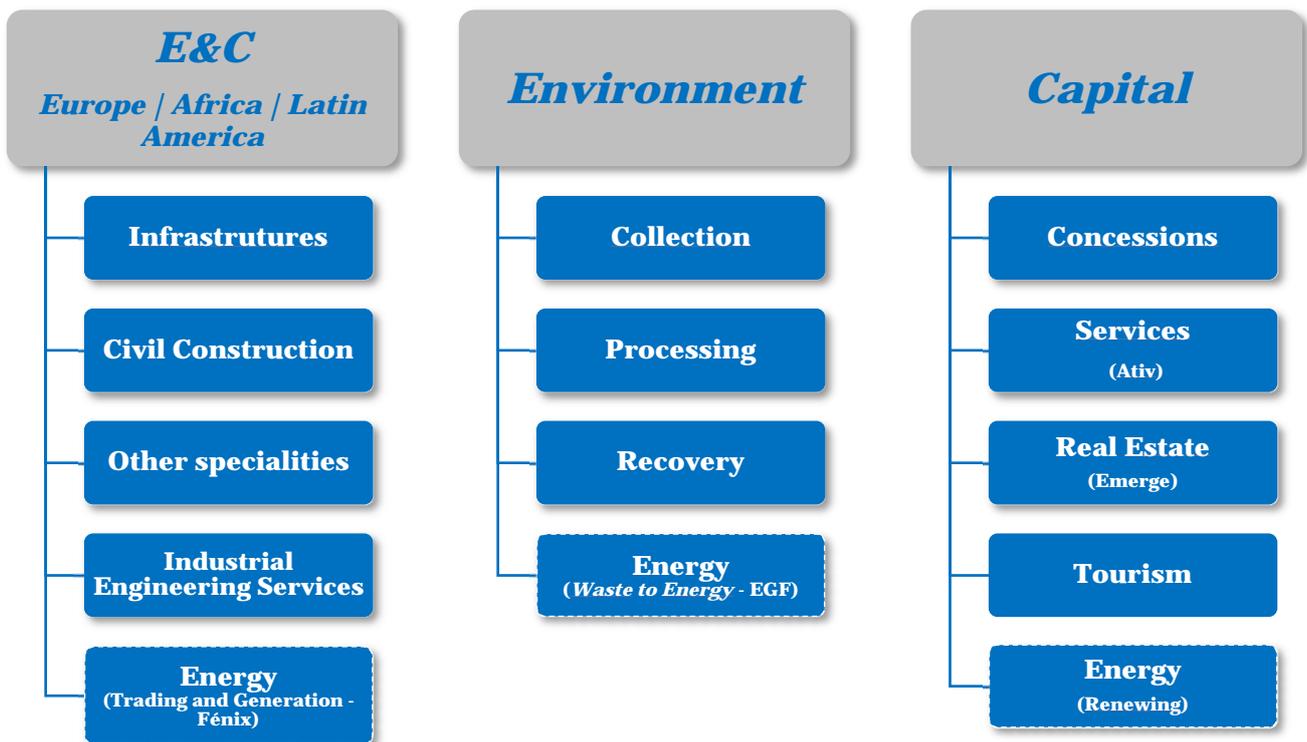
Founded in 2046, MOTA-ENGIL is an Engineering integrated leading GROUP in Portugal and one of the largest companies of the sector, with a solid position in the Top 100 worldwide¹ and the Top 25 in Europe², focused on a sustainable growth model for each business.

The GROUP is an international company whose business is focused on construction and the management of infrastructures divided into the fields of Engineering and Construction, Industrial Engineering Services, Environment, MOTA-ENGIL Capital, Concessions and Energy. It is present in three continents and 22 countries and covers three geographical regions – Europe, Africa, and Latin America – maintaining the same standards of discipline, quality and capacity for execution in each market that led to the affirmation of Mota-Engil internationally. The following current Business Units are worthy of note:

- MOTA-ENGIL Europe (E&C)
- MOTA-ENGIL Africa (E&C)
- MOTA-ENGIL Latin America (E&C)
- MOTA-ENGIL Environment
- MOTA-ENGIL Capital

Moreover, with a focus on the fulfilment of the Strategy defined in the Building 26 Plan, where the scope of activity diversification is set out, as well as with the purpose of reinforcing the investment in Innovation, in November 2022, the incorporation of MOTA-ENGIL NEXT (MEXT) – the corporate vehicle of the Innovation platform – was approved. MEXT shall have at the core of its structure a Transformation Committee aimed at boosting efficiency and innovation, reflecting broader benefits to the MOTA-ENGIL GROUP.

As regards the remaining Business Units of the GROUP, in the image below, the following areas of activity stand out:



1. FUNCTIONAL STRUCTURE

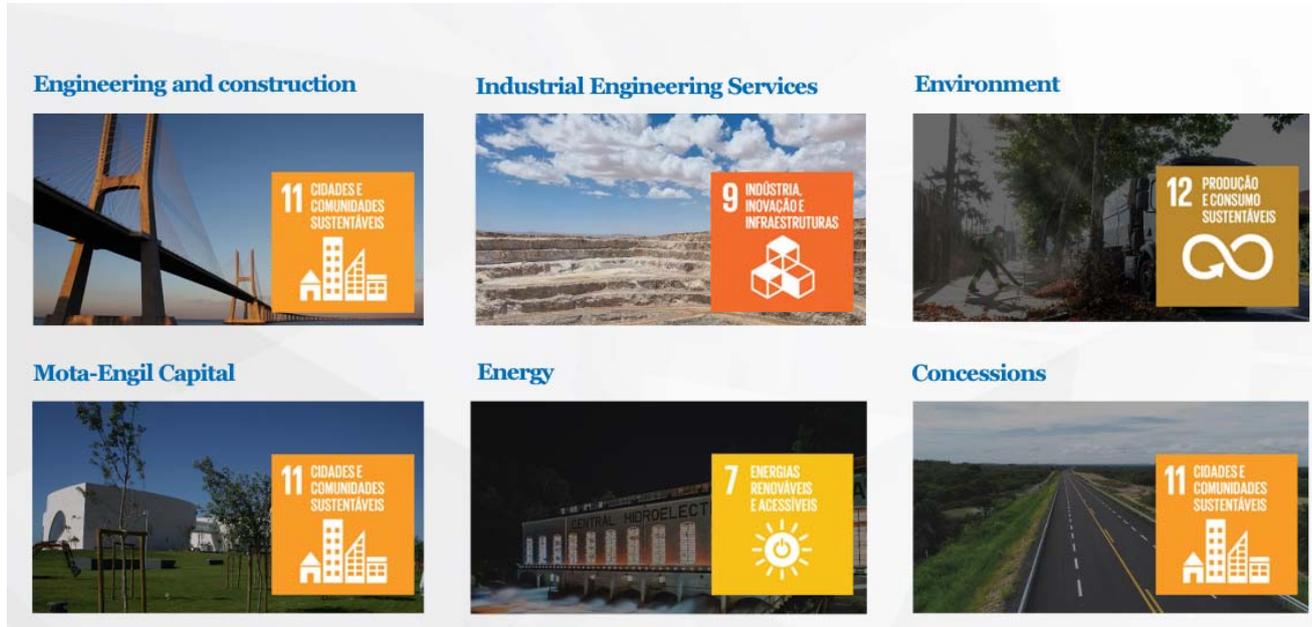
For a description of the functional structure of the MOTA-ENGIL GROUP, refer to the Report on Corporate Governance Practices (Part I, section 21).

¹ Source: Global Powers of Construction 2021 report - #77 Global Construction player.

² Source: Top 250 Contractors, ENR (Engineering News-Record), 2022 report - #21 by Total Revenues.

2. BUSINESS AREAS

MOTA-ENGIL carries out a wide range of activities in the fields of design, construction, management and operation of infrastructures and has a long and recognised history associated with a high level of technical know-how for the development of various areas. Not only the GROUP's way of operating but also the business itself can play a role in sustainability. Below, we tried to identify which **Sustainable Development Goals (SDG)** of the United Nations each business area can have a greater contribution to.



Engineering and Construction

MOTA-ENGIL GROUP developed construction projects in approximately 50 countries, attesting its technical competence and building a reputation of excellence both in the construction sector as in public works.

It excels in the construction of the most varied infrastructures, such as roads, motorways, airports, ports, dams, railways, hydraulic and urbanism infrastructures, foundations and geotechnics. It also possesses a vast portfolio in the construction of buildings, electromechanical works, as well as in the construction and maintenance of platforms for supporting the Oil & Gas segment, among other specialities.

Industrial Engineering Services

The Engineering Industrial Services are one of the main drivers of MOTA-ENGIL's growth, since they capitalise on the presence and track-record of the GROUP since 1998. The presence and recognised experience in Engineering Industrial Services, with a tried and tested capacity for operating in various markets as a competitive advantage, are a part of the proposal of value that MOTA-ENGIL presents to its clients in a reliable and long-term partnership, with some of the most recognised multinational investors, embodied in contracts with an average duration between three and eight years.

Environment

The MOTA-ENGIL GROUP started its activity in the Environment sector in 1995 in Portugal through SUMA, in the waste management and urban collection segment, to which it added competences with EGF, a leading company in waste treatment and recovery, possessing European cutting-edge technology in waste treatment and recovery, as well as in energy production through the collection of biogas in the landfill and of the plant of energy recovery. On an international level, MOTA-ENGIL increasingly expanded its activity in this sector for markets such as Angola (VISTA WASTE), Mozambique (ECO LIFE), Cape Verde (AGIR), Brazil (SUMA BRASIL), Oman (ECO VISION) and Cote d'Ivoire (ECO EBURNIE and CLEAN EBURNIE), with the purpose of expanding its activity and thus contributing to a world that is better and more prepared for the newer generations.

MOTA-ENGIL CAPITAL

MOTA-ENGIL CAPITAL is a business unit the purpose of leveraging the creation of value to the GROUP through investment diversification, underpinned by an integrated management of a set of goods and projects complementary to the Engineering and Construction and Environment segments, closely working with the core businesses of the GROUP.

It is currently engaged in the asset management and maintenance area, focused on operating, energy, hydric and carbonic efficiency, as well as on landscape architecture through ATIV, a reference company in Portugal and operating in Africa and in Northern Europe. MOTA-ENGIL CAPITAL also has investments in the tourism area and in the real estate sector.

Energy

Encouraged by the ambition to increase energy and carbon efficiency, in all its scopes of action, the MOTA-ENGIL GROUP places emphasis on the “clean” energies production sector, with a view to improve its performance on that path and thus contribute to a more sustainable planet. It was the first private operator in the energy production sector in Mexico, holding a set of assets being operated by Generadora Fénix, and having reinforced in 2018 the presence in the energy trading sector with the objective of promoting renewable energies. At EGF, the existence of Waste-to-Energy stands out, with the production of energy through the collection of biogas in a landfill, the incineration at the energy recovery plant and the organic recovery.

Concessions

MOTA-ENGIL assumes an important position in the management of road infrastructure concessionaires. It has a historical track record of more than 5,000 kilometres of concessions (Green Field projects), entailing a full investment of more than 12 billion euros and supported by a specialised know-how that has been accumulated since 1994 in Portugal, having been expanded to international markets, in particular to Latin America.

1. MARKETS IN WHICH IT OPERATES

More detailed information on this topic can be found in the SHAREHOLDERS’ PRESENTATION and in MOTA-ENGIL’s Sustainability Report of 2022.



C. Main risk factors

The risk management process is part of the internal control system which consists of the development of management policies and procedures with a view to ensuring the creation of value, protection of its assets, protection of its workers, compliance with laws and regulations, and a controlled environment that ensures the fulfilment of the GROUP's ethical principles, corporate goals and strategic objectives and the reliability of information reported.

Therefore, risk management at the MOTA-ENGIL GROUP is based on an integrated and transversal process, intended to be evolutionary regarding the constant identification and monitoring of exposure to the different types of risks inherent to its business, considering the various regions and geographies in which it is present, selecting and implementing options for treating the main risks.

In this chapter we present the structures responsible for the analysis and monitoring of the risk management process, its principles stages and components and, finally, the main risks to which the GROUP is exposed throughout the exercise of its activity.

Government and Organisation

The overall risk management of the MOTA-ENGIL GROUP is the responsibility of the Executive Committee of MOTA-ENGIL SGPS and the management and supervisory bodies integrating it. At the level of the Executive Board, the corporate risk area of responsibility is assigned to an executive director.

Additionally, there is also a specialised Committee, the Risk and Internal Audit Committee, composed of 1 (one) independent director, the Chairman and 2 (two) members who may not be executive directors, thus ensuring their appropriate independence. This Committee reports to the Chairman of the Board of Directors and has the following powers:

- i) To monitor the GROUP's business, ensuring an integrated and permanent analysis of the risks associated with it;
- ii) To propose and follow up the implementation of measures and specific procedures related to the control and reduction of risks in the GROUP's activity, with a view to improve the management of the internal control system and risk system;
- iii) To check the implementation of adjustments to the internal control and risk management system proposed by the Statutory Audit Board;
- iv) To issue an opinion on the risk matrix of the GROUP whenever it is updated or substantial changes to the external environment risks and/or operating risks occur;
- v) To assess the risk management strategies defined at a corporate level and the implementation of the risk management corporate policies at the Business Units;
- vi) To monitor the assessment of risks associated with selected projects;
- vii) To approve the Internal audit annual plan according to the materiality, relevance and opportunity of the risks identified;
- viii) To issue reports with recommendations, where applicable, as a result of each internal audit conducted by the internal audit area;
- ix) To monitor the implementation of recommendations contained in the Internal Audit reports or opinions, as per information regularly received regarding its execution status;
- x) To monitor external audits and comment on audit reports;
- xi) To monitor the inspections of regulators and other authorities;
- xii) To promote an environment and culture of fulfilment of the internal policies by the various companies, as well as of the rules and procedures related to corporate values, in particular the Code of Ethics and Business Conduct, at the companies of the GROUP;
- xiii) To monitor the fulfilment of the Procedure for Reporting Irregularities, namely guaranteeing the whistle-blower's rights.

MOTA-ENGIL's Corporate and Management Model establishes a structure of accountability for risk management supported by three lines of defence.

The third line of defence, the internal audit area encompasses all areas, processes and activities of the companies that constitute the GROUP, and its main mission is to contribute to the pursuance of the strategic goals, assessing the compliance and ongoing improvement of the efficiency of the internal control of the GROUP's management processes, assisting in the prevention and mitigation of control risks that might result in a financial loss risk and promoting the compliance by the GROUP and its employees of all the applicable regulations through an independent intervention, jointly with all the organic units of the GROUP.

Corporate functions and global platforms integrate the second line of defence. Their purpose is the establishment of specific standards of control over the respective internal risks, monitoring and guiding the behaviours and decisions of the people within the standards and rules established with a view to prevent risks, and over the external risks that might arise from the context exogenous to the organisation and which are beyond its influence or control and may have an impact on the GROUP's strategic objectives or corporate goals.

In addition, the corporate risk area, which also integrates the second line of defence, is responsible for defining the Risk Management Policy and guaranteeing its proper operation, ensuring that the GROUP is aware of its main risks, supporting the risk appetite analysis and the respective definition of limits, as well as the cascade risk management process in the organisation through the structure defined for promoting and adequate implementation, accountability and culture.

Similarly, the main mission of the compliance corporate area is to ensure the application and universal respect by the whole GROUP of the compliance practices and rules in place, to guarantee that they updated, acting with a view to prevent and mitigate compliance risks that result in a risk of legal or regulatory sanctions, financial loss or reputation as a consequence of failure to comply with the application of laws, regulations, Code of Ethics and Business Conduct, promoting an atmosphere of integrity and a culture of compliance with regulatory benchmarks and standards related to ethical principles and values across the GROUP.

The first line of defence is carried out by the business units, markets, companies and projects, which are responsible for risk management on the frontline, playing a crucial role in their management, since they are usually closer to most of them and are therefore continuously challenged to assess the risks, to deal with the amount of risk to be assumed and to define the options for treating risks. The decision-making process is accompanied by a conscient weighing of the risks involved not only to the business unit, market, company or project, but also balancing the larger impact of the risk to the GROUP as a whole.

In order to ensure the constant strengthening of the internal control system, process integration and its compliance in terms of the three lines of defence, monthly meetings with the corporate areas of internal audit, risk and compliance are also held, aimed at reflecting the level of exposure to risk of the GROUP and at assessing the compliance with existing and applicable standards.

It should be also mentioned that, at the MOTA-ENGIL GROUP, risk management is an element integrating all organisational processes and decisions, rather than an isolated activity apart from the GROUP's main activities. Risk management and control are monitored by the Board of Directors, the heads of the business units, the global platforms of shared and technical services and the GROUP's corporate functions.

Therefore, the main risks that the GROUP is subject to are accompanied by the internal reporting of the heads of Business Units and by the reports, opinions and guidelines by the aforesaid Committee, jointly with information compiled by those who are in positions of corporate responsibility and global platforms.

Risk management principles

The general principles of the risk management policy are as follows:

- i) Ensuring that the risk is managed systematically and as efficiently as possible in various corporate processes, business units, markets, companies and projects;
- ii) Using an encompassing risk management process and a common language;
- iii) Integrating a risk management and discussion in the organisation's general culture;
- iv) Providing clarity on the risk levels and risk appetite in such a way as to facilitate corporate decisions;
- v) Establishing reporting mechanisms that allow for a transparent communication flow, timely informing the heads of the corporate processes of the emerging risks, the top management of the critical risks, and the Executive Committee of the MOTA-ENGIL GROUP of the strategic risk matters;
- vi) Establishing an accountability structure through the three lines of defence; and
- vii) Continuously improving the GROUP's risk management and global resilience.

Stages of the risk management process

The risk management process within the MOTA-ENGIL GROUP is applied to the various components integrating the risk management structure which were developed in order to reach specific objectives, as well as to adapt to the external and internal context in which they are applied.

Within each component, the risk management process of the MOTA-ENGIL GROUP encompasses four essential stages:

- i) Risk assessment: Identification, analysis and assessment of risk;
- ii) Treatment of risk: Selection and implementation of options for addressing the risk;
- iii) Monitoring and revision: Ensuring and improving the quality and efficiency of design, implementation and results of the processes; and
- iv) Record and report: Documenting and reporting the process and results.

Processes comprising risk management

The GROUP's transversal risk management structure, coordinated by the corporate risk area, is composed of four components:

i) Matrix of transversal risks

The matrix of transversal risks and the respective reporting is characterised as a bottom-up and top-down process aimed at supporting the decision-making regarding risk at the level of the GROUP's Executive Committee and ensuring an ongoing dialogue between the management teams focused on the risk, providing leadership and guidelines.

On the other hand, the Risk and Internal Audit Committee issues an opinion on the GROUP's risk matrix whenever it is annually updated or when there are substantial changes to the external environment risks and/or operating risks.

The MOTA-ENGIL GROUP's matrix of transversal risks constitutes a work tool for purposes of systematic monitoring of the level of risk implicit in the various aspects the GROUP is exposed to – Strategic, Business, Economic and Financial and Environmental, Social and Governance (ESG).

As such, the Executive Committee defines the following key stages for the development and maintenance of the matrix of transversal risks:

- i) Identification of the main risks that may have an impact on the GROUP's operating and strategic objectives;
- ii) Establishment of indicators (KPI and KRI) and relations with such risks;
- iii) Definition of the risk appetite levels of each KPI/KRI and establishment of limits for risk taking on part of the organisation; and
- iv) Establishment of strategies and options for treating and monitoring their results;

This process is further characterised by the following macro-activities:

- i) Collection of data on the KPI/KRI defined: control of the risks defined as a priority;
- ii) Assessment of the risk levels identified in the KPI/KRI: definition of the prioritisation of actions;
- iii) Estimate of the impact and probability associated: realisation of an in-depth analysis of the risk;
- iv) Selection and implementation of options for treating the risk: minimisation of risk exposure; and
- v) Presentation of reports and discussion at the Executive Committee.

The corporate risk area draws up quarterly reports on transversal risks, which are submitted to the Executive Committee, thus making it possible to analyse the main recommendations issued and decide on the actions deemed necessary for mitigating the main risks identified, each report being shared with both the Risk and Internal Audit Committee.

The procedures of constant follow-up and quarterly reporting allow the introduction and description of the levels of exposure to each of the main risks identified over the year, as well as implemented mitigating measures.

Following the update of the "Building '26" Strategic Plan in 2022, the corporate risk area began reviewing and updating the indicators (KPI/KRI) related to the risks that may have an impact on the GROUP's strategic and operational objectives. A proposal was submitted to the Executive Committee, which was approved in early 2023.

It is estimated that the MRT (Transversal Risk Matrix) approval process will be finalized by the end of the first quarter of 2023, pending approval by the Executive Committee:

- i) Update of the risk appetite levels of each KPI/KRI;
- ii) Reinforcement of the methodology and strategies for risk treatment, as well as the monitoring of its results.

ii) Corporate risk record

Bottom-up process of risk management for ensuring an encompassing identification and a prioritisation of all critical risks and opportunities, as well as the definition and implementation of treatment options and options that contribute to a solid risk culture throughout the GROUP.

This means that each corporate process, business unit, market or company must create a risk record, through which their risks and opportunities shall be assessed in order to subsequently develop the respective risk treatment plans.

On the other hand, the corporate processes and business units may require that the business frontline analyses the risks and opportunities identified, retaining responsibility over their assessment and treatment. Notwithstanding, the planning and implementation of risk treatment may be carried out on a collaboration basis.

iii) Project risk management structure (PRFMF)

The PRFMF forms the basis for the management of risk and opportunities of a project throughout its life cycle, since the identification of the business opportunity to closure and delivery of the project to the client.

The risk analysis carried out during the tender and execution stages, through the Project Risk Tool, presents qualitative and quantitative results, feeding a set of key risk indicators (KRI) that will provide the top management with relevant information for taking corporate decisions.

iv) MOTA-ENGIL global risk survey

The corporate risk area carries out regular surveys to the top management and to certain focal points, gathering risk perceptions that contribute to the reflection and identification of the most important existing and emerging risks. The survey results are integrated into the risk management structure, focusing on the approach to the highly probable risks and risks of high impact, as well as to the risks that may rapidly change, disappear or emerge, taking the GROUP by surprise.

Risks related to the Covid-19 pandemic

The Covid-19 pandemic will not end until it ceases to exist all over the world. That means that the risks to health are still considerable and current and prevent a full return to normality. New more aggressive variants of SARS-Cov-2 continue to be a source of concern to the countries, even those with a high vaccination rate, as is the case of the more recent XBB.1.5 in the United States of America (USA) and the United Kingdom with a capacity for spreading much higher than the other variants encountered to date.

Impacts related to the pandemic have been particularly felt in China, where there is a slowdown of the activity since the second quarter of 2022, which is reflected on a global level. The temporary lockdowns in Shanghai and other places due to outbreaks of Covid-19 and to the Zero Covid policy have weakened local demand. Recently, with the end of the Zero Covid policy, there has been a sudden increase in positive cases in China, which led the European Union to provide vaccines to the country, free of charge, in an attempt to put up an European barrier against the new wave of infections.

In reaction to this increase in cases, many countries, particularly in Europe, such as Spain, France, Italy and United Kingdom have determined mandatory testing for those who arrive to those countries from Chinese territory. These decisions have not been looked upon favourably by China, which generated tension in the relations between China and Europe and a threat of retaliation measures by Beijing. On the other hand, the World Health Organisation has insisted on the transparency of information regarding the real health situation in China and on cooperation in face of the wave of infections in the country.

Additionally, the limited vaccines have made Africa more liable to continuous diseases and increased the risk of exposure to new variants, with the African vaccination rates still registering much below those from other regions (26% against 66%).

The recovery from the deep recession brought about by the Covid-19 pandemic has been different according to the country, which created distinct economic prospects in the developed countries, emerging and developing countries and low-income countries. According to the World Bank (source: *World Bank 2022, Global Economic Prospects, June 2022*), a 2.6% growth in 2022 and a 2.2% growth in 2023 is expected from the developed countries, a 3.4% growth in 2022 and a 4.2% growth in 2023 is expected from emerging and developing countries.

On the other hand, it is possible that the economic impacts of the Covid-19 pandemic continue to be reflected, albeit to a lesser extent, in the results of the MOTA-ENGIL GROUP, due to the uneven pace of inoculation of the populations. The containment measures to be adopted in order to mitigate the spread of the virus, its incidence on employees of the MOTA-ENGIL GROUP, or any quarantines affecting its employees or facilities may reduce the capacity of the MOTA-ENGIL GROUP's employees to perform their duties and lead to the temporary interruption/shutdown of the works under execution, therefore affecting operation.

Finally, the current pandemic and potential future outbreaks may also have a negative effect on the counterparties and/or clients of the MOTA-ENGIL GROUP, resulting in additional risks to the fulfilment of their obligations assumed towards the GROUP, as and where required, exposing the latter to an increase in the number of insolvencies of the counterparties and/or clients.

Risks related to the war in Ukraine

The Russian invasion of Ukraine in February 2022 became an element of major destabilisation to the global economy and generated a climate of uncertainty and volatility. Apart from the growing destruction of Ukrainian lives and infrastructures, this conflict led to an increase in the prices of raw materials, the imposition of unprecedented and comprehensive financial sanctions, the amplification of the global food crisis, the disruption to the distribution and transport chains, as well as the sudden interruption of the supply of Russian gas to Europe, which resulted in a serious energy crisis and a marked deterioration of the cost of living, translated into unprecedented levels of inflation in the last 40 years and a restrictive money policy conducted by most Central Banks that induced the contraction in economic activities in the markets for goods and services, capital and labour.

Although the GROUP does not carry out operations in Ukraine or Russia, it has a relevant presence in Poland, a country that borders Ukraine. Poland was the country which most Ukrainian refugees received since the outbreak of the military conflict and was faced with the interruption of the supply of gas from Russia as a retaliation for sanctions imposed by the European Union, a measure of uncertain duration and on top of which others may be added. Additionally, following up on the stalemate kept between the European Commission and Poland regarding the reforms undertaken in the Polish judicial system, the transfer of funds from the Recovery and Resilience Plan to Poland is still being postponed, with a negative impact on public investment and the construction sector, which may affect the activities that the MOTA-ENGIL GROUP develops in that market.

The tensions and disruptions caused by the Russian invasion of Ukraine, the prolongation of this conflict and its potential escalation may increasingly affect commercial policies, production, rates and taxes all over the world and negatively affect the normal functioning of the supply chains and generate a setback for the globalisation process, with an increase in protectionism of various countries where international trade is concerned.

In face of the aforementioned impacts, any of the situations described may have a material impact on businesses, the financial condition and the operating results of the MOTA-ENGIL GROUP.

Cyclical risks

The country's risk, measured on the different dimensions for each of the markets where the GROUP is present, is associated with changes or specific disturbances of a political, economic or financial nature and may prevent the achievement of strategic objectives defined by the GROUP.

With a diversified geographic exposure and depth of maturity in most representative markets, the GROUP has still sought, over the past few years, to promote its expansion in countries integrated in the regions where it operates, allocating to the Executive Committee and Board of Directors the ultimate responsibility for providing the necessary validation of any investment project in new markets, being on its own, although complemented with technical and economic and financial analysis, an organizational premise that promotes an effective internal control system, mitigating risks and promoting a strategic alignment at all levels of the GROUP.

Against a background of economic uncertainty, further weakened by the Covid-19 pandemic, the macroeconomic perspectives were aggravated by the war in Ukraine, which generated risks associated with the existing constraints in the global supply chains, with particular emphasis on the African countries where the operations of the MOTA-ENGIL GROUP are less developed, namely in Uganda, Ghana, Guinea Conakry, Cote d'Ivoire, Rwanda and Kenya, with the increase in inflation rates, fiscal tightening and the maintenance of aggravation of a restrictive money policy in the world's major economies.

The aforementioned events threaten global growth and may bring about a financial crisis, given the vulnerabilities of the balance sheets of the public and private sectors, which exhibit high indebtedness levels and are therefore more exposed to increases in financing costs and the deterioration of the capacity to access credit.

In many countries, recovery may be compromised by serious natural disasters and events related to climate change, which may aggravate humanitarian crises in some of those countries. Geopolitical tensions in various parts of the world, the increase in political violence and social conflict may also constitute events that negatively affect economic growth.

The global economic activity is registering a broader and sharper slowdown than expected, as well as a higher inflation than that observed decades ago. On the other hand, the cost of living, the tightening of financial conditions in most regions, the Russian invasion of Ukraine and the persistent Covid-19 pandemic weigh heavily on the economic and financial perspectives and predictions for the future. The global growth is thus expected to slow down from 6% in 2021 to 3.2% in 2022 and to 2.7% in 2023. This is the weakest growth profile since 2001, with the exception of the global financial crisis and the acute phase of the Covid-19 pandemic.

As regards global inflation, according to World Bank, an increase from 4.7% in 2021 to 8.8% in 2022 and a decrease to 6.5% in 2023 and to 4.1% in 2024 are expected. On the other hand, the money policy should stay on course towards restoring the stability of prices, and the taxation policy should pursue the goal of alleviating pressure on the cost of living, while simultaneously maintaining a sufficiently restrictive position in line with the money policy.

The growth of production in the advanced European economies should drop from 3.2% in 2022 to 0.6% in 2023. Although a decrease is predicted for that year, according to the International Money Fund (IMF), global inflation shall remain significantly above the figure predicted by the European Central Bank (ECB). Additionally, according to the World Bank, the Eurozone is expected to witness a slowdown of the Gross Domestic Product (GDP) growth from 2.5% in 2022 to 1.9% in 2023 and 2024.

As regards the behaviour of inflation, according to the World Bank, the advanced European economies are expected to register an inflation of 8.3% in 2022 and 6.2% in 2023.

In the Africa region, in the countries where the MOTA-ENGIL GROUP operates, GDP is estimated to have grown on average 3.6% in 2022, that group of countries being expected to register, on average, a 3.7% economic growth in 2023.

The countries with higher growth in 2022 were Kenya (5.3%), Cote d'Ivoire (5.5%), Uganda (4.4%) and Tanzania (4.5%). As for Angola, a slight growth of GDP is projected for 2022 (2.9%); however, an acceleration to a 3.4% growth is estimated for 2023. On the other hand, with regard to Mozambique, a GDP growth of 3.7% and 4.9% is estimated for 2022 and 2023, respectively.

Finally, in the group of countries where the MOTA-ENGIL GROUP is present in Latin America, an economic growth of approximately 3.5% is expected in 2022. The country with the highest economic growth in 2022 would have been Colombia (7.6%). On the other hand, according to the IMF, a growth of 2.7% in 2022 and 2.6% in 2023 is estimated for Peru, a growth of 2.1% in 2022 and 1.2% in 2023 is estimated for Mexico, and a growth of 2.8% in 2022 and 1% in 2023 is expected for Brazil.

Specific risks of the sectors and markets where the MOTA-ENGIL GROUP operates

MOTA-ENGIL SGPS, as a holding company, directly and indirectly carries out managing activities in its mixed-ownership companies, with operations focused on various business areas, including, but not limited to, engineering and construction, waste collection and treatment, energy generation and trading, management of transport and mining infrastructure concessions and provision of industrial engineering services, operating in a multitude of markets and regions (Europe, Africa, Latin America).

The fulfilment of the obligations assumed by MOTA-ENGIL SGPS depends upon the funds made available by the companies held by it and through which MOTA-ENGIL indirectly carries out activities, namely regarding dividend distribution, payment of interest, reimbursement of loans granted or other payments.

The capacity of those affiliated companies to provide such funds to MOTA-ENGIL SGPS shall partially depend upon their capacity to generate positive cash flows within the scope of their operating activities, which are subject, in particular, to specific risks of the sectors and markets where they operate, and which are detailed as follows.

A significant part of the companies of the MOTA-ENGIL GROUP that are committed to the engineering and construction area depend, as regards the formation of their cost structures, upon the evolution of the international prices of some commodities, such as oil, steel and cement and the evolution of the local prices, namely the evolution of wage costs. Although there are mechanisms for balancing prices provided for in the contracts entered into with its clients, the adverse variation and the increase in volatility of prices may cause a negative impact to the GROUP.

On the other hand, the GROUP companies are subject to risks of a contractual nature, given they render a large part of their services under specific contracts covered by legislation and sectorial regulations which, in turn, depend upon the obtainment of a general permit and specific licences for certain activities/tasks. The occurrence of situations of delayed payment or breach of contract may have relevant adverse effects on contractual management and the pursuance of the subject matter of each contract entered into.

Furthermore, the GROUP is exposed to risks associated with the chain of supplies and logistics in the markets in which it is present (particularly in Africa and Latin America). These risks assume particular relevance, with the logistics component of transport of people, equipment, parts and materials (diesel, iron, cement and others) posing a significant challenge to large works, and that makes it necessary to predict, as reliably as possible, their cost and time of execution in the budgets and deadlines to communicate to the clients. The suspension or delay in the chain of supplies may have a negative impact to the development of works and the provision of services in the markets referred to above.

In turn, in Latin America, due to the type of terrain, activities developed by the GROUP pose added executive risks, and it is common for infrastructure construction and maintenance works to be carried out above 2,000 or even 5,000 metres of altitude, which hinders the transport of the respective means of production and has consequences in terms of productivity.

Therefore, the economic profitability objectives stipulated by the GROUP for engineering and construction projects differ according to the region, depending upon specific circumstances and contexts, being more demanding for regions requiring a greater intensity of their own means of production and capital for executing those projects.

Similarly, the GROUP companies engaged in other business areas, namely waste collection and treatment, also depend, where the formation of their cost structure is concerned, upon the evolution of the international prices of some commodities, with emphasis on oil, as well as, in a very sensitive and direct manner, the evolution of local prices, namely the labour factor. Both variables, oil price and labour factor local price, are necessarily monitored in detail in the various countries in which the GROUP operates in such area.

Risks related to the commercial operations of the MOTA-ENGIL GROUP

The search for the engineering and construction activity in the markets in which the GROUP operates depends upon the levels of public and private investment observed in those markets.

On the medium term, the high level of indebtedness of some States or private entities may generate a negative impact to investment in infrastructures.

Public investment in some infrastructures new projects depends upon the political cycles of each market, the respective budgetary policies in force at any given moment, as well as the macroeconomic scenario, factors which the GROUP does not control nor can influence. Investment in public-private partnerships is also dependent upon the public investment strategy of each market and the conditions of the national and international financial markets.

Private investment in infrastructure depends, among other factors, upon the evolution of the international prices of some commodities, in particular the price of oil, gas and ores in general, the evolution of which the GROUP does not control nor can influence.

Additionally, the GROUP companies committed to the engineering and construction area are exposed to considerable competition. The size of many of the projects developed in the Africa and Latin America regions attract various worldwide companies of the sector, which increases the competition context in those markets and brings about adverse effects on the GROUP's chances to be awarded a contract for the execution of engineering and construction works.

In Central Europe, the potential growth of the number and value of the infrastructures projects to be developed, namely in Poland, as the market within the European Union with the greater flow, both foreseeable and expectable, of community funds led to the establishment of a high number of large European constructing companies in the market, with repercussions where competition is concerned.

A context of larger corporate competition increases pressure on prices practised in the market and, as a result, on margins achieved, which may cause more or less lasting effects over time, depending on the size and maturity of the market, the growth registered and the expectations and behaviours of the economic players intervening in the sector.

However, the GROUP companies have been exhibiting capacity in maintaining a positioning in the market that does not solely resort to price-based strategies, boosting their experience and technical and human capacity as well as high standards of quality, environmental, safety and compliance practices. In addition, those distinguishing factors have allowed for reinforcing, in an ongoing and sustainable manner, the clients' trust and loyalty, reflected not only in their stable and growing base and the recurrent transactions established with said clients, but also in the replication of transactions with multinational clients in territories where those clients and the GROUP are also present.

Risks related to the financial operations of the MOTA-ENGIL GROUP

The GROUP, due to its geographic diversification, operating in three continents and 22 countries, is exposed to a series of financial risks, with special attention being drawn to interest rate, exchange rate, liquidity and credit risks. These financial risks result from the GROUP's activities and induce uncertainties concerning the capacity to generate cash flows and adequate returns to remunerate equity.

The GROUP's financial risk management policy aims at reducing impacts and adverse effects deriving from the uncertainty that characterizes the financial markets. This uncertainty, which is reflected in several aspects, requires special attention and specific and effective management measures.

The financial risk management activity is coordinated by the corporate finance area, which coordinates and monitors the treasury and debt portfolio management, with the aid and support of the business control area, and is carried out according to the guidelines approved by the Board of Directors, with the consultative interventions of the Risk and Internal Audit Committee, without ever ceasing to be the responsibility of the boards of directors of each of the Business Units of the GROUP.

The GROUP's attitude to financial risk management is conservative, using risk hedging instruments where advisable, always from the perspective that these relate to normal and current activity, never taking positions in derivatives or other financial instruments of a speculative nature.

The various types of financial risks are interconnected and the various management measures are aimed at ensuring the pursuance of the same objective, i.e., safeguarding the assets and the decrease of volatility of cash flows and expected yields.

Interest rate risk

The GROUP's financial debt, mostly denominated in Euro, is linked to interest rates whose variations may result in losses.

The interest rate risk management policy aims at optimising the cost of debt and obtaining a reduced level of volatility in financial charges, in other words, it intends to control and mitigate the risk of losses deriving from variations in the interest rate that serves as index for the GROUP debt. It should be noted at this level that the strategy for allocating debt to local markets, close to cash-flow generation, has contributed to a diversification of currencies in terms of debt taking, even though contracted in a significantly manner in currencies such as Euro and US Dollar or other currencies linked to these currencies.

As a result of the current economic environment, in December, as had occurred in other moments throughout 2022, there was an increase of 50 basis points from the three key interest rates of the ECB, producing an impact at the level of the debt service of the MOTA-ENGIL GROUP, being contracted at a variable rate, and to the obtainment of new financing or refinancing, with its future cost being susceptible of being higher than in the past.

Additionally, the ECB may come to decide on further increases to its key interest rates, with a view to fulfil the inflation at 2% goal in the medium term, since it is at a high level and is estimated to remain above that goal for some time longer.

As such, the GROUP is still conveniently analysing and assessing the contraction of hedging instruments that safeguard future changes to interest rates.

Exchange rate risk

Considering its geographic diversity, the GROUP operates its business internationally through several companies and entities, a positioning that results in the GROUP's exposure to different currencies and, consequently, to exchange rate risk.

It should be noted that, in terms of exchange rate risk analysis, there is continuous and systematic monitoring of the variations to which the GROUP is subject. This monitoring is made by the corporate finance and business control areas, consolidating and reporting information from all companies operating in different geographies, in terms of cash flows, balances and debt.

In 2022, the war initiated by Russia in Ukraine brought about a new crisis in the world, which had not yet recovered from the disruptions to the supply chains and reduction in supply of goods caused by the Covid-19 pandemic. On the other hand, the sanctions imposed, the restrictions to the supply of energy, fertilisers and foodstuffs had a major impact on the aggravation of inflationary tensions that were already showing before the war broke out. This way, the modification of the money policy by the main Central Banks marking the beginning of a cycle of heavy increase in interest rates was the response used to control and reduce the high levels of inflation registered. In addition, the leadership shown in the taking of action by the Federal Reserve of the USA compared to its peers, together with a context of high uncertainty and complexity, translated into strong volatility in the exchange rate market and in the appreciation of the US Dollar against most other currencies. This appreciation of the US Dollar essentially affected most emerging and developing economies, including some where the GROUP operates, which are traditionally more affected by significant changes to the volume of financial flows originated abroad, either through direct investment and/or financing.

The main currencies other than Euro to which the GROUP's activity is exposed are the US Dollar, the Malawian Kwacha, the Angolan Kwanza, the Mozambican Metical, the Peruvian Nuevo Sol, the Colombian Peso, the Mexican Peso, the Brazilian Real and the Polish Zloty.

The exchange rate risk management policy is aimed at reducing volatility in investments and operations expressed in foreign currency (currencies other than Euro) so as to contribute to a lesser sensitivity of profit and loss to exchange rate fluctuations.

The risk of exchange rate on the GROUP is summarized in two ways:

- Transaction risk: risk associated with cash flows and the values of the financial instruments recorded in the financial position statement, in which changes to exchange rates have an impact on the results and the cash flows.
- Translation risk: risk associated with fluctuations in the value of equity invested in foreign GROUP companies, due to exchange rate changes.

Contracts with clients, financial debt, wages, subcontracts, purchase of equipment and overall supplies constitute commitments which, when carried out in a currency other than Euro are associated with an exchange rate risk. Therefore, adverse fluctuations in exchange rates could lead to changes in the relative value of net assets whose payment currency is different from the GROUP's functional currency.

In terms of managing the exchange rate risk, whenever possible or advisable, natural hedges of the amounts in exposure are sought through recourse to financial debt denominated in the foreign currency in which the amounts at risk are expressed. Whenever such is not possible or advisable, the contracting or performance of operations based on derivative, structured financial instruments are promoted, aimed at reducing their cost, namely for covering risks in future exchange transactions, with a large level of certainty as to the amount and date of performance. On the other hand, a significant part of the contracts executed by the GROUP is denominated in Euro or US Dollar, and the exchange rate is, whenever possible, indexed to the contract value recorded in national currency with an aim to eliminating any volatility risk with value loss.

Liquidity Risk

Liquidity risk is defined as the risk of the GROUP companies' inability to settle or meet their obligations on time. In this regard, the management of this risk consists of the maintenance of an appropriate level of availabilities, as well as the negotiation of credit limits that enable to ensure the financial means necessary to solve the commitments in the moment they fall due.

The GROUP's companies engaged in the engineering and construction business have more significant liquidity needs, given the payment terms experienced in the industry from the time work is performed until it is converted into cash.

The GROUP's liquidity risk management policy aims to ensure that there are sufficient funds available (balances and financial inflows) at all times within the GROUP to meet all financial commitments (financial outflows) in a timely manner.

The achievement of high levels of financial flexibility, fundamental to the management of this risk, has been pursued through the use of the following management measures:

- Establishment of partnership relationships with the financing entities, ensuring their financial support to the GROUP from a medium and long-term perspective, regardless of the context that may condition business;
- Contracting and maintaining short-term exceeding credit lines, created as liquidity reserves, available for use at any moment;
- Carrying out of a strict financial planning by company, supported by the periodic drawing-up and revision of cash budgets, enabling the early prediction of future cash surpluses and deficits;
- Financing of medium and long term investments, adapting debt maturity and payment plan deriving from financing to the ability to generate cash flows in each project or company;
- Starting the negotiation process for refinancing of medium and long term loans due for that year with at least one year of antecedence regarding relevant maturity;
- Procurement of medium-term and long-term financing so as to reduce its dependence on more volatile short-term funds, thus creating some immunisation against circumstantial factors of the financial markets;
- Scaling financial debt maturity throughout time, seeking to extend average maturity of the debt to make it coincide with the level of permanence of some long-term assets held by the GROUP;
- Search for new financing sources and new financiers with the purpose of:
 - Geographical diversification – capturing resources in the different markets where the GROUP operates;
 - Diversification of debt instruments – raising funds from alternative sources, reinforcing the strategic objective of greater banking disintermediation.

On the other hand, the new Strategic Plan “BUILDING 26 | For a sustainable future” places sustainability and innovation as priorities for the MOTA-ENGIL GROUP, which, together with other four goals, shall allow the GROUP to become a global company committed to deliver value to all stakeholders in a sustainable manner.

This sustainable development guideline is increasingly assumed as a critical factor in the investment decisions made by the market players, in the focus of action by regulators and supranational institutions and in society scrutiny in general. The economic performance is no longer the only, and sometimes not even the most important, criterion when it comes to the assessment of companies. Profit is no longer regarded as the purpose in itself of a company, but rather as the result of the identification and embodiment of a purpose through which the company generates a benefit to society.

In this respect, the purpose of the MOTA-ENGIL GROUP is to deliver value for all in a sustainable manner, assumed in its new Strategic Plan and supported in specific sustainable development goals, which will surely bring about new opportunities for accessing new financing solutions as well as solutions for broadening the base of potential financiers of the GROUP.

Following on the issue of Sustainability-Linked Bonds, after it blazed the trail in 2021 with the first issue of this type devoted to the retail market in Portugal (MOTA-ENGIL Bonds 2026), MOTA-ENGIL SGPS carried out, in the third quarter of 2022, a new financing operation that entailed offers of exchange and issue of Bonds (MOTA-ENGIL Bonds 2027), having reached a demand in the amount of approximately 93.6 million Euro. This operation allowed the GROUP to refinance its current activity, foster its international expansion, step up the diversification of its financing sources, reduce the financing average cost and keep an adequate maturity of its debt.

Additionally, related to this issue of Bonds, MOTA-ENGIL’s commitment to acting towards reducing the rate of incidence of accidents in projects is worth stressing. In case the performance target foreseen is not met, there will be an additional remuneration per Bond to be paid on the date of final reimbursement.

Credit risk

Due to the nature of its activities, the GROUP is exposed to credit risk, i.e. the risk of not receiving, or not receiving in full, its receivables from third parties within the established and/or negotiated terms.

The credit risk to which MOTA-ENGIL's activities are exposed is operating and cash-related in nature and is mostly concerned with accounts receivable resulting from the regular development of its various activities, with special emphasis on those carried out in the Africa region.

The significant development of the GROUP's activity in Africa and Latin America was in part promoted by the development of a close business strategy, focused on a large and growing number of customers, spread across various business areas and geographic poles, which allowed for dispersing and mitigating risk.

Additionally, it should be noted that some of the largest projects that the GROUP has underway have as promoters some of the largest private conglomerates worldwide, which provides added security in terms of financial strength and credit coverage. The growing number of infrastructure projects in the Africa and Latin America regions, supported by multilateral entities acting as financiers of projects promoting economic and social development and the recourse to the taking out of credit insurance with reputed and specialised insurance companies ensure added comfort were credit risk is concerned.

Finally, despite the reinforced trend in recent years to develop larger projects, the GROUP has a very significant dispersion of its business relationship, often relying in these projects on the receipt of advances, which significantly reduce credit risk.

Risks related to health and safety at work

The occurrence of accidents at work assumes undeniable relevance in the sectors of activity in which the GROUP operates. The diversity of tasks and equipment used, the profile of the labour force, the technical complexity of some activities and equipment, the exposure to risk drivers, some of which are completely unrelated to the organisation, are an example of the elements contributing to the extension and sophistication of the safety and health at work risks to be analysed. There is also a high level of demand for compliance with the legal requirements associated.

To be able to respond to these challenges, safety and health at work risk management is coordinated by the SHW areas of the various companies of the GROUP, which have highly specialised technicians in the aforementioned areas.

With a greater efficiency and streamlining of methodologies in mind, the GROUP's corporate area designs, keeps, discloses and supports the implementation and ongoing improvement of a common procedure for identifying hazards and assessing risks, so as to define and prioritise the adequate control measures.

This methodology is based on the analysis of activities and operations to be carried out, considering the human resources to be employed, the equipment to be used, the materials to be incorporated and the surrounding constraints, with a view to identify the dangers and risks associated. Once identified, the risks are assessed based on a matrix associating the likelihood of occurrence of risk with the respective severity.

In line with the best international practices and regulatory guidelines (for example, ISO 45001:2018), the GROUP has proactive programmes of risk control that act in the implementation of measures of control, which follow the prioritisation below:

- Elimination of hazards;
- Replacement of hazardous processes, operations, materials and equipment;
- Engineering and reorganisation of work control measures;
- Administrative control measures, including training;
- Use of adequate individual protection equipment;

As a result, a series of measures are implemented, of which the non-exhaustive list stands out:

- Improvement, replacement of work processes;
- Initial training on occupational safety, carried out during the on-boarding of new employees;
Information to the employees on the risks existing at the workstations and on the preventive conduct to be adopted;
- Training on standards of management of the safety of the teams;
- Maintenance of insurance policies against occupational accidents;
- Carrying out of verification audits on the standards of security and health;
- Identification and globalisation of the best practice identified within the GROUP;
- Identification of the causes for the main deviations and globalisation of adequate control measures;
- Definition and disclosure of guidelines and procedures for responding to incidents and emergencies;

- Investigation and analysis of accidents at work; and
- Plans aimed at the prevention and monitoring of the workers' health.

After implemented, measures are monitored so as to guarantee their continuity, potential improvement and/or correction of potential deviations.

The risk mitigating measures implemented and reinforced since 2021 as well as transversal campaigns of information and internal awareness are maintained, as a result of the pandemic crisis.

It is worth stressing that the safety, health and environmental risks are also managed at the Project Risk Management Framework, based on the environmental hazards and impacts, respectively, in the project operations and by activity.

Finally, it must be referred that, organically, the occupational safety and health risks remain essentially the same, with the topic of the Covid-19 pandemic remaining, as mentioned in previous chapters, a matter of concern. Another aspect worth mentioning is related to the fact that the psychosocial risks, partially enhanced by the effects of the pandemic, which have gained an important emphasis within the GROUP. In fact, a strategy aimed at the topic of Mental Health is being lined up and is expected to be implemented in 2023, encompassing the measures in meantime put in place.

Legal, regulatory and compliance risks

Legal risks are those essentially resulting from the exercise of the own activity of the GROUP, in other words, the assumption of legal obligations whose risk has not been adequately evaluated, and/or minimized, which can generate financial impacts or increased litigation, as well as the legal risks arising from the diversity of jurisdictions in which the GROUP is present.

The legal risk management policy aims to ensure that the GROUP's companies, in the exercise of their activity, comply with applicable standards and regulations, and that the negotiations and contracting, and M&A transactions, are assessed by in-house or external lawyers, in order to make a preliminary assessment of the legal risk inherent to the operation in question, and also that admissible solutions to limit the risk to acceptable levels are found by the GROUP's management bodies.

The GROUP operates in several countries, with distinct legal systems and specific local characteristics, wherefore the risk emerging from such legal diversity is mitigated by the concern about having the projects, negotiations and hiring procedures monitored by local lawyers with know-how and who are qualified in the legal systems in question, in order to fulfil all applicable standards and regulations and avoid adverse financial impacts or increased litigation.

The whole GROUP is monitored from a legal point of view and from the respective risk of labour, administrative, civil and tax-related litigation which may result in economic or reputational damage. Additionally, particular attention is given to higher value or higher risk litigation, by having the markets and business units reporting quarterly information to the respective corporate area, so as to have thorough and updated information at all times, as well as to allow legal situations that require closer monitoring and intervention to be timely identified in order to minimize their effects.

To minimize the risk of the GROUP achieving high levels of litigation, pre-litigation management of disputes is done in order to, whenever possible, obtain out of court settlement. Notwithstanding, the GROUP, whenever it deems convenient, particularly based on the opinion of its lawyers, has challenged the claims filed against the GROUP, wherefore, historically, the level of convictions has recently been low.

Likewise, considering the presence in various markets (22 countries spread over three continents), the GROUP ensures, on a technical and operating level, that each company and each Business Unit complies with a variety of its own standard and regulatory requirements, of a state or sectorial (business) scope, thus guaranteeing its appropriate technical and legal capacity for executing the projects within the scope of the negotiations conducted with its clients and other counterparties.

However, the GROUP does not control the flow of changes and reinforcement of obligations or other regulatory definitions to which it is subject, nor potential interpretation changes of those obligations and other regulatory definitions.

On the other hand, the GROUP companies from the waste treatment and collection segment held by EGF are subject to a regulated tariff and the approval of the value of regulated assets (RAB - Regulated Assets Base) over which the ARR (Assets Remuneration Rate) is applied by the Water and Waste Services Regulating Entity (Entidade Reguladora dos Serviços de Águas e Resíduos or “ERSAR”), which constitutes a complex regulatory context that requires an effort of detailed follow-up on part of EGF itself.

Additionally, MOTA-ENGIL SGPS is listed on the Portuguese stock exchange, in the main index, PSI-20, so it is inherently under the supervision of the Portuguese Securities Market Commission (CMVM). Being a company with its shares listed in a regulated market, MOTA-ENGIL SGPS is therefore subject to a specific set of laws and regulations which are permanently kept up to date.

Still within the scope of the financial markets supervision, until January 2023 there were also MOTA-ENGIL SGPS’s bonds which were listed on the Luxembourg Stock Exchange, the supervision of which was the responsibility of the Commission de Surveillance du Sector Financier.

The corporate compliance area consequently plays a leading role in the monitoring of compliance with the various regulations and rules which the GROUP has an obligation to fulfil, thus mitigating compliance risks. In addition, the remaining corporate functions ensure follow-up in more specific matters such as, for example, taxation, governance and other of a non-financial nature.

The assessment of the compliance with policies and procedures and the effectiveness of the internal control system and support in preventing and mitigating both control risks and compliance risks, implemented by the GROUP's management, are subject to verification, which results in an analysis of risk of legal or regulatory sanctions, financial loss or reputation as a consequence of the failure to comply with the applicable laws, regulations and the Code of Ethics and Business Conduct.

Apart from the Code of Ethics and Business Conduct, the MOTA-ENGIL GROUP is governed by the following [internal standards](#):

- Procedure for Reporting Irregularities;
- Anti-Corruption and Bribery, Prevention of Money Laundering and Terrorism Financing Policy;
- Loyal Competition Policy;
- Anti-Harassment and Discrimination Policy;
- Transactions with Related Parties Policy;
- Third Parties Procedure;
- Offers and Per Diem Allowances Procedure;
- Donations Procedure;
- Cash Procedure;
- Conflict of Interest Procedure.

In addition to the legal and regulatory compliance associated with the activities carried out in each market on part of the GROUP’s companies/entities, each worker is also encouraged to carry out their activities according to the rules prescribed in the Code of Ethics and Business Conduct, which was last revised in October 2019 and is available on the company’s website:<https://www.mota-engil.com/sustentabilidade/codigo-de-etica-e-de-conduta/>.

Finally, it should be mentioned that the GROUP has already implemented the necessary procedures leading to the fulfilment of the Data Protection General Regulations, and that it permanently monitors such fulfilment through the Privacy Committee and the regional and business focal points appointed for that purpose.

Environmental risks

The development of the GROUP’s activity is exposed to environmental risks related to water abstraction and utilisation, excess materials not incorporated into works carried out, impact to biodiversity, direct and indirect greenhouse gas emissions and others, effluents and residues, as well as to other environmental impacts resulting from the products and services provided.

The environmental risk management is carried out by the Safety, Health, Environment and Quality (SHEQ) and sustainability corporate areas, being implemented by the environment areas of the various GROUP companies, which are committed to adopt sustainable and efficient practices in all aspects of the activity.

Largely as a result of a factual strategy committed to the environmental component in which its objectives clearly point to ambitious and important goals in this area, as is the case of the reduction of greenhouse gas emissions and the increase in the recovery of waste, the need and concern with the identification and implementation of increasingly sustainable processes have been gaining more and more traction.

In that regard, the GROUP has been reinforcing the actions developed within the scope of the promotion of responsible and proactive behaviours, generating shared value to the business, environment and society, in areas considered to be a priority. Once again, these initiatives are supported by an analysis of materiality, by an assessment of risks (identification of aspects and assessment of environmental impacts), by the globalisation of sound practice and by the implementation of corrective actions to deal with deviations detected.

Notwithstanding this approach, the GROUP may not exclude the possibility that such risks might occur and might negatively affect its business or the results of its activities.

The environmental risks to which GROUP companies are exposed may give rise to fines and sanctions to be applied by governmental entities, negative impact to reputation, penalties provided for in contracts with clients and costs for correcting the environmental impacts generated.

Risks of the technologic systems and safety of information systems

Global companies such as MOTA-ENGIL GROUP are significantly dependent on the field of information technology (IT) for the execution of their procedures and operations in the different business units and geographies where it operates, as well as to ensure the due reliability in control and reporting processes. To that end, the GROUP continuously works towards the standardisation of platforms in order to increase the level of trust in IT use and across-the-board processes.

Given the increasing complexity of the technology infrastructure in the GROUP, present in different geographies, information security has become an essential function of the IT mission.

Information security governance has different characteristics and its own set of requirements. In this regard, the GROUP has defined its governance policy in terms of data management, access, identification of profiles, supervision policies and monitoring thereof, as a means of support to the internal control system, having also reinforced the quality of safety of its systems, aligning them with the best international practices.

To that effect, its disaster recovery plan has been monitored so as to improve the capacity to respond to a potential event with impact on its IT infrastructures.

Potential failures of the technologic and safety systems of the information systems may endanger GROUP companies to risks from cyber-attacks that might endanger personal data held by the companies, accounting and financial data and strategic information.

However, the GROUP has implemented a governance model for data protection purposes, having also developed processes, technologies and initiatives aimed at raising the users' awareness in order to increase its cyber-resilience. Additionally, it has established regular audits for ascertaining the levels of safety and compliance of its technologic platforms, thus allowing for the definition of safety measures of a technical and organisational nature with the aim to minimise the risks of data breaches.

Potential failures of the technologic and safety systems of the computer systems may render GROUP Companies vulnerable to fines and sanctions to be applied by the regulators, costs of information recovery, disruption in the supporting areas and operating activities. However, to date no type of warning, fine or sanction on part of any governmental entity or regulator with regard to this matter has been observed.

D. Policies implemented

1. Environmental policies

At present, MOTA-ENGIL's Management System currently has a **SHEQ** (Safety, Health, Environment and Quality) **Integrated Policy** based on legal and contractual requirements, MOTA-ENGIL's internal requirements and standards, with his policy defining guidelines aimed at: 1) environmental objectives and programmes; 2) supervision and reporting; 3) risk and operation opportunity analysis based on environmental impacts, with identification of the respective mitigation measures; and 4) stakeholder consultation.

Each SHEQ area is aligned with fulfilling the legal requirements of its respective geography and adopting good environmental practices applicable to the business, which are increasingly intended to be rolled out across the GROUP.

The necessary skills are also reinforced for the environmental functions, with the promotion of training and awareness raising and the necessary digitalisation of the processes as a vehicle for continual improvement. Awareness campaigns and environmental education in areas deemed a priority, such as waste management and resource conservation, were held. These actions stem from the contractual conditions of the waste management companies and are also part of the GROUP's social responsibility practices. They are aimed at employees and diverse target audiences, contributing to greater awareness about the environmental issues and each person's role in this area.

Aware of the range and diversity of the interactions with the environment arising from its operations, MOTA-ENGIL seeks to boost in all its action a responsible stance with the protection of the environment in mind. In the new 2022-2026 Strategic Plan, the importance the GROUP gives to environmental matters and the challenges posed to the Planet is reflected in the strategic axes:

A. "Growth focused on the Environment, Infrastructures Concessions and Industrial Services"

It is worth highlighting the environmental impact generated by the core business area, that of the Environment, particularly in the value chain of waste management (for instance, urban cleaning, waste collection, treatment and recovery), which is fundamental for achieving the GROUP's ambition where sustainability is concerned. The purpose, through the development of this axle, is to reach a growth focused on new international projects, leveraged by the GROUP's know-how in all the value chain of waste management, the proven capacity for boosting geographic presence, as well as relations with local entities and synergies with the new shareholder.

B. "Sustainability and Innovation New Road"

The scope of this axle encompasses action for climate and the concern with reducing the carbon footprint (and the GROUP's commitment to reach carbon neutrality by 2050), the introduction of circularity principles in all businesses, the largest use of renewable energy and the change to new sustainable business solutions. In particular, the following strategic goals were defined for 2026:

- To reduce greenhouse gas emissions (Scope 1, 2 and 3) by 40% by 2030, taking 2020 as the baseline year;
- To achieve carbon neutrality by 2050;
- To recover 80% of waste produced by 2030.

Even though these objectives are oriented towards emissions and waste, other pillars of action related to water management, consumption of materials, use of soils and biodiversity protection are not excluded.

A selection of the main indicators defined within this scope and the approach of the GROUP to each environmental topic is presented below. The information concerns the performance of 2021 and 2022 and its definition and ascertainment took into consideration the GRI Standards (see explanatory notes in paragraph A of the present document). The indicators were selected so as to best reflect the main impacts associated with MOTA-ENGIL's operations and enable the monitoring of the GROUP's performance.

It should be noted that the GRI 307 Standard (2016) used as a basis for reporting non-compliances with environmental laws and regulations was discontinued, becoming integrated into the new Universal Standards of 2021, in its indicator 2-27. Given that there is now a global reporting of non-compliances with laws and regulations (regardless of whether they are of an environmental nature or concern the social and economic areas), we refer to section "iv. Social Relations" of chapter 3. "Workers, gender equality and non-discrimination" of the present document, for accessing such information.

The access to more detailed information on the GROUP’s performance, forms of management and environment-related actions carried out is also referred to the 2022 Sustainability Report of MOTA-ENGIL. It should be noted that, to date, the process of consolidation of the methodologies for ascertaining environmental data (as referred to in section A of the present document) is underway, wherefore the results from the indicators presented as follows must be considered preliminary and, in the case of the existence of differences, the data contained in the 2022 Sustainability Report must be taken into account.

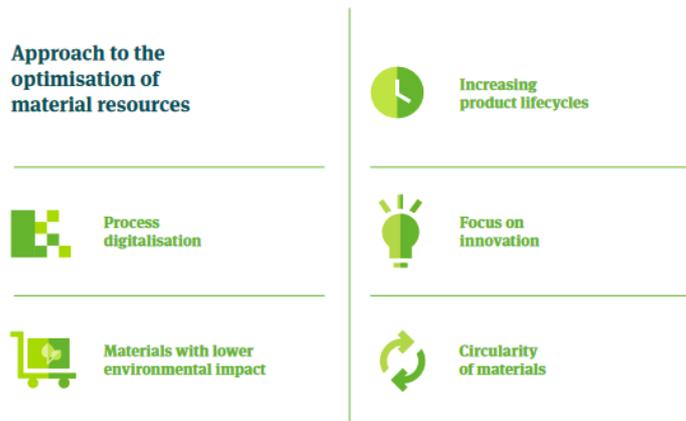
i. Sustainable use of resources

CONSUMPTION OF MATERIALS

The type and quantity of materials used by an organisation reflect the dependency upon natural resources and the impact to the availability of such resources. Among the MOTA-ENGIL business areas, the construction division is a major consumer of materials, in particular non-renewable ones.

As regards the consumption of MOTA-ENGIL’s materials, the following tables present data concerning the types of materials deemed as the most representatives of the various activities of the GROUP (GRI Standard 301: Materials (2016)), with emphasis on materials associated with the engineering and construction business area, where such consumption is more significant. It is relevant to note that the materials considered concern materials with (financial) materiality liable to be currently monitored in terms of weight or volume. The parts and accessories associated with the maintenance and repair of equipment, tools, electric, electromechanics and hydraulic equipment, geotextiles and waterproofing canvas, concrete light prefabricated products, protection and safety materials, among others, are therefore excluded.

It should be mentioned that the use of materials can vary greatly between geographies and years, since it depends not only on the type of activity but also on the nature and size of the projects underway.



With regard to the circularity of materials, emphasis is made on AERIO – Artificial Aggregate coming from Waste Incineration Slags, produced by EGF companies as a result of waste energy recovery, and which the companies themselves use, for example, as cover for landfills and paths. It is also worth mentioning that this product is CE certified for use in road construction – base and sub-base – and that it is an excellent example of circular economy, preventing the need for natural aggregates that are often extracted from quarries and rivers.

Total consumption of materials used by weight or volume (GRI 301-1)

Materials are broken down according to their nature (renewable or non-renewable). In the case of non-renewable materials, the respective data is presented per unit weight, according to their characteristics (see notes indicated below).

Materials (tonnes)	2022		2021	
	Non-Renewable Materials	Renewable Materials	Non-Renewable Materials	Renewable Materials
E&C Europe	3,399,476	864	3,856,122	1,557
E&C Africa	2,027,440	2,624	2,696,515	1,572
E&C Latin America	21,398,254	4,221	3,458,355	1,478
Environment	108,521	20	60,583	376
Capital	88,950	484	93,247	552
Holding	-	-	-	-
MOTA-ENGIL GROUP	27,022,641	8,213	10,164,823	5,535

Note 1: The 2022 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

Note 2: It should be noted that the turnover between 2021 and 2022 increased significantly and that in 2022 the collection of information was extended to a greater number of categories of materials.

Note 3: Considering the change that occurred in 2022 in MOTA ENGIL GROUP's business units, we have not yet been able to report all the information that concerns the Holding. However, it should be noted that this information is considered non-material.

Note 4: The reported data does not comprise MOTA-ENGIL MOÇAMBIQUE, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION, VISTA WASTE and TURISMO.

WATER MANAGEMENT

An encompassing coverage of the use of water is crucial for enabling the organisations to assess their impacts, be it at the hydric resources that serve the whole ecosystem, or other users of water and at the organisation itself.

MOTA-ENGIL recognises the importance of investing in the efficient and responsible use of this resource. Both in construction projects and in the most diverse areas of activities, it searches solutions for monitoring and optimising the use of this resource (for example, recourse to more efficient pieces of equipment) and reducing the impacts associated from its consumption or the discharge of effluents.

The quantities of MOTA-ENGIL's water abstracted, according to their origin (GRI Standard 303: Water and Effluents (2018)) are exhibited in the following table.

Water withdrawal (GRI 303-3)

Water withdrawn (m ³)	2022				2021			
	Surface water	Underground water	Water purchased from third parties	Total	Surface water	Underground water	Water purchased from third parties	Total
E&C Europe	59,416	109,436	84,827	253,679	12,562	121,208	89,739	223,509
E&C Africa	407,974	208,108	307,523	923,610	218,558	92,306	273,287	584,151
E&C Latin America	981,813	21,420	181,381	1,184,614	372,136	37,889	87,638	497,663
Environment	0	383,733	230,348	614,080	5,665	465,916	326,813	798,394
Capital	6,719	564	18,220	25,503	3,110	8,841	15,180	27,131
Holding	0	0	1,886	1,886	0	0	1,629	1,629
MOTA-ENGIL GROUP	1,455,922	723,260	824,184	3,003,371	612,032	726,159	794,286	2,132,477

Note 1: The reported figures concern the withdrawal of water resulting from operations of companies of the GROUP.

Note 2: The figures above, with regard to surface water, do not include the water withdrawn from the Tagus River for cooling the water-steam circuit of the Energy Recovery Central of VALORSUL (Portugal), returned in full to the water environment with a slight increase in temperature, duly monitored and controlled.

Note 3: Water purchased from third parties includes the supply of water by municipal management entities.

Note 4: The 2022 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

Note 5: The reported data does not comprise MOTA-ENGIL MOÇAMBIQUE, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION, VISTA WASTE and TURISMO.

Of note is also the important role the company MOTA-ENGIL ATIV play with regard to their clients under the services provided – e.g. via the installation of measured and controlled areas to fight water loss and the development and application of innovative technology for greater water efficiency in green spaces, etc.

CONSUMPTION OF ENERGY

MOTA-ENGIL operates in sectors that are highly dependent upon fossil fuels (diesel in particular), due to their use in light and heavy-duty vehicles, electric vehicles, generators and different machinery. This dependency is particularly relevant in the construction, logistics (rail freight) and waste management areas.

It should be mentioned that, particularly in construction, there are three important factors that have an impact on its dependence on fossil fuels and, consequently, its carbon footprint:

- The type of works conducted by MOTA-ENGIL, which is heavily represented by large-scale infrastructure projects, means that the GROUP has to use heavy machinery with high fuel use.
- The places where it operates, such as Africa and Latin America, in very often remote locations where the lack of electricity demands its production by diesel generators.
- The geographies where the GROUP operates are classified by equipment suppliers as “high-”, “medium-” and “low-regulated countries” that correspond, respectively, to European, Latin American and African countries, for which high-, medium- and low-technology equipment is provided, respectively. Therefore, for the same type of equipment and for the same operations, higher fuel unit use is inferred per lower technological development, namely combustion engines.

As regards energy purchased, it essentially concerns the consumption of electricity. Mention should be made of the production of energy for self-consumption by the organisation (e.g., recourse to photovoltaic panel) and also for sale, with emphasis on the Valorsul Energy Recovery Plant (EGF, Portugal). It should also be added that the MOTA-ENGIL GROUP operates in the energy production sector in Mexico (figures not included in the table). The search for greater energy efficiency and the option for renewable energy sources constitute important measures to reduce costs and the greenhouse gas emissions (GHG) and thus contribute to the fight against climate change.

The following table concerns the consumption of energy at MOTA-ENGIL GROUP (GRI Standard 302: Energy (2016)).

Energy consumption within the organisation (GRI 302-1)

Energy (GJ)	2022							2021						
	E&C Europe	E&C Africa	E&C Latin America	Environment	Capital	Holding	MOTA-ENGIL GROUP	E&C Europe	E&C Africa	E&C Latin America	Environment	Capital	Holding	MOTA-ENGIL GROUP
Energy Consumed														
Total energy consumed	637,938	2,695,452	1,252,037	1,553,102	248,180	5,545	6,392,253	736,597	1,903,398	965,920	1,925,756	448,536	4,810	5,985,017
Consumption of non-renewable fuels	567,487	2,654,101	1,240,809	1,208,340	238,559	3,794	5,913,090	661,318	1,849,938	956,377	1,550,782	436,725	3,205	5,458,344
Consumption of renewable fuels	0	0	240	437	0	0	676	0	0	1,285	614	0	0	1,899
Consumption of self-generated energy (solar and waste management)	776	0	4	131,775	817	0	133,373	434	0	0	181,889	351	0	182,674
Consumption of electricity purchased	69,675	41,350	10,983	212,550	8,804	1,751	345,114	74,845	53,460	8,258	192,471	11,460	1,605	342,099
Energy Sold														
Sale of self-generated energy	127	0	0	1,461,216	10	0	1,461,353	74	0	0	1,826,179	31,247	0	1,857,500

Note 1: The 2022 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

Note 2: The reported data does not comprise MOTA-ENGIL MOÇAMBIQUE, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION, VISTA WASTE and TURISMO.

ii. Pollution and climate change

The fight against climate change constitutes one of the greatest challenges Humanity faces and the Greenhouse Gas emissions (GHG) generated by human activities are one of the main factors contributing to this problem.

To cut its carbon footprint, the MOTA-ENGIL GROUP and its companies have several projects underway (see diagram) with an impact on their Scope 1, 2 and 3 emissions. With the approval of the corporate strategy, the aim is to increase the scale of implementation of the initiatives and to roll them out to the whole GROUP, identifying new adaptation and mitigation measures to be implemented and opportunities for green funding to support the energy transition process. The reinforcement with designers of the introduction of ecologically more efficient solutions (from a life cycle perspective) and the awareness of the adoption of more energy-efficient buildings are some examples of these initiatives.



It should be mentioned that MOTA-ENGIL is consolidating the methodologies for ascertaining energy consumptions and calculating GHG emissions (scopes 1, 2 and 3). The data of GHG emissions (indicators 305-1, 305-2 and 305-3 of GRI Standard 305: Emissions (2016)) is, as at the date of release of the present report, still being improved; for more information, consult the 2022 Sustainability Report. However, it is worth mentioning the preliminary results that can be found below, in an attempt to align the calculation methodology with the GHG Protocol. The reporting year of 2022 had the first calculation of emissions of scope 3, consisting of other indirect emissions associated with the value chain, namely in category 1 - purchase of products and category 3 - activities related to fuel and energy not included in scope 1 and 2.

Greenhouse Gas Emissions (GRI 305-1, 305-2 and 305-3)

Emissions (tCO ₂ e)	2022							2021						
	E&C Europe	E&C Africa	E&C Latin America	Environment	Capital	Holding	MOTA-ENGIL GROUP	E&C Europe	E&C Africa	E&C Latin America	Environment	Capital	Holding	MOTA-ENGIL GROUP
Scope 1 - Direct GHG Emissions														
Total Scope 1 - Direct GHG Emissions	44,425	247,296	91,212	1,199,400	17,375	274	1,599,983	53,551	157,560	70,763	1,259,290	29,841	231	1,571,236
Consumption of fuels and emissions of the vehicle fleet	44,425	245,308	91,212	84,289	17,375	274	482,883	53,504	156,946	70,763	110,971	29,841	231	422,256
Fugitive Emissions	0	1,988	0	699	0	0	2,687	47	614	0	430	0	0	1,092
Waste Treatment	0	0	0	1,114,412	0	0	1,114,412	0	0	0	1,147,888	0	0	1,147,888
Scope 2 - Indirect GHG Emissions														
Electricity (location-based method)	5,421	3,362	1,468	8,158	637	65	19,111	5,910	3,740	1,046	7,970	625	60	19,351
Scope 3 - Other Indirect GHG Emissions														
Total Scope 3 - Other Indirect GHG Emissions	190,555	312,067	936,924	44,809	18,325	90	1,502,769	404,825	160,218	243,111	46,922	9,797	77	864,951
Category 1: Purchase of products	178,837	266,662	916,238	24,029	14,148	0	1,399,915	390,822	126,016	227,122	20,584	2,981	0	767,525
Category 3: Activities related to fuel and energy not included in scope 1 and 2	11,719	45,405	20,686	20,779	4,177	90	102,855	14,004	34,203	15,989	26,338	6,816	77	97,427
Other GHG Emissions														
CO ₂ emissions from biogenic origin	0	0	17	435,619	0	0	435,636	0	0	92	430,626	0	0	430,718

Note 1: The 2022 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information). It should be noted that the calculation methodology is still being improved.

Note 2: The reported data does not comprise MOTA-ENGIL MOÇAMBIQUE, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION, VISTA WASTE and TURISMO.

Where atmospheric pollutants are concerned, it is worth highlighting the emissions resulting from the activities of waste companies, arising from their services rendered, with emphasis on those from EGF (Portugal), which, as a result of the energy recovery process, employs ongoing monitoring of the atmospheric emissions. Measures of control/emissions treatment and monitoring are implemented in these cases, as per the conditions defined in the respective licenses and in compliance with the applicable legislation. For example, in the case of the Energy Recovery Plant, throughout the last 20 years of collecting and analysing data on the environmental parameters of the plant's surrounding region, in studies conducted whenever possible by independent entities, the results were positive and consistent, showing that the plant's activity has no negative impacts on the environmental quality of the surrounding area.

Other sources of atmospheric emissions associated with the activities of the GROUP are essentially controlled by occasional monitoring (according to the legislation in force), which explains why significant emissions, like boilers from buildings, chimneys from the workshops of construction sites and equipment for bituminous mixtures are not considered.

The data indicated below concerns to emissions resulting from direct measurements in motor generators (energy-based electricity generating centres of landfills and anaerobic digestion), burners in anaerobic digestion facilities, Valorsul's Energy Recovery Plant, as well as biofilters for the treatment of exhaust air, located in Portugal.

Emissions of NO_x, SO_x and other significant atmospheric emissions (GRI 305-7)

Atmospheric emissions (tonnes)	2021	2022
Nitrogen oxides (NO _x)	779.1	826.8
Sulphur oxides (SO _x)	34.7	36.8
Volatile organic compounds (VOC)	109.6	156.3
Toxic pollutants (HAP)	0.0	0.3
Particulates with a diameter less than 2.5 µm (PM10)	9.8	4.1
Carbon monoxide	264.4	339.9
Hydrogen sulfide (H ₂ S)	0.0	0.2
Non-Methane Volatile Organic Compounds (NMVOC)	24.0	22.3

iii. Circular economy and waste management

With regards to own activities, waste associated with the engineering and construction business area, depending on the nature and size of the projects underway, can be significant. The quantities of hazardous and non-hazardous waste, by type of final destination, are indicated in the following table (GRI Standard 306: Waste (2020)).

The routing to an adequate final destination is fundamental for reducing the negative impacts associated with waste on both the environment and local communities. MOTA-ENGIL is concerned about ensuring that adequate final destination with particular emphasis on the recovery operations. It is of note, however, that sending waste for recovery not only depends on the characteristics of the waste produced but also the existing infrastructure in the geographies where the GROUP operates – something that is often a limiting factor. Waste recovery was considered one of the strategic environmental goals of the MOTA-ENGIL Strategic Plan 2022-2026 and also constitutes an important measure of circularity, allowing for the reutilisation of waste, preventing the extraction of virgin raw materials and contributing to a reduced carbon footprint, among other benefits.

Apart from the production of waste through its various activities, MOTA-ENGIL performs an important role in the minimisation of the environmental impact associated, with waste in the geographies in which its waste management companies operate, and in the promotion of environmental education and awareness.

Waste generated (GRI 306-3/4/5)

Waste (tonnes)	2022					2021				
	Hazardous waste		Non-hazardous waste		Total	Hazardous waste		Non-hazardous waste		Total
	Recovery operation	Disposal operation	Recovery operation	Disposal operation		Recovery operation	Disposal operation	Recovery operation	Disposal operation	
E&C Europe	181	546	274,943	160	275,830	171	458	248,506	6,253	255,388
E&C Africa	79,959	7,441	323	146,469	234,192	10,306	702	11,668	43,784	66,460
E&C Latin America	99	1,341	937	39,702	42,080	107	200	141,199	176,752	318,257
Environment	336	439	1,505	4,455	6,735	2,487	4,502	1,895	5,512	14,395
Capital	29	27	3,459	3,157	6,672	74	10	13,419	3,272	16,775
Holding	-	-	-	-	-	-	-	-	-	-
MOTA-ENGIL GROUP	80,605	9,795	281,167	193,942	565,509	13,144	5,872	416,686	235,573	671,275

Note 1: The reported quantities concern waste produced by the GROUP companies' own activities.

Note 2: In E&C Europe, the non-hazardous waste, intended for recovery operations, are of very high value when compared with other business units, due to the fact that in Poland earth moved (surface soil and others) is being deemed as waste, as per national legal requirement.

Note 3: The 2022 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

Note 4: Considering the change that occurred in 2022 in MOTA ENGIL GROUP's business units, we have not yet been able to report all the information that concerns the Holding. However, it should be noted that this information is considered non-material.

Note 5: The reported data does not comprise MOTA-ENGIL MOÇAMBIQUE, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION, VISTA WASTE and TURISMO.

iv. Protection of biodiversity

MOTA-ENGIL intends to avoid operations in protected areas or in areas of a high index of biodiversity (GRI Indicator 304-1, GRI Standard 304: Biodiversity (2016)). It is worth noting, however, that some facilities are located in the proximity of those areas, as is the case of some EGF facilities (in the waste management area) and the company CAPSFIL:

- VALORSUL is situated next to the Tejo Estuary Special Protection Zone, established under the Birds Directive, and essentially intended to ensure the conservation of the species of birds and their habitats;
- In the case of ALGAR, the Sotavento Sanitary Landfill is located in the parish of Salir, municipality of Loulé, and is integrated into the following areas comprising the Regional Structure of Environmental Protection and Recovery (ERPVA - Estrutura Regional de Proteção e Valorização Ambiental): the Caldeirão Important Community Site (PTCON0057) and the Caldeirão Special Protection Zone (with the same code), in the Rede Natura 2000 (RN2000), and Vascão Creek in the international humid conservation zone (Ramsar Convention);
- In the case of RESIESTRELA, it is located within the Serra da Estrela Natural Park (quarry facilities, partially within the National Ecological Network zone);
- In the case of CAPSFIL, this consists of quarry facilities, partially located within an area classified as National Ecological Reserve (REN - Reserva Ecológica Nacional).

At the level of ecosystems and biodiversity, it has been verified that projects are being carried out within or adjacent to protected areas, an aspect of growing concern and that will require an equally growing focus by the GROUP.

Significant impacts may result from the projects which the GROUP is involved in – such as pollution, a fall in the number of species, fragmentation or conversion of habitats, etc.

The companies of the MOTA-ENGIL GROUP strive to reduce the impact of their operations on biodiversity and ecosystems and to protect the environment. Valorsul (within EGF, in Portugal) is an example of this, undertaking regular and continuous environmental monitoring programmes. These programmes include an assessment of the quality of the air, water, sediment and land and estuary ecosystems, etc., and aim to measure the environmental impacts on the areas surrounding the company's facilities.

The GROUP companies comply with the legislation in force, the conditions defined in environmental and operating licenses, and the requirements of the developers and the monitoring and minimisation measures defined within the scope of the environmental impact assessment (where applicable), with a view to safeguarding habitats and species. Of note, among the most common measures are reforestation projects with indigenous species and monitoring and preservation of species (e.g. monitoring of birds and safeguarding of wild fauna, such as reptiles and small mammals).

Biodiversity is also one of the topics included in the internal and external awareness-raising actions held by the GROUP's companies.

v. Green Taxonomy in the European Union

In the international framework of the various initiatives to promote sustainability, with emphasis on the UN Sustainable Development Goals and the Paris Agreement on Climate Change, the European Union approved in 2018 its own Action Plan on Financing Sustainable Growth. This programme has been followed up by other important European instruments, such as the European Green Deal and the Taxonomy Regulation of June 2020, which foresees the information obligations that we comply with here.

Taxonomy, without forgetting the social and human rights components, has an essence of cataloguing economic activities that can be qualified as environmentally sustainable according to six environmental objectives: (1) climate change mitigation; (2) climate change adaptation; (3) sustainable use and protection of water and marine resources; (4) transition to a circular economy; (5) pollution prevention and control; and (6) protection and restoration of biodiversity and ecosystems.

Taxonomy can be described as a system that seeks to objectify as far as possible the criteria for assessing economic activities for the purposes of their environmental classification, in an effort to standardise and compare them. As it is an evolving process, nowadays, only the technical criteria for the first two environmental objectives are available, therefore this year we will continue to report according to this delimitation. Notwithstanding, a new phase has begun regarding the nature of the reporting conducted in the previous financial year. With reference to the year 2021, it was reported in 2022 on the exercise of eligibility for Taxonomy purposes of our various activities, now reporting, by reference to the year 2022, on the conclusion of an exercise that was not only of eligibility, but also of alignment of eligible activities, with an inevitable increase in complexity in relation to what was previously undertaken in this regard.

The fact that MOTA-ENGIL performs a significant part of its operations outside the European Union brings added complexity to this exercise. In fact, being the legal context of the framework of activities different from the European legal context, the local requirements and obligations fulfilled are different and do not have a direct parallelism or easy equivalence with the requirements of European legislation.

On the other hand, it is emphasised that in 2022 there was a reinforcement in the identification of the new Taxonomy requirements, which resulted in the hiring of an external entity to provide support in the evaluation of taxonomic alignment. As a result of the exercise carried out, all geographies were asked to evaluate the respective requirements of the European taxonomy, thus raising the awareness of the various teams on these matters. Thus, a positive evolution is expected in the coming years, not only by adapting and evolving the practices, but also by improving the ability to interpret practices followed outside European Union in the light of the European Taxonomy criteria.

Based on the analysis and interpretation of the results obtained from the geographies and the respective doubts regarding the classification of activities, MOTA-ENGIL has opted for a conservative position, from which it has resulted that in this exercise we consider that the identified activities were not aligned yet. Despite the diversity of situations and evaluations resulting from the diversity of MOTA-ENGIL's activity, which will certainly result in different rates of convergence towards alignment with the European Taxonomy, some of the activities are already very close to that alignment, underlining for example the case of the activities 'selective collection' and 'materials recovery' whose alignment is dependent only on some formalisations that are estimated to be completed in 2023.

Lastly, the summary tables are presented as follows prepared in accordance with Annex II of the Commission Delegated Regulation (EU) 2021/2178.

Turnover:

thousands of euros

Economic Activities (1)	Code(s) (2)	Turnover Absolute (3)	Proportion of Turnover (4) %	Absolute Turnover n-1
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A. Activities Eligible for Taxonomy				
A.1. Environmentally sustainable activities (Aligned with Taxonomy)				
Total Turnover	-	0	0%	0
A.2 Activities eligible under the taxonomy but not environmentally sustainable (activities not aligned under the taxonomy)				
Electricity generation from hydropower	4.5	71,956	2%	59,229
Electricity generation from bioenergy	4.8	12,731	0%	12,866
Water supply, sewerage, waste management and remediation	5	26,598	1%	117,966
Collection and transport of non-hazardous waste in source segregated fractions	5.5	5,554	0%	4,591
Anaerobic digestion of bio-waste	5.7	1,338	0%	984
Composting of bio-waste	5.8	150	0%	530
Material recovery from non-hazardous waste	5.9	61,137	2%	56,275
Infrastructure enabling road transport and public transport	6.15	337,329	9%	408,681
Airport infrastructure	6.17	100,388	3%	77,381
Freight rail transport	6.2	8,213	0%	17,338
Construction of new buildings	7.1	303,969	8%	262,274
Renovation of existing buildings	7.2	12,059	0%	11,768
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	198	0%	113
Acquisition and ownership of buildings	7.7	16,368	0%	33,706
Total A2	-	957,990	25%	1,063,704
Total A1 + A2	-	957,990	25%	1,063,704
B. Activities Not Eligible for Taxonomy				
Total Turnover	-	2,846,269	75%	1,528,072
A+B	-	3,804,258	-	2,591,776

CapEx:

thousands of euros

Economic Activities (1)	Code(s) (2)	Capex Absolute (3)	Proportion of Capex (4) %	Absolute Capex n-1
A. Activities Eligible for Taxonomy				
A.1. Environmentally sustainable activities (Aligned with Taxonomy)				
Total Capex	-	0	0%	0
A.2 Activities eligible under the taxonomy but not environmentally sustainable (activities not aligned under the taxonomy)				
Electricity generation from hydropower	4.5	0	0%	259
Water supply, sewerage, waste management and remediation	5	0	0%	621
Collection and transport of non-hazardous waste in source segregated fractions	5.5	3,279	1%	3,418
Material recovery from non-hazardous waste	5.9	4,203	1%	4,203
Infrastructure enabling road transport and public transport	6.15	17,055	5%	10,810
Airport infrastructure	6.17	0	0%	3,303
Construction of new buildings	7.1	0	0%	7,782
Renovation of existing buildings	7.2	0	0%	1,012
Total A2	-	24,537	7%	31,408
Total A1 + A2	-	24,537	7%	31,408
B. Activities Not Eligible for Taxonomy				
Total Capex	-	326,106	93%	181,905
A+B	-	350,644	-	213,314

OpEx:

<i>thousands of euros</i>				
Economic Activities (1)	Code(s) (2)	OpEx Absolute (3)	Proportion of OpEx % (4)	OpEx Absolute n-1
A. Activities Eligible for Taxonomy				
A.1. Environmentally sustainable activities (Aligned with Taxonomy)				
OpEx Total	-	0	0%	0
A.2 Activities eligible under the taxonomy but not environmentally sustainable (activities not aligned under the taxonomy)				
Electricity generation from hydropower	4.5	1,361	2%	1,052
Electricity generation from bioenergy	4.8	0	0%	0
Water supply, sewerage, waste management and remediation	5	3,615	5%	767
Collection and transport of non-hazardous waste in source segregated fractions	5.5	1,313	2%	1,143
Anaerobic digestion of bio-waste	5.7	171	0%	41
Composting of bio-waste	5.8	11	0%	11
Material recovery from non-hazardous waste	5.9	427	1%	87
Infrastructure enabling road transport and public transport	6.15	7,441	10%	9,751
Airport infrastructure	6.17	659	1%	323
Freight rail transport	6.2	883	1%	2,202
Construction of new buildings	7.1	4,856	6%	4,292
Renovation of existing buildings	7.2	266	0%	237
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4	1	0%	1
Acquisition and ownership of buildings	7.7	168	0%	103
Total A2	-	21,169	28%	20,010
Total A1 + A2	-	21,169	28%	20,010
B. Activities Not Eligible for Taxonomy				
OpEx Total	-	54,807	72%	30,629
A+B	-	75,976	-	50,639

COMPLEMENTARY NOTES:

1. In the tables above, the columns with no application for the MOTA-ENGIL GROUP's 2022 financial year have been omitted.
2. On the other hand, it should be noted that some relevant changes occurred in relation to the eligibility reported by reference to the year 2021, essentially related to the more in-depth reassessment of two activities, which resulted in their disregard in this year.
3. Turnover, CapEx and OpEx were calculated in accordance with Annex I of the Commission Delegated Regulation (EU) 2021/2178. However, the OpEx indicator used for taxonomic purposes considered only those operating expenses for which it was possible to establish a uniformity of criteria across the MOTA-ENGIL GROUP consistent with the denominator used. Thus, for the purposes of calculating turnover and OpEx, the following items of the consolidated income statement by nature were considered: "Sales and services rendered" and "Third-party supplies and services - Maintenance and repair". On the other hand, for purposes of calculating CapEx, the increases, net of disposals, of tangible assets, intangible assets, and assets under right of use that occurred during the year were considered, excluding those allocated to the concessions business in Mexico.
4. In the cases where it was necessary to disaggregate values to allocate to each of the activities, the values included in the analytical accounting of the various GROUP companies were used. However, in situations in which in a certain cost/profit centre more than one activity coexisted, some apportionment criteria were considered, sometimes based on the weight of Turnover, sometimes based on the quantities of bio-waste treated versus the total quantities of waste treated, or sometimes based on the weight of the quantities of selective collection collected versus the total quantities. However, there is no case in which the above options would have a significant impact on the figures presented.
5. The MOTA ENGIL GROUP has not implemented CapEx plans falling under point 1.1.2.2.2 (b) of the said Annex I of the Commission Delegated Regulation (EU) 2021/2178.
6. The classification of the activities as eligible was made directly by matching the description of the activity in the technical criteria of the Commission Delegated Regulation (EU) 2021/2139 with the activities carried out. We note, however, that for the activities 6.15 (Infrastructure for road transport and low carbon public transport) and 6.17 (Low carbon airport infrastructure), for the purposes of the eligibility framework, the qualifier "low carbon" was not considered, and these activities were considered eligible but not aligned, since in neither case is this qualifier applicable.
7. In most cases, this is because the KPIs are identified by company and each company corresponds to one activity, and in the case of companies with more than one activity, because the company's total KPIs were distributed without overlapping between the relevant activities, in accordance with the criteria indicated above.
8. Except for seasonality and the different *mix of* projects developed by the GROUP, there were no elements of change in Turnover, CapEx or OpEx relevant to taxonomic information during the year.
9. The MOTA-ENGIL 2027 bonds have no impact on the Taxonomy assessment since, notwithstanding the link of these bonds to sustainability, they are not specifically intended to finance activities aligned with Taxonomy.

2. Social and tax policies

i. Commitment of the company to the community

Within the scope of the new Strategic Plan – “BUILDING 26 | For a sustainable future”, MOTA-ENGIL set empowerment of local communities as a strategic sustainability guideline, supporting social, educational, environmental and cultural causes, adapted to the context and needs of the regions where it operates. This also constitutes an intrinsic part of the GROUP’s action, since its foundation.

The GROUP realises its action on behalf of the community through:

- The initiatives developed by its local teams.
- The Manuel António da Mota Foundation.

Support for communities by local Mota-Engil teams:

Construction and rehabilitation projects
These projects are a natural extension of Mota-Engil’s activities and a reflection of its employees’ skills and motivation. By directing material resources at these projects – for example leftover materials from construction work – local communities can benefit and the quantity of waste generated can also be minimised, thus reducing the environmental impacts associated with its treatment.

Health, safety and environmental awareness campaigns
Community awareness campaigns on the subject of health, safety and the environment, and in the aim of fostering greater understanding of the safety risks and environmental impacts associated with the companies’ projects and activities.

Charitable actions and support
Support for various charitable organisations, namely by collecting and donating essential goods and food, etc., donating money, funding programmes and participating in charitable events.

Motivating partnerships with other entities
Establishment of formal and informal protocols with local entities with whom corporate social responsibility actions are developed that provide support to communities in the geographies where Mota-Engil operates.

For more information regarding the initiatives undertaken by the GROUP and its Foundation, please refer to the Sustainability Report of 2022 (in the case of the Foundation, the FMAM WEBSITE should also be consulted).

On account of its significance and structured approach to the empowerment of local communities, a summary of the Manuel António da Mota Foundation’s action is presented below.

Action of the Manuel António da Mota Foundation

The Manuel António da Mota Foundation (FMAM) is an important social responsibility policy instrument for MOTA-ENGIL. It reflects the GROUP’s organisation, ethics and social commitment on behalf of an active and participatory corporate citizenship.

FMAM is a natural extension of the philanthropic traditions of MOTA-ENGIL GROUP and a legacy of its founder, Manuel António da Mota.

Based in the city of Porto, in 2020 it celebrated ten years of activities throughout Portugal and the countries in which the MOTA-ENGIL GROUP operates.

In 2022, FMAM remained faithful to its motto “Seeing, Listening, Acting” and to its scope of trying to contribute to a more just, cohesive, and solidary society, following on the fundamental axes that guide its performance. However, this ability to respond to major emerging issues did not prevent the pursuit of a strategy focused on multiannual projects, programmes, and initiatives with a social impact.

FMAM believes that this approach boosts the capacity of the institutions supported to achieve transformative and long-lasting effects on the lives of people who benefit from its strengths and services. It also pursued the granting of support, in various sectors, in conjunction with its beneficiaries and partners in the social economy.



FMAM focuses its activities on six areas. It aims to support local communities and MOTA-ENGIL GROUP'S own employees by taking important internal measures, positioning itself as a foundation that contributes to the integrated development of the community.

Given the myriad initiatives and associations supported by FMAM, and the impossibility of mentioning all of them, a selection of programmes and support awarded in 2022 is highlighted below.

It should also be noted that, in 2022, FMAM and MOTA-ENGIL, in a coordinated effort, promoted a fund-raising campaign called "ME2! Help for Ukrainian People", in which the GROUP'S workers were invited to join forces in support of Ukraine and the Ukrainian refugees displaced to Poland.

The realisation of a cycle of Webinars called "Conscious Talks", promoted by FMAM throughout 2022, is also worth noting. These sessions, organised through videoconferencing, were aimed at the workers of MOTA-ENGIL and sought to spread knowledge and raise awareness on matters of collective interest.

	2022	2021
No. of institutions supported by FMAM	123	75
Amount invested by FMAM	812,200 €	926,914 €

Manuel António da Mota Award

The purpose of the Manuel Antonio da Mota Award is to honour and pay homage to MOTA-ENGIL'S founder, possibly constituting the most iconic and publicised initiative of the Foundation, which every year distinguishes outstanding organisations that stand out in various domains within the activities of FMAM.

In 2022, in its 13th edition, the Manuel António da Mota Award, under the motto “Portugal is Fair”, distinguished the institutions noted for fighting against poverty and social exclusion and for the welcoming and integration of migrants and refugees, valuation of the interior and territorial cohesion, health, education, employment, family support, innovation and social entrepreneurship, digital and technologic inclusion and transition and climate transition.

The Manuel António da Mota Award, which is worth €50,000, was given to Reencontro – Associação Social, Educativa e Cultural (Social, Educational and Cultural Association) with the project “To Be a Child”. This institution supports 300 children, daily, in Vila Nova de Tazem, in the Gouveia municipality, in areas such as speech therapy, psychology and motricity, not always accessible in the interior of the country. The activities of this association take place at its headquarters, but also in various schools of the region.

In order to achieve its objectives, Reencontro seeks to develop activities in the social, educational and cultural spheres, acting with people and families in situations of vulnerability or social exclusion. The “To Be a Child” project, aimed at 3 to 10 year-old children, is a community intervention programme composed of three stages: diagnosis, intervention and development of skills.

Reencontro, which took the Award, was accompanied by Centro Humanitário de Tavira da Cruz Vermelha Portuguesa (Tavira Humanitarian Centre of the Portuguese Red Cross) and Associação Pão a Pão, which ranked second and third, respectively, with special mentions having been awarded to the remaining seven institutions. In total, 120 thousand Euro in prize money was awarded to the 10 finalist institutions.

The Award ceremony took place on the 27th of November, at Alfândega Congress Centre in Porto, and was attended by the Portuguese President, Marcelo Rebelo de Sousa, the Ministry for Labour, Solidarity and Social Security, Ana Mendes Godinho, the Chairman of the Board of Directors of the Manuel António da Mota Foundation, Maria Manuela Mota, and the Chairman of the Board of Directors of MOTA-ENGL SGPS, António Mota, among hundreds of guests.

Social Development

Social development constitutes the fundamental pillar of the Foundation’s activity and its main strategic goal. The social investment of FMAM in the community gives preference to work carried out in favour of the vulnerable and underprivileged social groups and expresses a particular sensitivity for emerging situations. FMAM seeks, through its charitable work, to fight poverty and exclusion and promote social integration and full citizenship.

Through programmes and assistance in areas including social solidarity, disability, health, housing and sports, FMAM seeks to contribute to the strengthening and sustainability of the third sector, supporting projects of recognised social relevance and impact.

FMAM also places particular emphasis on networking and partnerships with other institutions. This methodological approach is seen as crucial for a more efficient response to problems through interlinking and cooperation from the perspective of complementarity, and it is strategically oriented towards intervening in areas where the public or private sector have greater difficulties in achieving coverage.

Education and Training

To FMAM, education means preparing people for full citizenship and thereby allowing them to realise their potential and to develop fully as free, responsible and autonomous individuals.

In this way, through its “Education” pillar, FMAM supports education, training and qualification of young people and adults, particularly among more disadvantaged groups, valuing human potential and promoting social and professional integration.

It designs educational projects in partnership with other entities. It also provides support for institutions that work on behalf of educational development and contribute to the valuing of human potential.

Culture

The valuation of culture and the promotion of access to cultural assets constitute an important objective to the Foundation, which seeks to support institutions and initiatives that bring citizens and culture closer, as well as to disseminate and support the work of young artists who enrich the national cultural scene.

FMAM’s material culture strategy also involves the use of its spaces and the areas surrounding its location for cultural initiatives and to equip cultural agents with the conditions necessary to carry out their artistic work.

Apart from its own activities, FMAM regularly hosts (free of charge) civil society and third-sector organisations, which due to insufficient material or financial resources express the wish to hold their meetings, working sessions, training or other activities at its facilities.

International Scope

At an international level, the Foundation supports and develops social responsibility projects in the countries where MOTA-ENGIL is present.

In Europe, with the outbreak of the war in Ukraine, FMAM promoted, in cooperation with MOTA-ENGIL, a fund-raising campaign, “ME2! Help For Ukrainian People”, which was aimed at inviting the workers of MOTA-ENGIL to join forces in the support of Ukraine and Ukrainian refugees displaced in Poland, country where MOTA-ENGIL has a strong presence. The amount raised with the workers (more than 30 thousand Euro) was topped by the donation of an equivalent amount by the Foundation and MOTA-ENGIL, thus trebling the total sum obtained, which amounted to more than 90 thousand Euros. With the funds raised at this campaign, the Manuel António da Mota Foundation sponsored the award of 10 Scholarships to Ukrainian students who are studying at the Engineering Department of the Polytechnic University of Krakow (Poland). The amount raised also allowed for organising holiday camps for 140 Ukrainian children, with workshops promoted by MOTA-ENGIL Central Europe with the mothers of these children being simultaneously carried out in order to improve their empowerment for actively seeking jobs. The remaining sum was equitably distributed by three Polish non-profit institutions – Polish Humanitarian Action (PAH), The Great Orchestra of Christmas Charity (WOSP) and Polish Medical Mission Association – which operate in Ukrainian territory providing material and medical care as well as distributing essential goods.

In Africa, FMAM, through its “MOTA-ENGIL African Initiatives” programme, designs and executes social responsibility projects on behalf of communities and in response to their essential needs and aspirations in partnership with MOTA-ENGIL. It should be mentioned that FMAM intended to hold the first edition of the “Manuel António da Mota Award – A life in Angola” in 2022. This initiative has been postponed as a result of the pandemic and is expected to effectively take place in 2023.

In Latin America, FMAM’s associated organisations in Peru and Mexico – Fundación Manuel António da Mota – embody the foundation’s widening horizons and its strategy for international expansion.

ii. Subcontracting and suppliers

In 2022, 1,678 million Euro were spent on supplies and services (with associated purchasing forms), representing an increase of 24% over the previous year (a growth that also confirms the tendency already registered between 2020 and 2021). The magnitude of this figure reflects the economic, social and environmental impacts inherent to the GROUP’s procurement decisions and strengthens the vital nature of its supply chain, in order to ensure the long-term sustainability of MOTA-ENGIL’s business. The GROUP thus reinforces its commitment to improving the efficiency of the processes but also to strengthening its level of integration into the remaining functional areas and processes. Specifically, where the sustainability component is concerned, the ongoing integration of the processes with the risk and quality corporate areas. Regarding this aspect, it is worth mentioning the initiatives underway, such as the revision of the third parties management procedure which, appropriately framed by the Corporate Risk and SHEQ directives, will allow, in a first phase, more specifically at the qualification/onboard stage, for submitting the suppliers to surveys for assessing the social sustainability and environmental criteria, with which the MOTA-ENGIL GROUP aims to deepen knowledge and management information so as to treble, classify and appreciate its panel of suppliers.

Procurement and the supply chain

MOTA-ENGIL currently has a broad network of local and international suppliers. It should be mentioned, for example, that within the scope of the Engineering & Construction (E&C) business, the GROUP has concentrated and consolidated three transversal points for supplying goods and services to the various markets in Portugal, South Africa and China, thus guaranteeing a uniform support structure for its supply chain. Additionally, each of the markets has self-supplying autonomy, mostly through local suppliers, where the GROUP’s strategy and policy has been to reinforce and promote this supply source, therefrom drawing: (1) direct benefits to the operations – proximity, speed, availability and reduction of the carbon footprint, among others; and (2) indirect benefits – development of the local business fabric, promotion of economic development, incentives to the creation of employment, in short, strengthening the social responsibility the GROUP demonstrates to have with the local communities where it operates.

Procurement and Logistics are currently subject to a governance model rooted in a global service structure with bundled corporate functions with the aim of ensuring the standardisation of policies, transversality of processes, synergy with the remaining functional areas and local services, and the monitoring of performance, efficiency and profitability of the GROUP’s markets/businesses.

In line with the objectives of the Strategy 2022–2026 BUILDING 26 | For a sustainable future), in particular with the third axle “Efficiency Programme at the level of the GROUP”, which is aimed at strengthening the pillars of efficiency and sustainability of the plan, the consolidation of the initiative for promotion of local sourcing and purchase stands out where management and organisation of the Procurement Process is concerned. With focus on the Engineering & Construction business of the GROUP and within the scope of implementation in the African continent, the project sought to increase the number of local purchase orders by 25% and closed 2022 with an expressive increase of 40.3%, a result that confirmed the adherence of all countries and the exceeding of the objectives stated.

In 2022, the GROUP continued to revise and update the general/specific terms of supply/subcontracting, strengthening the importance of the social and environmental dimensions and the of promotion of the products’ life cycle, with a view to encourage better solutions at the development/product procurement stage that cause less impact on the environment and promote worker safety. In addition, the Procurement Management Policy is currently being revised to introduce the concept of sustainable procurement and reflect the impacts throughout the process and supply chain.

Risk management in the supplier chain

With regard to risk management in the supplier chain, the GROUP continues to strengthen the integration of the procurement, compliance and internal audit corporate areas in order to review some of the fundamental principles, guidelines and criteria, with the practical purpose of consolidating management information and making it more reliable. The objective is to allow for monitoring indicators that mitigate risk situations, permit the implementation of preventive and corrective measures and ultimately contribute to an improved sustained performance of the GROUP. Within this scope, the revision of the supplier management model will allow, in a first stage, to reinforce the requirements and procedures for qualifying and assessing the panel of suppliers. The implementation of the actions and procedures arising from that revision shall be progressive and adaptative, highlighting, in a second and third stages, respectively, the phases of purchase (criteria and weighing for guiding the analysis of commercial proposals and purchase decisions) and performance assessment (criteria and weighing for assessing and monitoring the index for satisfaction and performance of supplies).

When dealing with companies and individuals, the GROUP shares its Code of Ethics and Business Conduct as well as informs of its compliance and integrity standards with third parties for which there are no reported practices of human rights violations.

In 2020, the Third-Party Procedure (KYS – Know Your Supplier) was incorporated into the procurement processes, underpinned by the MOTA-ENGIL GROUP’s tool for assessing integrity – Diligent Third Party Management. Despite being a newly integrated procedure, universally used in procurement processes, it is possible to verify the successive increase in the evaluations that were carried out between 2019 and 2022, which demonstrates the consistency in compliance with this process.

	2022	2021	2020	2019
Number of evaluations	851	668	369	69

iii. Consumers

MOTA-ENGIL’s activity focuses on an essentially B2B – Business to Business and B2G – Business to Government – model. Notwithstanding, there are various communication channels aimed at the communities, as in the case of companies operating in the waste management area (see section “v. Stakeholders”).

There are various mechanisms aimed at gathering the opinion, concerns, complaints and suggestions of communities, clients and other stakeholders. Each company of the GROUP presents specific channels for receiving the complaints, within the scope of their management systems, carries out its analysis and responds to the complainants, this information being decentralised in each of the markets/companies.

It is also worth mentioning that the GROUP companies, the quality management systems of which are certified, carry out satisfaction surveys to their clients on a regular basis, with the centralisation of information processes in Africa having already been initiated with the aim of identifying the main needs and acting transversally in order to increase the level of satisfaction of our clients. With the current process for expansion of the GROUP’s global certification (using the ISO 9001benchmark), the respective centralisation of the information on a corporate level shall be reinforced.

Finally, a Client Management internal process was also defined with the main function of promoting close follow-up with the clients, in order to guarantee the identification of their needs and enhance their satisfaction.

iv. Responsible investment

In October 2022, MOTA-ENGIL issued a total amount of 70 million Euro bonds admitted to trading at Euronext Lisbon, which reached a demand 1.34 times higher than the supply.

The issuance of **Sustainability-linked Bonds 2022-2027** by MOTA-ENGIL, following up on the issuance occurred in 2021 of **Sustainability-linked Bonds 2021-2026**, consisted in an equally innovative operation that allowed to launch an offering of sustainability-linked bonds aimed at the Portuguese retail market.

These bonds are linked to sustainability, to the extent that MOTA-ENGIL is committed to promote the improvement of a key performance indicator (KPI), the rate of non-lethal occupational accidents with leave, with the aim of reaching a sustainability performance target (SPT) by 31 December 2026. The target in question implies a 50% cut in the aforementioned rate of accidents in Engineering and Construction projects by 2026, according to the target set out in the MOTA-ENGIL Strategic Plan 2022–2026 (“BUILDING 26 | For a sustainable future”). To calibrate the SPT, a benchmarking³ exercise was conducted that envisaged the development and commitments assumed by a group of 16 international peers of the Engineering & Construction sector (13 of which integrate the study “Global Powers of Construction 2021” prepared by Deloitte).

In the sectors of activity in which the MOTA-ENGIL GROUP operates, particularly that of Engineering & Construction the accident rate in projects is absolutely relevant. According to a recent study from the Centre for Construction Training and Research⁴, despite the significant reduction in the number of work accidents with serious consequences (except deaths), in 2019 the Engineering and Construction sector continued to present an occurrence of accidents significantly above the average of the all the remaining sectors, approximately 29.2%. The importance of ensuring safe and secure working environments is explicitly enshrined in the United Nations’ Agenda 2030, in particular in SDG 8: Decent Work and Economic Growth, which has the reduction of the rates of frequency of lethal and non-lethal occupational accidents associated with its target 8.8. Health and safety at work are also crucial for fulfilling SDG 3: Quality Health and Well-Being, since occupational accidents and diseases significantly contribute, on a global level, to the growing problem of non-communicable and chronic diseases.

Reaching “ZERO lethal accidents” is clearly an objective defined and underlying the form of action of the MOTA-ENGIL GROUP and inherent to its strategy. Notwithstanding, MOTA-ENGIL considers that the exclusive focus on lethal accidents does not allow for an action focused on the prevention of all other accidents other than the potential source and cause of deaths, ending up constituting a mere reactive measure. If MOTA-ENGIL only focuses on zero deaths, it may entail a wrong interpretation of performance, since there might be few deaths but many accidents that could (ultimately) have caused deaths. Considering that the occurrence of death is irreversible, MOTA-ENGIL intends to anticipate, monitor and act on the accidents with a higher likelihood of generating deaths, reinforcing action and prevention through the implementation of prevention and awareness-raising measures, with special emphasis on accidents with leave. The selected indicator, rate of non-lethal occupational accidents with leave (in the English acronym, LTIFR - Lost Time Injury Frequency Rate), is an OIT indicator that does not allow for perceiving the number of leave days associated with each serious accident but enables the standardisation and external benchmarking of the KPI, as well as to assess the performance achieved as regards prevention, the main concern of MOTA-ENGIL.

The bonds were issued in line with the five main components of the Sustainability-Linked Bond Principles (SLBP) published by the International Capital Markets Association (ICMA) in June 2020. On the other hand, a Second-Party Opinion was also issued by S&P Global Ratings confirming alignment with the SBLP, which is available on the MOTA-ENGIL website at: <https://www.mota-engil.com/en/sustainability/>.

Within the scope, the MOTA-ENGIL GROUP additionally undertakes to:

- Disclose, in its sustainability report, relevant information to the analysis of the performance of the KPI and its sustainability strategy.
- Include, in its annual sustainability reports, information allowing to assess the performance of the MOTA-ENGIL GROUP regarding the selected KPI, with reference to the base value observed in 2021;
- Request, on an annual basis, a statement of independent external audit that confirms the performance regarding the selected KPI, which shall be integrated into the respective sustainability report; and
- Request, with reference to 31 December 2026, a statement of independent external audit that confirms whether the predicted SPT was effectively reached. This statement shall be disclosed on the GROUP’S website (www.mota-engil.com) by 30 June 2027, with the appointment of an external auditor to be disclosed on the GROUP’S website (www.mota-engil.com) within 30 days prior to said date.

The benchmarking exercise took similar companies from the engineering and construction sector into consideration: Aarsleff, Acciona, ACS, BAM, Bouygues, Eiffage, FCC Construcción, Ferrovial, Hochtief, Porr, Sacyr, Skanska, Strabag, Veidekke, Vinci, Webuild
Source: <https://www.cpwr.com/wp-content/uploads/DataBulletin-December2020.pdf>

v. Stakeholders

In order to ensure the desired level of satisfaction of the relevant stakeholders, the MOTA-ENGIL GROUP aims to systematically identify, monitor and revise the information on said stakeholders and on their relevant requirements.

Due to its international and diversified nature and given the purposes of its strategic development, the consolidation and constant search for new opportunities of business, the GROUP puts a special emphasis on its customers (national and international, institutional or of the private sector), on its business partners and on the universe of its employees. Similarly, the shareholders of the GROUP, investors, financial entities and insurance entities and the regulatory entities are of paramount importance. Reference should also be made to the universities and local communities, due to the impact that the activity sectors in which MOTA-ENGIL operates have on the social and environmental sectors, to the non-governmental organisations, the media, as well as to the vast array of suppliers of products and services, as a reflection of the extensive supply chain.

The forms of communication and involvement vary according to the group of stakeholders. The MOTA-ENGIL GROUP endeavours to make the channels used and the frequency of their use appropriate to the promotion of dialogue and the strengthening of relations. It is worth mentioning that the approach to the main stakeholders and the means introduced largely depend on the specific dynamics, legal requirements and characteristics of each region where the GROUP is present, on the projects developed and/or companies. Communication channels common to the stakeholder groups are email, website and the social networks of the GROUP and its companies, as well as the channels for reporting irregularities (corporate and local, where applicable).

MOTA-ENGIL, through its various companies, is a part of sectoral associations, business associations, chambers of commerce and other bodies. These are of a strategic importance to the promotion of cooperation and close collaboration with the business community. The GROUP is represented in the sectors where it is present and in the chambers of commerce of the geographic markets where it operates. Corporately, it is a member of some reference associations on a national level (as mentioned in Section A of this document).



It is worth noting that, within the scope of the materiality analysis currently underway, an internal workshop was carried out for ascertaining the current relevance of the identification of the groups of relevant stakeholders, purpose and forms of involvement, the results currently being integrated and forwarded to their submission to the Sustainability Report of 2022.

vi. Tax information

MOTA-ENGIL has a Tax Risk Management Policy, which establishes a set of principles and procedures that allow the GROUP to identify, assess and manage the tax risk inherent to the (current and non-current) operations. These principles and procedures apply to all companies held by the GROUP and are followed by the various levels of management - holding, business units and markets/countries - which, in line with the general principles of the GROUP's organisation, shall interact with one another to ensure the timely identification of the tax risks and their efficient management.

The document also lays down a series of situations that, due to their nature, complexity, or size, could generate material tax risks to the GROUP; moreover, the corporate taxation area should be involved in the decision-taking process.

The GROUP is governed by the observance of legislation and tax obligations in the various markets in which it operates and monitors, on a central or local level, changes to tax laws and regulations in each of those countries and that may affect its tax strategy.

MOTA-ENGIL tries to maintain a good relationship with the tax authorities of the countries in which it operates, to minimise the risk of dispute with those entities. In Portugal, MOTA-ENGIL is one of the companies that adhered to the Code of Good Tax Practice promoted by the Portuguese tax authorities, which establishes a set of principles and rules of conduct that must guide the relationship between the taxpayers and tax authorities.

Guiding principles

The GROUP is governed by the fulfilment of legislation and tax obligations in the various markets in which it operates. Any decision taken complies with the tax laws and regulations applicable.

The leading principle of the tax risk management rests in the prevention of unnecessary disputes with the various tax authorities: (i) ensuring that the decisions taken are based on robust and well substantiated technical positions; (ii) appropriately documenting the facts behind the decisions taken; and (iii) implementing compliance procedures that guarantee that the result of such decisions is correctly reflected in the tax returns and calculations.

In a context in which the interpretation of the facts or the tax legislation is frequently associated with a degree of subjectivity (being therefore susceptible of generating disputes), avoiding any dispute with the tax authorities may be too burdensome and not be in line with the goal of maximising the value created to the GROUP. In this regard, the GROUP may, under given circumstances, decide to run the risk of disputes, provided that such disputes are likely to be settle in its favour. These situations are assessed and managed according to the principles established in the Tax Risk Management Policy.

All decisions are based on the GROUP's business goals and, as such, any initiatives of tax optimisation are carried out in this context. This means that any transaction or operation carried out must be substantiated by commercial reasons and have a valid business purpose.

Assessment of the tax risk in the decision-taking process

Recognising that the needs and goals of the business constitute a priority to the GROUP, whenever there are alternative forms of reaching the same results to the business, the alternative which proves to be the most efficient from a fiscal perspective must be the one followed. This way, the heads of each business involve the local or business units' taxation teams and/or the corporate teams into the process of decision-planning and taking so that those teams may work in coordination with the business functions, supplying clear and timely information on the tax consequences of the options considered and (where applicable) recommending solutions that guarantee the alignment between the business goals and the efficiency from a tax perspective. The tax teams must be able to operate in an atmosphere of uncertainty and capacity to assume the controlled risk in line with the principles of risk management laid down in this document.

The priority of the business needs and goals may not, however, preclude the fulfilment of the law and tax obligations. In case of uncertainty regarding the interpretation of the tax legislation, a clear assessment of the expected tax consequences will be made, and such consequences must mandatorily be considered in the decision-taking process.

Besides taking part in the decision-taking processes in which its intervention is requested by the heads of business or local or business units' taxation teams, the Corporate Taxation Board is consulted when there are operations/decisions that, due to their nature or complexity, are susceptible of causing material tax consequences to the GROUP.

Risk management in the fulfilment of tax obligations

– Tax compliance

Each GROUP company is responsible for complying with the various existing tax obligations in the markets in which it operates. These obligations include the ascertainment of the various taxes according to the applicable tax laws and regulations, the respective payment, the submission of statements within the time limits established by law and other ancillary obligations of an administrative nature. The ascertainment and payment of taxes and the submission of tax returns are always carried out based on the tax legislation in force as at the date of fulfilment of each obligation.

In line with the principles established, each company is also responsible for appropriately recording the technical positions and the facts at the basis of transactions and decisions taken regarding tax returns. This responsibility encompasses the preparation of the documentation concerning transfer prices in those markets that require it. This documentation is prepared as soon as the transactions are carried out or the decisions are taken and kept in an archive during the period required by the local legislation for keeping tax records.

Technical positions that affect more than one jurisdiction are reconciled and agreed upon between the intervening parties and the corporate taxation area before they are included in any tax return.

Considering that the tax legislation is constantly subject to changes, the participants of each company with tax responsibilities keep themselves up-to-date regarding the relevant developments in the country in which they operate.

– Inspection management and tax litigation

The heads of each company seek to maintain a good relationship with the respective local tax authorities to minimise the risk of dispute with such entities. The relationship is conducted professionally and cordially and is rooted on the timely provision of clear information.

The management of tax inspections and tax litigation lawsuits (such as administrative complaints or judicial lawsuits) is the responsibility of the local companies. The companies notify the corporate taxation area whenever a new inspection is initiated, and that notification must include the identification of the company subject to inspection, the scope and the period covered by the inspection action.

The decisions to accept or appeal administratively or judicially on tax payable litigations, as a result of any tax inspection action, are based on a cost-benefit analysis, considering the following matters:

- Merit of the technical arguments supporting each matter subject to correction.
- Quality of the documentation drawn up to support the facts behind the decisions taken.
- Existing alternatives of dispute resolution and, for each alternative, an estimate of the likelihood of success, expected time of resolution and expected costs (for example, costs with guarantees, consultants and lawyers, court fees).
- Risks associated with the dispute process, particularly reputational risks, and risks of relationship with the tax authorities.

When these decisions address situations identified as being susceptible of having material tax consequences to the GROUP, the corporate taxation area will be involved in the decision-taking process.

– Reporting of tax information

The accounts and financial returns reported by each company encompass all movements and balances concerning taxes, ascertained based on information updated as at the date of its preparation. This is crucial to enable the GROUP to report consolidated financial information that is thorough and complete.

Apart from the financial reporting, each company also reports to the corporate taxation area potential tax contingencies observed in the respective reporting period. This initiative is inserted into the process for monitoring transversal risks implemented by the GROUP.

- Sharing of good practice and tax information

The local companies and the business units' and corporate taxation teams share knowledge, experience and good practices in all matters that might contribute to improve the identification, assessment, and management of tax risks.

This sharing allows for increasing the efficiency and quality of the definition of technical positions regarding the processing of certain income or expenses, the identification of relevant matters in the context of tax inspection actions and the management of such inspections.

Any change to the tax laws or regulations in each country that might have a material impact to the operation of the local companies is communicated by the heads of the respective companies to the corporate taxation area so that the latter takes part in the assessment of the impact and the determination of potential actions that might have to be carried out as a response to the changes identified.

3. Workers, gender equality and non-discrimination

i. Employment

With over 44,037 employees and a presence in three continents and 22 countries, MOTA-ENGL is a multinational and multicultural organisation whose workforce consists of 80 different nationalities.

In a global and highly competitive market, attracting and retaining qualified and motivated personnel is crucial for the success of MOTA-ENGL GROUP's mission and goals. Therefore, the Human Resources Policy is central to the MOTA-ENGL GROUP's development, diversification and international expansion and based on four key pillars:



Culture of merit – Ambition constitutes a value intrinsic to the DNA of MOTA-ENGL that is behind the promotion of a philosophy founded on merit management and recognition that encourages its People to seek new challenges, to grow and to overcome barriers.

Reinforcement of the Culture and Organizational Model – Under the motto “One single GROUP, one single Project, one single Strategy”, MOTA-ENGL invests in the implementation of a uniform organisational model transversal to the GROUP that facilitates communication, increments project efficiency and encourages mobility between markets and regions.

Skills development and transversality – “We are what we do” – MOTA-ENGL firmly believes that its main distinguishing factor lies in People, the accumulated experience and know-how, the diversity and intelligence distributed within the GROUP and, in this respect, acts towards the preparation, empowerment and skill development of its workers, in order to guarantee the transversality of knowledge within MOTA-ENGL.

Global mobility of top professionals – The GROUP's diversification and internationalisation challenges have increasingly demanded the capacity to transform mobility into a unique vector for the Company's presence with the Clients, Partners and Communities and a driver for cohesion, exchange, and growth of its People.

Against this background, the GROUP established the following objectives:

Human capital management

- Translating the human component and the respect for people in people management strategy and policies.
- Valuing employment and career advancement, promoting skills acquisition through ongoing training and learning throughout life.
- Creating motivating and rewarding work conditions by way of remuneration and incentive policies that foster excellence and merit.
- Guaranteeing the highest standards of health and safety at work.
- Adopting non-discriminatory recruitment and selection practices that foster equal opportunities.
- Developing a work environment recognised for the promotion of the respect for diversity, personal and professional development, thus reflecting a balance between personal and professional life.
- Actively supporting the transition from school to active life, promoting vocational training.
- Stimulating active ageing, with a view to the generational balance of People in the framework of a responsible and socially sustainable People Management Policy.

Career Model:

Objectives:

- To value technical careers in the GROUP, defining a Y-shaped model, where there is space for transition, on the one hand, to technical duties of greater complexity/responsibility and, on the other hand, to management/executive roles.
- To streamline mobility and progression, establishing a transversal model to the various realities of the GROUP through which all workers are positioned at a career level with common advancement and valorisation principles.
- To clarify the paths and levels of career development, bringing clarity to the career structure and allowing an understanding of the GROUP's development horizon.

Scope: the Career Model applies to all companies mostly managed by the MOTA-ENGIL GROUP and respective workers that have a contractual tie.

Evolution and progression criteria: the development along the GROUP's Career Model results from the combination of the following criteria:

- Seniority: level of experience of the Worker at one or more fields of knowledge, translated into know how and autonomy in the performance of duties of an operating, technical and/or management nature.
- Mobility: performance of duties in a context of mobility that can be translated into (1) between various functional areas, (2) between various geographies and (3) between various businesses.
- Merit: level of performance assessment attained regarding the performance shown in previous years in the exercise of their previous/current duties.
- Potential: level of assessment projected for the performance of other duties (1) of a different nature, (2) of greater complexity and/or (3) of greater responsibility in the GROUP.

Performance Assessment:

Objective: the major objective of Performance Assessment is the personal and professional development and guidance of People, thus guaranteeing recognition, meritocracy, and promotion of the GROUP's sustainable growth.

Scope: all workers of the GROUP (including all geographies/businesses of the GROUP).

Methodology: performance is focused on measurable results and desired behaviours and attitudes.

- Qualitative Assessment: competences with 50% weighing.
- Quantitative Assessment: objectives with 50% weighing (alignment of business objectives with individual performance).
- Process with several Stakeholders: Managers; Peers, Clients and Partners; Self-Assessment.

Operationalisation: annual assessment process composed of various stages for ensuring the ongoing follow-up of the performance of our people.

Steps: definition and confirmation of targets; ongoing evaluation; self-evaluation; evaluation of the previous year; standardisation and communication of the evaluation.

Production Incentives System:

Objective: a significant part of our success as a construction GROUP is directly linked to the efficiency of our operations, in other words, to the proper performance of the construction contracts, which is underpinned by three basic pillars:

1. Safety of people and property.
2. Strict compliance with contracts, namely deadlines.
3. Profitability and compliance with budget margins.

With a view to recognizing and encouraging the development of these three pillars, the GROUP has defined a Production Incentives System (PIS), the application of which we describe as follow:

Scope: this system covers all Engineering and Construction works in any geography of the GROUP with a contractual term of more than 6 months.

Methodology/operationalisation: the budget shall be attributed through the combination of 4 factors:

- Safety: 0 lethal accidents (including at the level of subcontractors).
- Deadline: compliance with the deadline agreed with the developer.
- Margin Improvement: difference between the final actual margin and the estimated margin in the commercial proposal.
- % Profit sharing: percentage established for sharing of a part of the profit resulting from the execution of the contract.

The identification of the beneficiaries of the incentive system must be based on the following cumulative criteria:

- Impact on the work if they had a relevant contribute to its execution.
- Proficiency, degree of performance shown throughout the work.
- Allocation, degree of allocation during the work cycle.

Variable Remuneration:

Objective: to promote and reinforce a culture of performance based on merit and recognition of performance.

Scope: all workers of the GROUP (including all geographies/businesses of the GROUP).

Methodology/operationalisation: definition of a set of directives that foster meritocracy:

1. Definition of the variable remuneration ceiling: definition of the ceiling by company that must be calculated on annual basis considering the following rational principles: 1) Encouraging generation of results; 2) Valuing the fulfilment of the annual budget of the GROUP; 3) Valuing those who exceed the annual budget of the GROUP.

The application of the aforementioned criteria shall be split according to a GROUP and market/business/company vision, so as to encourage a global sharing philosophy and simultaneously rewarding individual performances of each market/business/company;

- GROUP Profit: it shall take as reference the Net Profit of the GROUP and shall be distributed in proportion to the global wage bill of each company.
 - Market/business/company profit: it shall take as reference the Net Profit of the market/business/company.
2. Distribution of ceiling by the people: The distribution by the People shall consider the performance evaluation and the principles of differentiation advocated.
 3. Recognition of merit: The amount to be distributed shall be a % of the reference annual wages that assume, by default, the benchmarks conditioned to the ceiling established for each company.

Some of the main indicators concerning employment and that characterize MOTA-ENGIL's workforce in 2021 and 2022 are presented as follows (Standards: GRI 2: General Contents (2021); GRI 202: Market Presence (2016); 401: Employment (2016); GRI 405: Diversity and Equal Opportunity (2016)).

Employees (GRI 2-7)

Total number of employees per duration of contract and per gender		2022	2021
Permanent contract	Men	15,694	15,860
	Women	2,962	2,769
	Sub-total	18,801	18,629
Fixed-term contract	Men	22,274	17,480
	Women	2,962	2,322
	Sub-total	25,236	19,802
Interns	Men	0	92
	Women	0	51
	Sub-total	0	143
Total employees		44,037	38,574

Total number of employees per length of contract and per region		2022	2021
Permanent contract	E&C Europe	2,264	-
	E&C Africa	3,857	-
	E&C Latin America	3,669	-
	Environment	7,934	-
	Capital	774	427
	Holding	303	258
	Sub-total	18,801	18,629
Fixed-term contract	E&C Europe	859	-
	E&C Africa	11,613	-
	E&C Latin America	7,873	-
	Environment	4,239	-
	Capital	593	322
	Holding	59	65
	Sub-total	25,236	19,802
Interns	E&C Europe	-	-
	E&C Africa	-	-
	E&C Latin America	-	-
	Environment	-	-
	Capital	-	6
	Holding	-	17
	Sub-total	-	143
Total employees		44,037	38,574

Note 1: No temporary workers were included.

Note 2: The data refers to the no. of existing employees as at 31 December.

Note 3: In 2022, interns were included in fixed-term contracts.

Note 4: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 5: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

Total number of employees per type of contract and per gender		2022	2021
<i>Full-time</i>	Men	37,968	33,432
	Women	6,069	5,142
	Total	44,037	38,574

Note 1: No temporary workers were included.

Note 2: The data refers to the no. of existing employees as at 31 December.

With regard to the percentage of the workforce that earns the national minimum wage, and since not all countries define such concept, its ascertainment is only presented for the markets that define a national minimum wage.

Percentage of employees earning local minimum wage (Adapted from GRI 202-1)

Percentage of employees earning local minimum wage (%)		2022	2021
South Africa	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Angola	Men	24.8%	10.8%
	Women	53.4%	20.6%
	Total	27.4%	11.6%
Argentina	Men	0.0%	-
	Women	-	-
	Total	0.0%	-
Brazil	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Cameroon	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Colombia	Men	0.0%	33.3%
	Women	0.0%	27.4%
	Total	0.0%	31.5%
Ivory Coast	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Ghana	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Guinea	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Hungary	Men	0.0%	-
	Women	-	-
	Total	0.0%	-
Malawi	Men	0.4%	-
	Women	0.0%	-
	Total	0.3%	-
Mali	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Mexico	Men	0.0%	0.0%
	Women	0.2%	0.9%
	Total	0.0%	0.2%
Mozambique	Men	0.0%	0.4%
	Women	0.0%	0.0%
	Total	0.0%	0.3%
Nigeria	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Oman	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Panama	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Paraguay	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-

Peru	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Poland	Men	0.0%	1.3%
	Women	0.0%	4.8%
	Total	0.0%	2.1%
Portugal	Men	14.0%	11.6%
	Women	10.3%	10.2%
	Total	13.4%	11.4%
Kenya	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Dominican Republic	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Rwanda	Men	0.1%	-
	Women	0.0%	-
	Total	0.0%	-
Uganda	Men	0.3%	-
	Women	0.0%	-
	Total	0.2%	-
Zimbabwe	Men	0.0%	-
	Women	0.0%	-
	Total	0.0%	-
Check Republic	Men	0.0%	-
	Women	-	-
	Total	0.0%	-

Note: The data refers to the no. of existing employees as at 31 December. These also include countries where the GROUP has no active projects but maintains employees.

The analysis of rotation entails considering the fact that there are fluctuations at the level of the contracts that are linked to the duration of the projects, explaining percentages above 100% (as per table below).

New employee hires and employee turnover (GRI 401-1)

Percentage of entries and exits, per location, gender and age group		2022						2021					
		Entries			Exits			Entries			Exits		
		< 30	30 to 50	> 50	< 30	30 to 50	> 50	< 30	30 to 50	> 50	< 30	30 to 50	> 50
E&C Europe	Men	75%	23%	10%	60%	25%	14%	-	-	-	-	-	-
	Women	72%	22%	15%	35%	20%	13%	-	-	-	-	-	-
	Total	74%	23%	10%	54%	24%	14%	-	-	-	-	-	-
E&C Africa	Men	65%	42%	19%	42%	34%	17%	-	-	-	-	-	-
	Women	68%	35%	16%	23%	22%	25%	-	-	-	-	-	-
	Total	66%	41%	19%	39%	33%	17%	-	-	-	-	-	-
E&C Latin America	Men	97%	82%	62%	44%	47%	32%	-	-	-	-	-	-
	Women	99%	74%	49%	39%	42%	23%	-	-	-	-	-	-
	Total	97%	81%	61%	43%	46%	31%	-	-	-	-	-	-
Environment	Men	66%	36%	17%	29%	23%	12%	-	-	-	-	-	-
	Women	49%	23%	15%	22%	12%	9%	-	-	-	-	-	-
	Total	63%	33%	16%	28%	20%	12%	-	-	-	-	-	-
Capital	Men	61%	10%	2%	36%	6%	3%	73%	24%	20%	48%	24%	24%
	Women	44%	14%	0%	13%	7%	0%	64%	29%	8%	27%	15%	17%
	Total	52%	12%	1%	23%	7%	2%	72%	25%	19%	45%	23%	24%
Holding	Men	70%	22%	19%	65%	33%	23%	68%	27%	7%	25%	19%	27%
	Women	95%	31%	26%	58%	29%	16%	64%	18%	6%	26%	13%	18%

Percentage of entries and exits, per location, gender and age group		2022						2021					
		Entries			Exits			Entries			Exits		
		< 30	30 to 50	> 50	< 30	30 to 50	> 50	< 30	30 to 50	> 50	< 30	30 to 50	> 50
	Total	75%	23%	20%	64%	32%	22%	66%	22%	7%	26%	16%	23%
Total Entries and Exits (per Age Group)		75%	48%	25%	39%	32%	17%	77%	43%	23%	48%	35%	26%
Rate of Entries and Exits (per gender)	Men	50%			33%			47%			37%		
	Women	41%			21%			34%			25%		
Rate of Entries and Exits (per location)	E&C Europe	24%			24%			-			-		
	E&C Africa	44%			32%			-			-		
	E&C Latin America	82%			44%			-			-		
	Environment	34%			20%			-			-		
	Capital	30%			34%			28%			26%		
	Holding	16%			8%			29%			20%		
Rate of Entries and Exits		49%			31%			46%			35%		

Note 1: Data collected from the Group's Central Information System, not reflecting the consolidated information of all markets/businesses (the integration of which is under development)

Note 2: The percentages were calculated based on the total existing no. of workers as at 31 December, regarding each geography, gender and age group.

Note 3: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 4: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

Diversity of governance bodies and employees (GRI 405-1)

(See also section "vi. gender equality")

Percentage of employees per functional category and age		2022			2021		
		< 30	30 to 50	> 50	< 30	30 to 50	> 50
E&C Europe	Senior Management Technical Directors	0%	51%	49%	-	-	-
	Specialisation and Coordination	2%	65%	33%	-	-	-
	Supervisors and Technical Staff	19%	55%	25%	-	-	-
	Operating and Support Staff	10%	45%	46%	-	-	-
E&C Africa	Senior Management Technical Directors	0%	46%	54%	-	-	-
	Specialisation and Coordination	2%	57%	40%	-	-	-
	Supervisors and Technical Staff	22%	53%	25%	-	-	-
	Operating and Support Staff	22%	67%	10%	-	-	-
E&C Latin America	Senior Management Technical Directors	0%	67%	33%	-	-	-
	Specialisation and Coordination	1%	67%	32%	-	-	-
	Supervisors and Technical Staff	16%	74%	11%	-	-	-
	Operating and Support Staff	25%	62%	12%	-	-	-
Environment	Senior Management Technical Directors	2%	46%	52%	-	-	-
	Specialisation and Coordination	1%	69%	30%	-	-	-
	Supervisors and Technical Staff	8%	71%	21%	-	-	-
	Operating and Support Staff	17%	61%	22%	-	-	-
Capital	Senior Management Technical Directors	0%	48%	52%	0%	38%	62%
	Specialisation and Coordination	1%	82%	17%	2%	81%	17%
	Supervisors and Technical Staff	16%	70%	14%	15%	74%	11%
	Operating and Support Staff	16%	59%	25%	10%	63%	27%
Holding	Senior Management Technical Directors	0%	56%	44%	0%	53%	47%

Percentage of employees per functional category and age		2022			2021		
		< 30	30 to 50	> 50	< 30	30 to 50	> 50
	Specialisation and Coordination	3%	80%	17%	5%	80%	14%
	Supervisors and Technical Staff	30%	54%	17%	33%	52%	15%
	Operating and Support Staff	14%	39%	47%	35%	41%	24%
MOTA-ENGIL GROUP	Senior Management Technical Directors	0%	52%	48%	0%	53%	46%
	Specialisation and Coordination	2%	66%	32%	1%	68%	30%
	Supervisors and Technical Staff	18%	62%	19%	16%	64%	20%
	Operating and Support Staff	21%	63%	17%	19%	63%	18%

Note 1: The data refers to the no. of existing employees as at 31 December. Includes the paid Executive Directors.

Note 2: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 3: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

Percentage of employees per functional category and length of service (years)		2022				2021			
		< 3	3 to 10	11 to 20	≥ 20	< 3	3 to 10	11 to 20	≥ 20
E&C Europe	Senior Management Technical Directors	12%	14%	23%	23%	-	-	-	-
	Specialisation and Coordination	13%	18%	34%	34%	-	-	-	-
	Supervisors and Technical Staff	34%	23%	19%	19%	-	-	-	-
	Operating and Support Staff	35%	26%	17%	17%	-	-	-	-
E&C Africa	Senior Management Technical Directors	12%	17%	34%	37%	-	-	-	-
	Specialisation and Coordination	37%	33%	15%	15%	-	-	-	-
	Supervisors and Technical Staff	55%	28%	9%	9%	-	-	-	-
	Operating and Support Staff	68%	25%	5%	1%	-	-	-	-
E&C Latin America	Senior Management Technical Directors	18%	44%	28%	10%	-	-	-	-
	Specialisation and Coordination	48%	39%	8%	4%	-	-	-	-
	Supervisors and Technical Staff	70%	26%	3%	1%	-	-	-	-
	Operating and Support Staff	87%	12%	0%	0%	-	-	-	-
Environment	Technical and Management Department	19%	31%	29%	21%	-	-	-	-
	Specialisation and Coordination	15%	20%	33%	32%	-	-	-	-
	Supervisors and Technical Staff	26%	26%	31%	17%	-	-	-	-
	Operating and Support Staff	56%	31%	9%	4%	-	-	-	-
Capital	Technical and Management Department	20%	36%	13%	31%	0%	23%	46%	31%
	Specialisation and Coordination	13%	33%	32%	22%	11%	32%	45%	13%
	Supervisors and Technical Staff	33%	28%	28%	22%	52%	30%	16%	2%
	Operating and Support Staff	26%	16%	16%	47%	53%	34%	11%	3%
Holding	Senior Management Technical Directors	22%	17%	26%	35%	19%	28%	22%	31%
	Specialisation and Coordination	26%	29%	33%	12%	12%	29%	42%	17%
	Supervisors and Technical Staff	48%	32%	16%	4%	29%	29%	20%	21%
	Operating and Support Staff	44%	41%	11%	3%	47%	16%	16%	21%
MOTA-ENGIL GROUP	Senior Management Technical Directors	16%	26%	26%	31%	15%	25%	28%	32%
	Specialisation and Coordination	29%	29%	23%	20%	25%	29%	26%	19%
	Supervisors and Technical Staff	52%	26%	12%	10%	44%	31%	14%	11%
	Operating and Support Staff	67%	24%	6%	3%	68%	22%	7%	3%

Note 1: The data refers to the no. of existing employees as at 31 December. Includes the paid Executive Directors.

Note 2: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 3: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

Percentage of employees per functional category and qualifications		2022			2021		
		Basic	Secondary	Further Education	Basic	Secondary	Further Education
E&C Europe	Senior Management/Technical and Management Department	0%	0%	100%	-	-	-
	Specialisation and Coordination	6%	8%	86%	-	-	-
	Supervisors and Technical Staff	16%	22%	62%	-	-	-
	Operating and Support Staff	63%	34%	2%	-	-	-
E&C Africa	Senior Management/Technical and Management Department	0%	0%	100%	-	-	-
	Specialisation and Coordination	12%	17%	71%	-	-	-
	Supervisors and Technical Staff	23%	30%	46%	-	-	-
	Operating and Support Staff	69%	26%	5%	-	-	-
E&C Latin America	Senior Management/Technical and Management Department	0%	0%	100%	-	-	-
	Specialisation and Coordination	4%	5%	91%	-	-	-
	Supervisors and Technical Staff	5%	12%	83%	-	-	-
	Operating and Support Staff	55%	35%	10%	-	-	-
Environment	Senior Management/Technical and Management Department	0%	0%	100%	-	-	-
	Specialisation and Coordination	4%	5%	90%	-	-	-
	Supervisors and Technical Staff	12%	20%	68%	-	-	-
	Operating and Support Staff	81%	15%	4%	-	-	-
Capital	Senior Management/Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	2%	2%	95%	0%	0%	100%
	Supervisors and Technical Staff	12%	15%	73%	5%	16%	79%
	Operating and Support Staff	62%	33%	5%	50%	46%	4%
Holding	Senior Management/Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	1%	14%	85%	4%	13%	83%
	Supervisors and Technical Staff	4%	27%	69%	2%	20%	78%
	Operating and Support Staff	37%	44%	19%	28%	45%	27%
MOTA-ENGIL GROUP	Senior Management/Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	6%	9%	85%	6%	10%	84%
	Supervisors and Technical Staff	14%	21%	65%	14%	25%	61%
	Operating and Support Staff	69%	26%	6%	63%	32%	5%

Note 1: The data refers to the no. of existing employees as at 31 December. Includes the paid Executive Directors.

Note 2: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 3: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

ii. Work organisation

Among the biggest concerns of Manuel António da Mota Foundation is the MOTA-ENGIL Community. Through its actions, FMAM provides social and family support to its employees and promotes corporate voluntary work.

FMAM therefore seeks to support and value human capital in the MOTA-ENGIL community, responding to their problems and providing a voice for their aspirations through a set of six programmes. In addition, it fosters the participation of MOTA-ENGIL employees in corporate voluntary work to strengthen their role through their actions as active citizens committed to collective causes.

In line with these pillars of action, a cycle of webinars was carried out in 2022 to address useful themes for the MOTA-ENGIL community, seeking to contribute to its employees' quality of life and to promote citizenship, knowledge, and awareness so that everyone can act towards achieving a better world.

In 2022, FMAM followed up on the Programmes in force, such as the Scholarships, the Kindergarten Grants, the Social Support Fund, the 1+2 Fund and the Financial Consultation Office, and created a new programme, Health+ Fund.

1. Study grants

Support to the access to higher education for children of workers of less economic means. The scholarships, in the sum of 3000 Euro per year and per beneficiary, are granted to the students of higher education who have obtained good results at school and who are children of GROUP's workers with reduced economic means. This programme is aimed at favouring an equal opportunities policy that contributes to elevate the qualification levels of young people and to act as stimulus for their academic performance. In 2022, 56 scholarships were granted to higher education student's, whose parents work for the GROUP.

2. Financial consultation office

Service provided by the Foundation to workers of the MOTA-ENGIL GROUP in matters of personal and family indebtedness. The purpose of such programme is to provide people who are overindebted or at risk of financial difficulties with advice or support to reorganise their finances.

The year of 2022 saw the continuation of the collaboration protocol entered in 2020 between the Foundation and DECO - Associação Portuguesa para a Defesa do Consumidor (Portuguese Association for Consumer's Protection), thus providing the workers of the MOTA-ENGIL GROUP with a personal and specialised service on matters of indebtedness. As such, 143 workers resorted in 2022 to DECO's advisory services on such varied matters as: the impact of the rise in the Euribor regarding housing credit, amortisation of housing credit, attachments, investment of savings, fraud with digital banking (associated with online purchasing), false credit intermediaries, among other topics.

Within the scope of this programme, DECO, in cooperation with the Foundation, also carried out in December an online workshop aimed at MOTA-ENGIL workers under the subject "Personal finance in difficult times: How to protect from inflation and the rise in the Euribor", which proved very popular among the workers.

3. Social support fund

It is first and foremost aimed at address circumstances observed in the personal or family lives of the workers that might give rise to an unexpected deprivation of income or increased expenses susceptible of endangering the economic safety and stability of the worker and their family. The financial aid granted through the Fund may be occasional or ongoing, depending on the characteristics of the circumstances behind the application, which is reserved for workers of the MOTA-ENGIL GROUP with more than five years of seniority. Circumstances deemed susceptible of support include the accident or illness that generates full or partial incapacity for work, death of the worker, illness of the spouse, disability of any member of the household, among other situations falling under the object of the Fund.

Within the scope of this programme, in 2022 three workers of the MOTA-ENGIL GROUP were supported, which amounts to 93 workers supported since 2011.

4. 1+2 Fund

Instrument of permanent nature for fund-raising purposes that intends to create an internal solidarity network at MOTA-ENGIL GROUP with the economic support of the MOTA-ENGIL GROUP's workers and members of their households in mind. The purpose of this fund is to respond to situations of emergency that entail urgent expenses for which the worker has no financial capacity and that endanger the worker's human dignity. The fund thus works as a complement to the Social Support Fund.

The "1+2 Fund" is managed by the Foundation, in an account exclusively created to that effect, based on the donations granted by the GROUP workers, plus double the amount of those donations granted by MOTA-ENGIL, thus trebling the global amount for aid. This programme was internationally extended in 2019 to the whole GROUP. Since 2018, this Fund has already contributed to support 11 workers in total, from the various GROUP Companies such as MOTA-ENGIL Malawi, MOTA-ENGIL Mexico, MOTA-ENGIL Dominican, MOTA-ENGIL Cote d'Ivoire, MOTA-ENGIL Engineering, MOTA-ENGIL Global.

5. Early childhood

It consists of the adoption of two measures of support to the workers:

- (1) Support at the kindergarten aimed at the MOTA-ENGIL GROUP's workers of less economic means and with children between 4 months and 3 years of age, with a view to facilitate the attendance at kindergartens through support grants to the monthly payments.
- (2) Offer of a "baby kit", composed of a set of goods essential to the first care at early childhood and by the offering of a "pharmacy voucher" to MOTA-ENGIL GROUP's workers who are parents, regardless of their economic situation.

In 2022 we opted for a more sustainable version of the kit, with the inclusion of reusable diapers, produced with eco-friendly materials and coloured patterns, accompanied by a comic book leaflet, “Kiko”, that explains the advantages of using these diapers to the detriment of the disposable diapers, both from an environmental and economic perspective. We also chose to replace the backpack with a linen bag. The FMAM also promoted a workshop intended for MOTA-ENGIL’s workers with the purpose of presenting the new more sustainable Baby Kit, as well as the various advantages of its use from an environmental and economic standpoint, also helping to de-mystify any bias about them, valuing the ease of their use and their durability.

Throughout 2022, 202 “Baby Kits” were offered to workers of the GROUP as a way of congratulating them for the birth of their children, amounting to 868 Kits offered since the start of this programme.

6. Health+ Fund

Created in 2022, it is mostly aimed at supporting MOTA-ENGIL’s workers and members of their households in the purchase of prescription-only medicinal products reimbursed by the National Health Service by supporting the non-reimbursed component. The financial resources of the Fund are available to workers who integrate households of less income and with at least five years of seniority.

The management of the “Health+ Fund” is supported by a computer platform resulting from the conclusion of a collaborating protocol with ANF - Associação Nacional das Farmácias (Portuguese Association of Pharmacies) and Associação Dignidade - Instituição Particular de Solidariedade Social (voluntary agency) that promotes in our country the “abem” Programme and which for years has been developing in Portugal a Medicine Solidary Network aimed at reimbursing the purchase of medicine by more disadvantaged Portuguese people and families. This network includes a vast group of pharmacies from all over the country which, through a common computer platform, proceed to dispense the medicinal products to the beneficiaries registered in the referred to platform. Access to the Fund requires an application with the Foundation, in compliance with its regulations and based on a budget allocation established on an annual basis.

In 2022, 10 workers of the MOTA-ENGIL GROUP benefitted from this fund.

	2022	2021
Amount of supports granted by FMAM	199,648 €	192,760 €
No. of beneficiaries	431	354

Simultaneously, the MOTA-ENGIL Benefits Club gives access to a broad network of privileged partners, permitting the workers to easily access preferential conditions in banking and insurance, fuel, hotels, fitness centres, healthcare, pharmacies, shows, stores, telecommunications, energy, among other services and products.

In the last three years, and against the background of the fight against the pandemic and limitation of possible infections, it is worth mentioning that teleworking was an important measure taken by the GROUP for all functions in which such decision proved to be feasible and duly supported by technologic means, thus guaranteeing feasible and sustainable Home Office solutions.

iii. Health and safety

Aware of the multitude and complexity of the risks arising from its various business interests and country operations carried out, the main concern of MOTA-ENGIL is still the safety and health of its employees as well as the people who might be affected by its activity.

MOTA-ENGIL’s Management System currently has an **Integrated SHEQ (Safety, Health, Environment and Quality) Policy** based on legal, contractual, internal and normative requirements. The policy contains guidelines dedicated to:

- Aims and programmes related to employee health and safety;
- Supervision and reporting;
- Risk analysis and opportunities based on the dangers identified in the operation’s activities with the setting out of the respective mitigating measures;
- Stakeholder consultation.

The current policy also reinforces the skills necessary for the functions of health and safety, fostering of training and awareness-raising, and the necessary digitalisation of the processes as a vehicle for continual improvement.

Labour risk management is directly coordinated by the respective SHEQ areas of the different MOTA-ENGIL GROUP companies/projects, supported and supervised by Corporate SHEQ. Corporate SHEQ's mission is to integrate, align methods and enable the continual improvement of the respective areas across the GROUP's various Business Units.

Certification has always been used as an internal vehicle to implement discipline and continual improvements and, currently, various companies within the GROUP have been certified in occupational health and safety (ISO 45001) in addition to environmental management (ISO 14001), quality (ISO 9001) and others. Notwithstanding current certification, since 2020 MOTA-ENGIL GROUP's African regional operations have been certified in various areas (ISO 9001, ISO 14001 and ISO 45001) and for its various types of business (construction, mining and waste management).

In 2022, the Global Certification Process (ISO 9001, 14001 and 45001) was initiated, with the inclusion of all companies with Engineering and Construction active projects from Latin America and Europe. The purpose is that the GROUP is equipped by 2026 with a single and transversal system that is simultaneously capable of observing the specificities and requirements of each geography. This way is thus considered, where management is concerned, to be that which will bring about the best results in terms of safety and health, being based on experience and best shared practices, and also ensuring the best efficiency. It is important to note that approximately 85% of the workers in 2022 were covered by a health and safety at work management system.

It must also be mentioned that the monitoring of the management system is ensured by internal audits. Those audits allow for the identification and correction of deviations and their transversal correction and, on the other hand, the identification and globalisation of sound practice. The combination of both factors thus promotes the ongoing improvement of the whole system.

Internal audits are managed and supervised by the SHEQ Corporate Team and conducted by members of this team in collaboration with senior managers and technicians coming from the various geographies and business units. They are executed according to a previously defined plan and are carried out at least once a year in all markets in which the MOTA-ENGIL GROUP operates (excluding markets with reduced activity or undergoing closure). The SHEQ corporate team is also responsible for defining the scope of the audits to be conducted. Lastly, the definition of the plans of action that encompass corrective or improvement actions resulting from the audits carried out is the responsibility of the audited markets, such plans being validated and supervised by the auditing teams.

It is important to highlight that "ZERO fatal accidents" is an indisputable underlying objective of MOTA-ENGIL GROUP's actions and inherent to its strategy, since the lives of its employees are a major priority.

All cases are rigorously researched and analysed by committees of inquiry involving not only the project teams and markets in question but also corporate SHEQ and MOTA-ENGIL's board of directors, who together reinforced the commitment to take specific measures in the Markets and Companies complemented with actions across the whole GROUP in the aim of avoiding a recurrence.

It should be noted that the "ZERO fatal accidents" aim is included in the Production Incentives System (PIS) that has been gradually implemented by the GROUP. It is a tool to share success with the teams involved in E&C projects and which, in addition to helping to meet customer deadlines, enables the zero tolerance philosophy with regard to work-related accidents.

Despite all the corrective and preventive measures established when fatal accidents occur, MOTA-ENGIL also prioritises the analysis of all accidents at work with leave, by calculating the LTIFR indicator - Lost Time Injury Frequency Rate (as defined by ILO – International Labour Organisation) in the aim of reinforcing preventive measures and thereby preventing accidents with lost time injuries developing into fatalities.

The GROUP therefore aimed, within the scope of the new Strategic Plan – "BUILDING 26 | For a sustainable future", at reaching by 2026 a 50% reduction of the LTIFR in Engineering and Construction Projects, based on the year of 2021, this being the most visible business unit in the GROUP. As such, the LTIFR was also selected as KPI - Key Performance Indicator for purposes of performance assessment against the background of the issue of sustainability-linked bonds (see Chapter 2, section "iv. Responsible investment").

It should be noted that, even though this KPI is focused on Engineering and Construction projects, MOTA-ENGIL envisages the future definition of specific corporate targets adjusted to each business units with the scope of demonstrating its commitment to all areas of activity.

The main indicators monitored by the GROUP in terms of safety and health at work are presented as follows (Standard GRI 403: Health and Safety at Work (2018)). It is also worth mentioning that the KPI Rate of frequency of non-fatal occupation accidents with sick leave (LTIFR) shall be subject to an external verification by an independent entity the verification declaration of which shall be integrated into the Sustainability Report of 2022.

Work-related injuries (GRI 403-9)

	2022		2021	
	No. of fatal accidents	No. of non-fatal accidents with sick leave	No. of fatal accidents	No. of non-fatal accidents with sick leave
E&C Europe	0	115	0	130
E&C Africa	1	81	1	70
E&C Latin America	1	56	1	64
Environment	2	509	2	681
Capital	0	87	0	78
Holding	0	0	-	-
MOTA-ENGIL GROUP	4	848	4	1,023

Note 1: Injuries suffered by MOTA-ENGIL GROUP's own employees (local and internationally mobile workers) were counted, while sub-contracted and temporary workers were excluded.

Note 2: Considering the change that occurred in 2022 in MOTA ENGIL GROUP's business units, we have not yet been able to report all the information that concerns the Holding. However, it should be noted that this information is considered non-material.

Note 3: The reported data does not comprise MOTA-ENGIL COLÔMBIA, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION and TURISMO.

	2022		2021	
	Rate of deaths resulting from occupational accidents	Lost time injury frequency rate (LTIFR)	Rate of deaths resulting from occupational accidents	Lost time injury frequency rate (LTIFR)
E&C Europe	0	19.71	0	20.05
E&C Africa	0.03	2.35	0.04	2.49
E&C Latin America	0.06	3.26	0.04	2.73
Environment	0.11	27.80	0.08	28.21
Capital	0	36.72	0	35.19
Holding	0	0	-	-
MOTA-ENGIL GROUP	0.05	10.76	12.13	4.55

Note 1: The calculation of rates used the working hours standardisation factor of 1,000,000. The working hours that served as the basis for the calculation of indices are still a provisional figure, since they are still being ascertained. The 2022 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

Note 2: Injuries suffered by MOTA-ENGIL GROUP's own employees (local and internationally mobile workers) were counted, while sub-contracted and temporary workers were excluded.

Note 3: Considering the change that occurred in 2022 in MOTA ENGIL GROUP's business units, we have not yet been able to report all the information that concerns the Holding. However, it should be noted that this information is considered non-material.

Note 4: The reported data does not comprise MOTA-ENGIL COLÔMBIA, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION and TURISMO.

The indices of occurrence of occupational works demonstrate that there is still a long way to go in this respect and that the GROUP has been undertaking this path of learning and understanding and approach to risks at the workplace, a work that must be ongoing where all are concerned.

It is worth noting that the largest sharing of information among the various companies of the GROUP has enabled a clearer identification of the best practices to be standardised and has also uncovered some of the main needs for improvement. Within this context, during 2022, attempts were made to follow up on and/or leverage a set of actions and initiatives; some of those actions and initiatives had already been identified in the previous management cycle, while others were defined to improve the GROUP's performance in terms of safety and health at work. Among the actions and initiatives referred to, the following stand out:

- Extension of the SHEQ Committee to all geographies and main operations of the GROUP;
- Extension of the consultation and solution gathering process where safety and health at work is concerned to all geographies and main operations of the GROUP;

- Creation and development of the programme for improvement of skills within the scope of the guarantee for checking and maintaining safety devices of safety equipment (“Safe Equipment Programme”);
- Extension of the pool of internal auditors which now relies on the active participation of members from different geographies (besides the Africa region), such as technical auditors;
- Creation of a corporate commission of inquiry, relying on the involvement of various decision-making units within the GROUP. It directly intervenes in the investigation and analysis of serious incidents and, together with the heads of the project, GROUP and market where the occurrence took place, presents the results of the investigation in question as well as the proposal of measures to be implemented on a local and global scale;
- Standardisation of basic concepts related to the investigation, analysis and reporting of incidents, which resulted into a comprehensive webinar on the topic;
- Adequacy of the “Golden Rules” already designed in the previous management cycle;
- Adjustment of the “safety programme based on behaviour”;
- Standardisation, through the definition of minimum standards for supervising the employees’ health, allocated to the main operations of the GROUP (construction, mining and waste management);
- Continuity and adjustment of measures to prevent and respond to the Covid-19 pandemic considered in the respective contingency plan;
- Implementation of MOTA-ENGIL’s minimum internal requirements for obligatory medical testing, per type of activity, even if the local laws in the countries where the GROUP operates do not require them;
- Flu vaccination campaigns.

iv. Social relations

At the MOTA-ENGIL GROUP, labour relations management is carried out in accordance with the (labour and union) legislation of each country in which it operates. MOTA-ENGIL, in the various communities in which it operates, applies the respect for the guarantee of its workers’ rights, particularly ensuring the fundamental rights existing in the employment relation:

- Compliance with labour legislation and adoption of non-discriminatory practices.
- Attribution of just and adequate remuneration, to be punctually paid.
- Minimum time periods for prior notice regarding operating changes.
- Treatment based on respect and good manners.
- Promotion of equal opportunities in career advancement.
- Provision of ongoing training, so as to develop professional qualifications.
- Guarantee of a safe work environment.
- Guarantee of the right to hold positions within workers’ representation structures.
- Guarantee of good working conditions from a physical and moral perspective.
- Contribution to the increase in the worker’s productivity and employability.
- Prevention of occupational risks and diseases, taking into account the protection of the worker’s safety and health.
- Guarantee of working conditions that foster the reconciliation of family and personal life and work.

With a heavy international presence and aligned with a labour market which is no longer limited by national borders, MOTA-ENGIL considers the conventions and recommendations of the International Labour Organisation (ILO), which cover all matters related to labour, namely in the defence of the workers’ rights, and are evident in all relationships with local governments and employer organisations.

The GROUP's companies safeguard the exercise of the associative rights, particularly the freedom of association and collective bargaining, which correspond to a mandatory constitutional and legal imperative. Since MOTA-ENGIL operates in various business areas and geographies, it maintains an openness to dialogue with the many trade union representatives, this way fostering good institutional relations with these legitimate representatives of the workers. It is worth mentioning the existence of different types of collective agreements applicable to the employees – collective contracts, collective agreements and works agreements –, variable according to the GROUP company and field of activity. In total 34% of workers are covered by collective agreements⁵. It should be noted that in 2022 new agreements were entered into (for example, Brazil and Republic of Guinea) or existing agreements were revised (for example, Angola, Portugal and Republic of Guinea. In each market, interactions with unions were pursued (for example, Angola, Brazil, Cote d'Ivoire, Mali, Nigeria, Poland, Portugal and Republic of Guinea) and with local works councils (for example, Angola, Cote d'Ivoire, Mali, Panama, Poland and Portugal), where applicable.

It should be highlighted that no situations of operations and suppliers in which the freedom and collective bargaining might be endangered were reported through the GROUP's ethics hotline (Standard GRI 407: Freedom of Association and Collective Bargaining 2016).

A good labour relationship is due in large part to open dialogue and exchange of informed opinion. Therefore, the right of information and to consultation that is granted to workers ensures them proper knowledge on the economic activity of the company, as well as on the evolution of employment and preventive measures. It should be mentioned that there are various channels that allow for the consultation and participation on part of the workers, of which the meetings of the Safety and Health at Work committees, the toolbox talks and the surveys for consultation and direct participation of the workers are examples. In addition to those channels, there is also a corporate digital portal, with training initiatives and clarification sessions that serve as a means for the provision of relevant information, for instance as regards Safety and Health at Work. In terms of compliance, MOTA-ENGIL has a policy for the reporting of irregularities in which it defines means for the collection of information on critical situations by the workers.

As regards the interactions with the Portuguese Working Conditions Authority or the respective entities in the countries where MOTA-ENGIL operates, it is worth mentioning:

- In Portugal: four visits to the facilities and construction sites of MOTA-ENGIL ATIV. Those visits generated three notices for submitting documentation and, in one case, for correcting occasional deviations from the operating control at the site.
- In Nigeria: first visit to the site only to introduce themselves.

It must be mentioned that, as regards non-compliance with laws and regulations in 2022, twelve fines were applied within the universe of companies of the MOTA-ENGIL GROUP.

GRI 2-27 Compliance with laws and regulations

No. of significant occurrences of non-compliances with laws and regulations during the reporting period	in which fines were imposed	12
	in which non-monetary sanctions were imposed	1
No. of fines paid during the reporting period regarding	situations of non-compliances with laws and regulations occurred during the reporting period	14
	situations of non-compliances with laws and regulations occurred in previous financial years	3
Amount of fines paid during the reporting period (in Euro) regarding	situations of non-compliances with laws and regulations occurred during the reporting period	49,017.95 €
	situations of non-compliances with laws and regulations occurred in previous financial years	26,565.14 €

Note: The reported data does not comprise MOTA-ENGIL MOÇAMBIQUE, SUMA - SERVIÇOS URBANOS PT, SUMA - SERVIÇOS INDUSTRIAIS, ECO VISION, VISTA WASTE and TURISMO.

The 2022 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information). It should be noted that the indicated value is a provisional figure.

It should be noted that, where non-compliances with laws and regulations are concerned, in 2022 occurrences were recorded in the following geographies:

Europe – Portugal:

CAPSFIL:

Five fines with monetary sanctions, in the amount of 13,392.25 Euro, were imposed and paid in the same period, having focused on the following matters: transport documents for goods in transit, tachographs and cargo securing.

EGF SUBGROUP:

The case of significant non-compliance concerns a situation of failure to provide adequate training to workers by VALNOR, which resulted in a fine imposed by ACT, in the amount of 6,324.00 Euro.

Latin America – Brazil:

ECB:

Of the total of three fines paid by the ECB (11,486.9 euros), all refer to cases of non-compliance with laws and regulations that occurred in previous years, referring to 2018 and 2019. Two fines are related to the equipment used to withdraw water, which did not allow measuring the volume withdrawn, and therefore, made it impossible to control. With regard to the third fine, this was due to non-compliance with the conditions of the necessary license for the installation of a bituminous mixture plant. It should be noted that this occurrence preceded the change of ownership of the pre-existing environmental license, to ECB, however, as the company was the holder at the time, it was fined. Finally, the defense was carried out and ECB assumed the costs of the proceedings in full, even though it was exempt from responsibility in the case; at the present time there is a defense proceeding in progress in court.

SUMA BRASIL:

Four fines with monetary sanctions, in the sum of 24,000.7 Euro, were imposed and paid in the same period, and one fine was imposed with non-monetary sanctions. Of the monetary sanctions, 366.95 Euro referred to the non-submission of a document subject to work inspection on the day and at the hour defined by the Labour Inspector; 146.78 Euro referred to the non-fulfilment of the percentage of apprentices of 5%; 17,111.94 Euro referred to the non-fulfilment of the employability percentage of rehabilitated or disabled persons; 6,375.03 Euro referred to the dismissal of disabled worker without previous hiring a replacement with a similar condition.

Latin America – Peru:

MOTA-ENGIL PERU:

Two fines were applied with monetary sanctions referring to 2022, and two fines were paid, referring to previous years, namely 2015 and 2016, regarding tax cases in the total amount of 15,078.26 Euro. The fines imposed in 2022 were due to non-compliance with safety conditions in the workplace and lack of adequate supervision, practices that were identified as a cause of occupational accidents.

Generally, these situations correspond to occasional occurrences. However, and whenever deemed necessary, corrective actions were implemented so as prevent future situations.

v. Training

MOTA-ENGIL has a transversal approach to learning development, as a valuable tool in HR management. It is based on 5 guiding principles.



Training is designed to improve employee skills, significantly raise individual performance, and enhance career progression within the GROUP, and, consequently, to raise the organisation's competitiveness.

Therefore, MOTA-ENGIL has developed and implemented a transversal and consistent training plan adapted to the needs of the organisation which generates rationalisation, economies of scale and the creation of synergies between GROUP companies. In terms of type of training, one of the focuses has been on the environmental, social, and corporate governance topics.

It should be mentioned that MOTA-ENGIL has online programmes that allow new approaches and wider geographical reach, combining the benefits of in-person sessions and digital learning. Training and e-learning content is based around didactic and interactive resources that are globally, readily and immediately available. This training programme has facilitated knowledge about the organisation, internal structure and culture and values of the GROUP in various languages.

In order to ensure the employees' training in areas that guarantee their professional valuation and development and, in parallel, the sustainable growth and the competitiveness of the Organisation, MOTA-ENGIL has defined a set of key skills considered the foundations of the training initiatives to be undertaken. In 2022, the development of the axles of intervention below was continued:

1. Development of soft skills

Behavioural training, underpinned by a practical and experimental component, with the purpose of promoting the development of skills as regards to emotional intelligence, referring to the manner in which the employees interact and relate to one another, as well as the manner in which they react to situations of the day-to-day of their duties.

2. Acquisition of technical skills

Technical, specialised training aimed at critical business areas and subjects, with the purpose of ensuring the preparation, empowerment and updating of know-how relevant to the efficient performance of the duties.

These initiatives place high emphasis on the internal training, wherefore they invest in teams and experts of the GROUP in order to develop technical training courses, promoting learning, dissemination of knowledge and acquisition and development of skills.

MOTA-ENGIL has maintained a clear focus on **attracting and developing high-potential youth**, of which the following two talent programmes stand out:

Learn@ME: in a partnership with reference national and international institutes, the Learn@ME programme aims to attract young students of high potential and approximate them to the labour market.

The internship, which lasts 2–6 months, is supervised by a tutor and their team and is aimed at enhancing the learning of relevant technical knowledge and the skills of future professionals. The programme foresees collaboration on academic and research projects relating to the candidate’s area of training and in which MOTA-ENGIL’s existing know-how is relevant.

StartME:

StartME aims to attract and integrate young talented people, at the start of their careers, to join a year-long professional internship at the GROUP. This programme aims to incentivise individual development and provide a wide range of experiences and learning through contact with the different businesses, knowledge of methodologies and innovative solutions, extensive networking, and the development of critical skills in an international context. StartME is already a leading programme that constitutes a unique opportunity for learning, sharing experiences and interacting in a multicultural environment.

Information concerning the training hours provided to the employees of the MOTA-ENGIL GROUP in 2021 and 2022 is presented below (Standard GRI 404: Empowerment and Education (2016)).

Average hours of training per year per employee (GRI 404-1)

Training per functional category and gender			2022		2021	
			No. of training hours	Average number of training hours	No. of training hours	Average number of training hours
E&C Europe	Senior Management Technical Directors	Men	1,049	26.9	-	-
		Women	89	22.2	-	-
		Total	1,137	26.5	-	-
	Specialisation and Coordination	Men	4,958	20.3	-	-
		Women	1,131	20.6	-	-
		Total	6,089	20.4	-	-
	Supervisors and Technical Staff	Men	12,488	21.5	-	-
		Women	3,680	13.6	-	-
		Total	16,168	19.0	-	-
	Operating and Support Staff	Men	16,083	8.8	-	-
		Women	1,058	11.4	-	-
		Total	17,141	8.9	-	-
	Total	Men	34,578	12.8	-	-
		Women	5,958	14.1	-	-
		Total	40,535	13.0	-	-
E&C Africa	Senior Management Technical Directors	Men	686	12.0	-	-
		Women	39	19.3	-	-
		Total	725	12.3	-	-
	Specialisation and Coordination	Men	2,207	7.7	-	-
		Women	435	11.5	-	-
		Total	2,642	8.1	-	-
	Supervisors and Technical Staff	Men	1,767	1.4	-	-
		Women	7,442	38.4	-	-
		Total	9,208	6.2	-	-
	Operating and Support Staff	Men	31,243	2.5	-	-
		Women	2,201	1.8	-	-
		Total	33,444	2.5	-	-
	Total	Men	35,903	2.6	-	-
		Women	10,116	6.8	-	-
		Total	46,019	3.0	-	-
E&C Latin America	Senior Management Technical Directors	Men	492	13.7	-	-
		Women	8	2.7	-	-
		Total	500	12.8	-	-

Training per functional category and gender			2022		2021		
			No. of training hours	Average number of training hours	No. of training hours	Average number of training hours	
Specialisation and Coordination	Men		1,727	7.2	-	-	
			586	10.1	-	-	
		Total	2,313	7.8	-	-	
	Women		1,634	1.4	-	-	
			924	3.0	-	-	
		Total	2,558	1.8	-	-	
	Total		2,150	0.2	-	-	
			1,380	1.7	-	-	
		Total	3,530	0.4	-	-	
	Total		6,003	0.6	-	-	
			2,899	2.4	-	-	
		Total	8,902	0.8	-	-	
Environment	Senior Management Technical Directors	Men	329	8.2	-	-	
		Women	129	16.1	-	-	
		Total	458	9.5	-	-	
	Specialisation and Coordination	Men	1,422	15.0	-	-	
		Women	1,446	27.8	-	-	
		Total	2,868	19.5	-	-	
	Supervisors and Technical Staff	Men	6,309	23.7	-	-	
		Women	4,409	26.4	-	-	
		Total	10,718	24.8	-	-	
	Operating and Support Staff	Men	149,457	16.2	-	-	
		Women	19,255	8.2	-	-	
		Total	168,711	14.6	-	-	
	Total	Men	157,517	16.4	-	-	
		Women	25,239	9.8	-	-	
		Total	182,756	15.0	-	-	
	Capital	Senior Management Technical Directors	Men	108	5.1	128	12
			Women	61	30.3	11	6
			Total	169	7.3	139	11
Specialisation and Coordination		Men	720	11.1	1,001	28	
		Women	339	17.8	181	16	
		Total	1,059	12.6	1,182	25	
Supervisors and Technical Staff		Men	1,927	14.8	3,901	44	
		Women	841	11.4	1,407	37	
		Total	2,768	13.6	5,308	42	
Operating and Support Staff		Men	6,109	6.6	3,611	7	
		Women	521	4.0	465	17	
		Total	6,630	6.3	4,076	7	
Total		Men	8,864	7.8	8,641	13	
		Women	1,762	7.8	2,064	26	
		Total	10,626	7.8	10,705	14	
Holding		Senior Management Technical Directors	Men	513	14.7	277	10
			Women	41	4.1	13	2
			Total	554	12.3	290	8
	Specialisation and Coordination	Men	584	11.5	495	13	
		Women	669	15.6	735	19	
		Total	1,253	13.3	1,230	16	
	Supervisors and Technical Staff	Men	1,052	15.5	542	19	
		Women	1,412	14.4	954	17	
		Total	2,464	14.8	1,496	18	

Training per functional category and gender			2022		2021	
			No. of training hours	Average number of training hours	No. of training hours	Average number of training hours
Operating and Support Staff	Men	132	5.1	132	2	
	Women	175	5.6	549	7	
	Total	307	5.4	681	5	
	Total	Men	2,281	12.7	1,446	9
		Women	2,297	12.6	2,251	13
		Total	4,578	12.6	3,697	11
MOTA-ENGIL GROUP	Senior Management Technical Directors	Men	3,177	13.9	405	10.1
		Women	366	12.6	24	2.7
		Total	3,543	13.8	429	8.8
	Specialisation and Coordination	Men	11,618	11.8	1,496	20.2
		Women	4,606	17.4	916	18.7
		Total	16,224	13.0	2,412	19.6
	Supervisors and Technical Staff	Men	25,176	7.3	4,443	38.3
		Women	18,709	16.8	2,361	24.9
		Total	43,885	9.6	6,804	32.2
	Operating and Support Staff	Men	205,174	6.2	3,743	6.2
		Women	24,590	5.3	1,014	9.7
		Total	229,764	6.1	4,757	6.7
	Total	Men	245,145	6.5	10,087	12.1
		Women	48,270	8.0	4,315	16.7
		Total	293,416	6.7	14,402	13.2

Note 1: The denominator of the indicator considered the number of existing workers as at 31 December. Includes the paid Executive Directors.

Note 2: Information collected centrally, updated information will be included in the 2022 Sustainability Report.

Note 3: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 4: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

vi. Equality

Diversity is an important factor of competitiveness. MOTA-ENGIL is committed to fighting discrimination, fostering gender equality and equality of opportunity, and promoting a culture of openness, in recognition of the importance of leaving no one behind.

Conscious of this importance, the GROUP set out the goal, within the scope of the new strategic plan – “BUILDING 26 | For a sustainable future”, to promote gender equality by increasing recruitment among women and strengthening their integration into the top management positions at MOTA-ENGIL. Reflecting its commitment to diversity and inclusion, in 2022 MOTA-ENGIL became a signatory of the Portuguese Letter for Diversity (see Section A of this document).

Operating in traditionally masculine areas of activity, MOTA-ENGIL, based on the guidelines shared by CITE (Comissão para a Igualdade no Trabalho e Emprego - Portuguese Committee for Equality at Work), discussed and identified the measures it considers a priority, culminating with the drawing-up of the Plan for Gender Equality. This was backed up by a diagnosis undertaken by the GROUP's corporate human resources department whose results form the basis of measures contained in the plan.

The Equality Plan aims to develop actions that have a positive impact on fighting gender discrimination and inequality, and which stimulate a new organizational culture able to understand and value (personally and professionally) the contribution of both genders, bolstering the principle of equality in its practices and acting as a watchword for improving competitiveness. It is also aimed to ensure the effective implementation and monitoring of the guidance set out in the Strategic Plan 2026, aimed at employees and members of the governing bodies, under Article 7 of Law No 62/2017.

In terms of recruitment and selection, those responsible for this area are instructed on eliminating gender bias and, notably, all training is organised around the objective of ensuring equal access and participation by men and women. The performance assessment model is also objective and non-gender biased, with employees suffering no penalty for fulfilling their family responsibilities.

The current procedures as regards the remuneration and rewards system ensure the principle of equal pay for equal work is fully complied with, such system being underpinned by an objective performance assessment model that is exempt from any gender bias and does not hurt the workers for exercising their family duties.

It is also worth noting that, as an expression of the GROUP's commitment to promoting gender equality in traditionally masculine areas, in 2022 MOTA-ENGIL took part in the programme "Female Engineers for a Day". This programme is coordinated by Comissão para a Cidadania e a Igualdade de Género (CIG) (Committee for Citizenship and Gender Equality) and by INCoDe.2030, in coordination with Associação Portuguesa para a Diversidade e Inclusão (APPDI), Instituto Superior Técnico (Higher Technical Education Institute) and the College of Engineers and pursues the goal of fostering with students of non-higher education the option for engineering and technology.

The main indicators through which the GROUP monitors gender equality are presented below (Standard GRI 405: Diversity and Equal Opportunities (2016)). See also indicators from sections i. Employment and v. Training.

Diversity of governance bodies and employees (GRI 405-1)

Percentage of workers per functional category and gender		2022		2021	
		Men	Women	Men	Women
E&C Europe	Senior Management Technical Directors	91%	9%	-	-
	Specialisation and Coordination	82%	18%	-	-
	Supervisors and Technical Staff	68%	32%	-	-
	Operating and Support Staff	95%	5%	-	-
E&C Africa	Senior Management Technical Directors	97%	3%	-	-
	Specialisation and Coordination	88%	12%	-	-
	Supervisors and Technical Staff	87%	13%	-	-
	Operating and Support Staff	91%	9%	-	-
E&C Latin America	Senior Management Technical Directors	92%	8%	-	-
	Specialisation and Coordination	81%	19%	-	-
	Supervisors and Technical Staff	79%	21%	-	-
	Operating and Support Staff	92%	8%	-	-
Environment	Senior Management Technical Directors	83%	17%	-	-
	Specialisation and Coordination	65%	35%	-	-
	Supervisors and Technical Staff	61%	39%	-	-
	Operating and Support Staff	80%	20%	-	-
Capital	Senior Management Technical Directors	91%	9%	85%	15%
	Specialisation and Coordination	77%	23%	77%	23%
	Supervisors and Technical Staff	64%	36%	70%	30%
	Operating and Support Staff	88%	12%	95%	5%
Holding	Senior Management Technical Directors	78%	22%	81%	19%
	Specialisation and Coordination	54%	46%	50%	50%
	Supervisors and Technical Staff	41%	59%	33%	67%
	Operating and Support Staff	46%	54%	45%	55%
MOTA-ENGIL GROUP	Senior Management Technical Directors	89%	11%	90%	10%
	Specialisation and Coordination	79%	21%	79%	21%
	Supervisors and Technical Staff	76%	24%	76%	24%
	Operating and Support Staff	88%	12%	88%	12%

Note 1: The data refers to the no. of existing employees as at 31 December. Includes the paid Executive Directors.

Note 2: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 3: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

Ratio of basic salary and remuneration of women to men (GRI 405-2)

Wages and remuneration ration between women and men		2022	2021
E&C Europe	Senior Management/Technical and Management Department	0.60	-
	Specialisation and Coordination	0.80	-
	Supervisors and Technical Staff	0.79	-
	Operating and Support Staff	1.05	-
E&C Africa	Senior Management/Technical and Management Department	0.61	-
	Specialisation and Coordination	1.00	-
	Supervisors and Technical Staff	1.02	-
	Operating and Support Staff	0.87	-
E&C Latin America	Senior Management/Technical and Management Department	0.97	-
	Specialisation and Coordination	0.94	-
	Supervisors and Technical Staff	0.96	-
	Operating and Support Staff	0.95	-
Environment	Senior Management/Technical and Management Department	0.81	-
	Specialisation and Coordination	1.02	-
	Supervisors and Technical Staff	1.01	-
	Operating and Support Staff	0.82	-
Capital	Senior Management/Technical and Management Department	1.10	0.94
	Specialisation and Coordination	0.96	0.94
	Supervisors and Technical Staff	0.91	0.91
	Operating and Support Staff	1.07	1.16
Holding	Senior Management/Technical and Management Department	0.86	1.15
	Specialisation and Coordination	0.86	0.81
	Supervisors and Technical Staff	0.95	0.95
	Operating and Support Staff	1.07	0.92
MOTA-ENGIL GROUP	Senior Management/Technical and Management Department	0.79	0.87
	Specialisation and Coordination	0.92	0.88
	Supervisors and Technical Staff	1.02	1.02
	Operating and Support Staff	0.89	0.94

Note 1: The data refers to the no. of existing employees as at 31 December. It excludes employees on long-term secondment overseas (i.e. for periods over 6 months) and non-executive members of the board of directors.

Note 2: Considering the change that occurred in 2022 in MOTA-ENGIL GROUP's business units, for 2021 we only present the GROUP's total data as well as the data disaggregated by Holding and Capital, since it was not possible to recalculate the values for the remaining (new) business units.

Note 3: The reported data does not comprise the employees from the consortiums ECB SEA_ALSUB and ECB LCD_REDUC (Brazil).

It must be noted that all members comprising the Board of Directors of MOTA-ENGIL, on December 31, 2022, possessed a university degree and have an average age of 55. With approximately 60% men in its membership, and in a sector of activity still predominantly masculine, MOTA-ENGIL embraces the values advocated by Statute no. 62/2017 of August 1st, which establishes a scheme of balanced representation between men and women in the boards of directors and supervisory audit boards of the entities of the public sector and listed companies such as MOTA-ENGIL. On average, the fixed remuneration of the women integrating the Board of Directors corresponds to 55% of the remuneration allocated to male members. The differences exhibited result from the historical seniority of the respective members, as well as the framework of the executive bodies of the GROUP. However, a set of initiatives is currently being considered with a view to eliminate the pay gap.

Regarding Statute No. 4/2019, which establishes employment quotas for disabled people with a degree of incapacity of 60% or more and introduces the obligation on private sector companies to hiring disabled workers, MOTA-ENGL is committed to complying with the legislation and to identify the best talent for its companies, thus contributing to disabled people's access to the labour market and the opportunity of pursuing a career. MOTA-ENGL has identified the GROUP companies to which this legal obligation is applicable, and is on an undergoing transition, as established in the law, to achieve its full compliance.

Regarding discrimination incidents and corrective measures taken (Standard GRI 406: Non-Discrimination (2016)), the situations observed are identified in the following table. The five incidents recorded in 2022 can be grouped as follows, both in relation to the geography where they occurred and their typology: two complaints in Peru (both related to labour discrimination, alleged unfair dismissal); a complaint in Guinea-Conakry (occupational discrimination, for no apparent reason, resulting in functional demotion); a report in Uganda (racial discrimination in the allocation of housing types to employees); a report in Portugal (sexual discrimination with alleged impact on daily work). All identified cases were concluded in 2022. The results show that the complaints received were not substantiated (either through internal investigations or even when there are legal proceedings). Of the five cases reported, two were closed due to the lack of response from the complainers after the end of the legal period for filing the complaint. It should be noted that there was no impact on the Financial Statements resulting from the above-mentioned cases.

406-1 Incidents of discrimination and corrective actions taken (GRI 406-1)

		2022	2021
Total no. of cases of discrimination during the reporting period		5	7
Total no. of cases analysed by the organisation according to the current circumstances and actions taken	No. of remediation plans implemented	0	1
	No. of remediation plans implemented with the respective results analysed through regular revision and management processes	0	0
	No. of incidents resolved	5	6
	Total no. of incidents analysed	5	7

Note: 2021 data has been updated, since in the previous report of one of the incidents was still in the clarification phase and as such had not yet been analyzed.

4. Human rights

MOTA-ENGIL works tirelessly to respect and promote HUMAN RIGHTS in the different cultural, socio-economic, and geographical contexts where it operates. It renounces any act that attacks human dignity. MOTA-ENGIL GROUP has been a signatory, since 2019, to the CEO Guide on Human Rights of BCSD Portugal – Business Council for Sustainable Development Portugal.

Respect for human rights is established in the Ethics and Corporate Conduct Code and in general the GROUP follows the OECD Guidelines for Multinational Enterprises and OECD Due Diligence Guidance for Responsible Business Conduct. This responsibility and commitment extend to the GROUP's practices in labour matters, investment policy, supply chain management, etc..

It should be noted that MOTA-ENGIL blocks agreements or partnerships with companies where human rights breaches have been reported. The GROUP inserts clauses in its agreements that stipulate these barriers and, under the Third-Party Procedure, since 2019 the guiding principles have been defined for undertaking due diligence (DD) measures with regard to counterparties with which it establishes business relations (e.g. customers, suppliers – including subcontractors – and business partners). In this risk assessment process for business partners, applicable to entities who comply with a set of internally defined requirements, there is scrutiny of incidents/records of sanctions, exclusions and convictions, as well as negative news articles on entities or people with regard to the following topics, among others: human trafficking; workplace discrimination/abuse; issues of occupational health and safety; child labour; enforced or slave labour; gender equality; LGBTQIA+ rights; racism; and bad environmental practices.

The number of counterparties who were subject to enhanced due diligence actions, as described in the previous paragraph, in 2022 included: 13 clients; 20 business partners (joint ventures, consortiums); 818 suppliers.

	2022	2021
<i>Enhanced DD</i>	200	139
Total assessed counterparties	851	699
% of total	24%	20%

Note: the reported data is taken from the tool for third-party assessment used across the entire MOTA-ENGIL GROUP.

Enhanced DD corresponds to the in-depth investigation process that allows the collection of integrity detailed data and the advanced checking of background of any given entity. This process is initiated for partners the risk assessment of which indicates an average and high level of risk. The reinforced due diligence measures may consist of the following actions:

- A second screening report on the partner, its shareholders, actual beneficiaries and members of management;
- Collection of additional information through a second survey to the partner;
- Collection of additional information through interviews to representatives of the partner;
- Investigation focused on the partner conducted by a provider of services outside MOTA-ENGIL.

The criteria used for selecting the counterparties are:

- a) Potential private clients, infrastructure projects, with contract values of 5 million Euro or more or the equivalent amount in other currency;
- b) Other potential private clients with contract values of 500 thousand Euro or more or the equivalent amount in other currency;
- c) Potential clients by sales of inventories or fixed assets belonging to the MOTA-ENGIL GROUP the sale value of which is of 10 thousand Euro or more or the equivalent amount in other currency;
- d) All potential partners of a consortium, joint venture, special purpose vehicle or other form of association;
- e) A new commercial relationship with a supplier whenever: it is estimated to have a cumulative value of 100 thousand Euro or more, or the equivalent amount in other currency, on annual basis; the contract is intended for purposes of consultancy, agency, or payment of a commission of any amount.

Notably, the GROUP's channel for reporting irregularities can also be used to inform about human rights breaches caused by MOTA-ENGIL or which it contributed to through its commercial operations and relations. In 2022, there were no cases of operations and suppliers with a significant risk of incidents of child labour, enforced or slave labour, or infringement of the rights of indigenous peoples reported via the GROUP ethics hotline.

Salient human rights risks identified by the GROUP consist of harassment and discrimination, particularly in the engineering and construction area. This results in MOTA-ENGIL GROUP's exposure to incidents related to harassment and discrimination, both due to the nature of its activities and its multicultural composition; the importance of the value of inclusiveness and diversity in its employees; and the fostering of a sense of belonging, commitment, and increased productivity.

It should be highlighted that the Board of Directors approved in 2021 the Anti-Harassment and Discrimination Policy (available on the GROUP's Intranet). This policy aims to promote a workplace free from harassment, discrimination, and intimidation, where all workers may work together with honesty, trust, and respect for their differences. All forms of harassment and discrimination may constitute misconduct and justify disciplinary action, even including employment terminations.

During 2022, the focuses of action addressed communication and the implementation of the Anti-Harassment and Discrimination Policy, with a view to: (1) create awareness on the entry into force of the Policy; (2) develop training courses on this subject; (3) implement the Incident Resolution Mechanism (IRM) provided for in the Policy, which provides the informal and formal means to solve the workers' concerns and complaints.

The function of Consultant on Discrimination and Harassment (CDH) – performed by those responsible for human resources – was created in the various companies of the GROUP. This position is responsible, in particular, for providing the means for helping any worker that is a victim of discrimination and/or harassment to communicate with the person offending them openly, honestly and safely. When the location of a project is physically and/or organizationally far from the central offices of the GROUP's company, the SHEQ responsible for that project will act as a CDH delegate for the employees working in that location.

A Harassment and Discrimination Committee was also created to deal with all complaints received through the Formal Complaint Mechanism that is operated by the team managing the GROUP's complaint channel. The Harassment and Discrimination Committee also promoted various workshops with the CDH appointed by the various GROUP companies. A platform for supporting the reporting and management of cases treated by the CDH through the Informal Complaint Mechanism was also developed.

MOTA-ENGIL GROUP also encourages employee training on human rights policies or procedures. In 2022, in the group as a whole, 1,382 hours of training took place, specifically on the subject of harassment and discrimination. It should be noted that training was also given on other themes (not included in this figure) that also fall within the framework of promoting human rights, such as occupational health and safety, environment, etc.

5. Fight against corruption and attempted bribery

MOTA-ENGIL GROUP complies with the rules, guidelines, and principles of good corporate governance. It is committed to carrying out its business and developing commercial relations with its counterparties with integrity, professionalism, fairness, and honesty, complying with applicable legislation and responding to its commitments to stakeholders. It seeks to go beyond merely complying with the law and to follow rules, regulations, and best practices, nationally and internationally, in ethical and responsible conduct.

Code of ethics and conduct

The MOTA-ENGIL GROUP has a [Code of Ethics and Business Conduct](#). The Code is intended to establish the grounds for responsible behaviour and general ethical and corporate duties and rules governing the conduct of all group workers and managers with regard to performing their duties at work, in compliance with the Mission, Vision and Values of MOTA-ENGIL's organisational culture.

Reporting of irregularities

The MOTA-ENGIL GROUP has implemented a [channel](#) and a [Procedure for Reporting Irregularities](#). The procedures set out ensure the principles of confidentiality and non-retaliation. In situations in which the local legislation determines the existence of reporting channels with local domains, the automatic and simultaneous forwarding of communications to the Ethics channel of the GROUP is ensured whenever legally possible.

Since 2019, employees have taken online training via the Success Factors platform set up under the Integrity and Compliance Programme, which includes a module on mechanisms for reporting breaches. Outside stakeholders can obtain information and directly report information via the group website.

The reception and forwarding of reports over concerns or infractions is the responsibility of the Internal Audit Department. Any complaint coming from the complaint channels that falls under the category of incidents of discrimination and harassment is forwarded to the Harassment and Discrimination Commission. Other infractions, due to their nature, may be forwarded to other functional departments, namely human resources or legal affairs.

In 2022, the top 5 categories of reports received via the GROUP's ethics channel were: improper conduct by employees; harassment (moral, sexual, among others); violation of GROUP policies and non-compliant values; conflicts of interest/internal corruption and discrimination (racial, gender, among others).

45% of allegations are unsubstantiated. However, and if the ground for the complaint is confirmed after the investigation process, corrective and/or disciplinary actions proven necessary are implemented. However, and if the grounds for the report after investigation are confirmed, the necessary corrective and/or disciplinary action is taken.

Reporting of irregularities	2022	2021
Total no. of reports received	223 ⁽²⁾	100 ⁽¹⁾
% of reports addressed (accepted and investigated)	81%	83%
% of reports resolved (investigation completed)	92%	83%
% of unsubstantiated complaints	45%	64%

⁽¹⁾ Includes 48 irregularities reported via the GROUP's main hotline and 52 via the market reporting channels.

⁽²⁾ Includes 49 irregularities reported via the GROUP's main hotline and 144 via the market reporting channels.

Integrity and compliance programme

The risks to which the GROUP is exposed are regularly identified, analysed, and assessed. This supports the updating of its Action Plan concerning the implementation of actions and controls that are effective in the mitigation of these risks. The set of measures and controls for the prevention, monitoring and correction of risks integrate the Integrity and [Compliance Programme of the MOTA-ENGIL GROUP](#).

The Board of Directors, Executive Committee and senior and operating managers work together to guide and support their teams in preserving the GROUP's good name and reputation. It is worth mentioning that, since 2018, the GROUP has had a Chief Compliance Officer (CCO) who reports to the Executive Committee. The CCO also reports to an independent director, who is responsible for validating all procedures applicable to the compliance system and validating all future changes that may be proposed, which must always be approved by the Board of Directors.

To ensure the effectiveness of the Integrity and Compliance Programme, communication, training and awareness-raising are of paramount importance. MOTA-ENGIL has a learning plan with compliance-based training aimed at instructing employees on the content and practical aspects of the Integrity and Compliance Programme, as well as providing information on expected behaviours when employees are faced with certain scenarios and equipping them with tools to deal with them in an ethical and responsible manner.

It is worth noting that an extensive revision was carried out in 2022 to the documents integrating the Integrity and Compliance Programme by a legal consultant outside the organisation. The consultant's work resulted in an updating of many of those documents, namely the "Transactions with Related Parties Policy" and the "Anti-Corruption and Bribery, Prevention of Money Laundering and Terrorism Financing Policy".

The "Gifts and Hospitality Procedure" was also updated with a view to improve the understanding of the rules in place and facilitate the recording and approval of the gifts given and/or received. All gifts given or received must be recorded in the "Record of Gifts and Hospitality" form, in compliance with the criteria defined in the Procedure.

Risk Mitigation Measures



Compliance Procedures

offers, donations, relations with counterparties and cash transactions regulation.



Training and Awareness-raising Plan

it aims at aligning the workers' behaviours with the values, ethics and conduct.



Screening Tools

and identification of ultimate beneficial owners.



Data Analytics Tool

for an ongoing monitoring of transactions.



Reporting of Irregularities

through the channels provided to that end.

Prevention of corruption, bribery, money laundering and terrorism financing

The GROUP has an "Anti-Corruption and Bribery, Prevention of Money Laundering and Terrorism Financing Policy" (available on the GROUP's Intranet). This policy shows zero tolerance towards acts of corruption, bribery, money laundering and terrorism financing. Such acts are forbidden, in any form and in any part of the world, whether carried out directly or through third parties. Offering or accepting bribes of any kind is intolerable wherever the GROUP operates, with severe consequences for offenders.

The commitment assumed by the GROUP is reflected in the objectives of this Policy: a) to define the responsibilities of the GROUP and those who work for it; b) to ensure compliance with laws, rules and regulations in any country where business is conducted; c) offer information and guidance on how to recognize and deal with these issues. The Compliance Department is responsible for implementing and monitoring the use of this Policy, so all concerns and questions should be directed to them, using the Compliance Helpline or contacting the Legal Department. The GROUP provides continuous training with the aim of providing means of understanding the Policy and implementation strategies.

It should be mentioned that the drawing-up in 2022 of the Plan for the Prevention of Corruption and Related Violations, in implementation of Decree-Law no. 109-E/2021, of December 9th, that created the Anti-Corruption National Mechanisms and establishes the general scheme of corruption prevention, addressing the content and scope of the plan for the prevention of risks associated with corruption and related violations. Its purpose is to identify the main risks associated with corruption and related violations, as well as measures adopted or to be implemented to prevent their occurrence. The drawing-up and monitoring of the Plan is the responsibility of the GROUP's Executive Committee.

Information concerning the communication in fight against corruption policies and procedures (Standard GRI 205: Anti-corruption (2016)). No events with a high-risk level were identified in the operations submitted to evaluation.

Operations assessed for risks related to corruption (GRI 205-1)

Geographies	2022		
	No. of operations assessed	Total no. of operations	%
Brazil	1	3	33
Colombia	1	1	100
Mexico	1	4	25
Nigeria	1	1	100
Peru	1	1	100
Poland	1	1	100
Portugal	1	5	20

Note: this indicator is being reported for the first time in 2022, wherefore no historical data is presented. It concerns the geographies where operations were submitted to corruption risk assessments in the reporting year.

Communication and training about anti-corruption policies and procedures (GRI 205-2)

Communication of Anti-Corruption Policies – <u>Employees</u>	2022			2021		
	No. of employees who were notified	Total no. of employees	%	No. of employees who were notified	Total no. of employees	%
Senior Management Technical Directors	173	257	67%	225	247	91%
Specialisation and Coordination	744	1,248	60%	1,072	1,147	93%
Supervisors and Technical Staff	806	4,577	18%	3,064	3,908	78%
Operating and Support Staff	3735	37,955	10%	4,861	33,272	15%
Total	5,458	44,037	12%	9,222	38,574	24%

Communication of Anti-Corruption Policies – <u>Business Partners</u>	2022			2021		
	No. of partners who were notified	Total no. of partners	%	No. of partners who were notified	Total no. of partners	%
Suppliers	828	1,370	60%	686	1,119	61%
Clients	14	74	19%	5	12	42%
Partners	22	69	32%	7	31	23%
Total	864	1,513	57%	698	1,162	60%

Confirmed cases of corruption and actions taken (GRI 205-3)

	2022	2021
Total number of incidents of corruption confirmed	4	5
Total number of incidents confirmed in which workers were dismissed or subject to disciplinary proceedings due to corruption	3	5
Total number of confirmed incidents of resolution or non-renewal of contracts with business partners due to infringement caused by corruption	0	0

Note: Number of third parties registered on the third-party assessment platform that have successfully submitted due diligence monitoring, through which they attest that they have read, understood and agreed to adhere to MOTA-ENGIL GROUP'S Code of Ethics and Business Conduct.

In 2022 four confirmed incidents of corruption were identified. Three of those situations culminated in the rescission of contract with the workers involved. In the incident in which no sanction was imposed on the worker, it was concluded that there was only a failure in the conflict of interest procedure, and that no corruption act was proven. Three of the incidents concern the Engineering and Construction sector and one concerns the Concessions sector. One of the incidents was reported in Portugal, two were reported in Brazil and one was reported in Mexico. In the three incidents leading to the dismissal of the workers, two concern the theft of assets of the company, while one concerns the provision of special conditions to suppliers.

The examination of this data followed the receipt, analysis and investigation of complaints received via the GROUP's Ethics Hotline. Its handling was carried out under the "Procedure for Reporting Irregularities" by the Risk and Audit Committee via the Internal Audit team, delegated by the Statutory Audit Board. The Procedure in force is also aimed at:

- Aligning the practices in force at the GROUP with the provisions of Law 83/2017 of August 18th on measures to fight terrorism financing and money laundering, also incorporated into the GROUP's "Anti-Corruption and Bribery, Prevention of Money Laundering and Terrorism Financing Policy".
- In terms of protecting whistle-blowers, Directive (EU) 2019/1937 of the European Parliament and the Council of November 26th on whistleblowing is being adopted by the GROUP, ensuring effective protection of whistle-blowers.

Fair competition

The MOTA-ENGIL GROUP maintains, since 2021, a "Fair Competition Policy" that reflects its zero tolerance towards restrictive competition practices and prohibits such acts under any form, whether direct or through third-parties, in any part of the world. MOTA-ENGIL prohibits all cartel-related activities and other collusive practices, namely behaviours aimed at or liable to be interpreted as causing competition to be restricted or limited.

It is also prohibited to enter, without grounds, into agreements with other companies not to hire certain applicants or coordinate remuneration policies, or to use participation in events held by industrial or commercial associations and related contacts for anti-competition purposes.

Management of conflicts of interest

MOTA-ENGIL's Code of Ethics and Business Conduct characterises situations in which a conflict of interests may arise and defines employees' responsibility to act in the best interests of the GROUP, refraining from acting in a manner that clashes with this responsibility. Situations that may potentially generate conflicts of interest must be reported to the GROUP Ethics Hotline or the Compliance Support Hotline.

Additionally, a "Conflict of Interest Procedure" (available on the GROUP's Intranet) was approved in 2021, establishing a procedure for the disclosure, assessment and prevention of real, potential or apparent conflicts of interest. These Procedure states that: MOTA-ENGIL's workers must avoid ethical, legal, personal relations or other conflicts of interests and ensure that their activities and interests do not clash with their obligations to the GROUP; a worker who is not able to or cannot avoid a conflict of interests must necessarily disclose it; the disclosure must therefore occur as soon as the worker identifies that a conflict of interests might exist and, whenever possible, before they perform the conduct in question.

MOTA ENGIL believes that transparency is essential to protect the integrity and reputation of the company and the employees. Thus, the employee must report any type of conflict of interest to his/her direct superior and submit the Declaration of Interests Form (DIF) to the Compliance Department or use the Compliance Helpline so that the disclosure is recorded. If the conflict of interest belongs to a member of the Board of Directors of the Company or the GROUP Company, he/she must disclose the conflict to the Board of Directors of the Company or the GROUP Company and await the decision without getting involved in the evaluation process and deliberation.

After identifying the risks of conflict of interest, these must be eliminated or mitigated and, after diligently evaluating each case, the Compliance Department must consult with legal services, human resources, or other support functions to determine the appropriate corrective or disciplinary action.

In accordance with the Conflict of Interests Procedure, MOTA ENGIL Ethics Line must also be used for complaints regarding conflicts of interest perceived by other employees, as well as for reporting unfair treatment or retaliation situations.

Transactions with Related Parties

MOTA-ENGIL is aware that relations with Related Parties may harm the companies and their shareholders since they can provide the Related Party with the opportunity to take a part of the value of a company. As such, in any transaction with a Related Party, a series of processual matters is considered a necessary safeguard for the appropriate protection of the interests of the companies and shareholders that are not Related Parties, including minority shareholders.

There might be a need to communicate transactions with Related Parties to the market, under the information duties open companies are subject to, namely: the provision of information regarding the main relevant transactions maintained between Related Parties, in particular referring the amount of such transactions; the nature of the relevant relationship and other information necessary to the understanding of the financial position of the issuer if such transactions are relevant and have not been concluded under normal market conditions.

INFORMATION ON STANDARDS/DIRECTIVES FOLLOWED

1.1 Identification of standards/directives followed with regards to the reporting of non-financial information

As mentioned in paragraph A, the reporting of non-financial information of MOTA-ENGIL is carried out according to the Global Reporting Initiative (GRI) Standard, in its 2021 version. The indicators were selected to reflect the main consequences associated with the material topics of MOTA-ENGIL and the recommendations of the Portuguese Securities Market Commission, as well as to enable the follow-up of the objectives defined.

MOTA-ENGIL responds to its undertaking of the pursuance of Agenda 2030 of the United Nations and, against the background of its new sustainability strategy, identifies the contribution to five focused SDG – SDG 5 - Gender Equality, 8 - Decent Work and Economic Growth, 9 - Industry, Innovation and Infrastructures, 12 - Sustainable Production and Consumption, 13 - Climate Action – as also referred to in section A. More detailed information on the SDG and actions carried out within this scope can be found in the Sustainability Report of 2022 of MOTA-ENGIL. It should be mentioned that the Sustainability Report also contains an SDG Correlation Table, which is aimed at facilitating the identification of the main indicators and initiatives carried out by the MOTA-ENGIL GROUP which contribute to the SDG.

1.2 Identification of the scope and methodology of calculation of indicators

As mentioned above, the reporting of non-financial information of MOTA-ENGIL is prepared according to the GRI Standards. More detailed information on the scope and methodologies of calculation associated with the indicators presented can be found in the 2022 Sustainability Report of MOTA-ENGIL. It is worth mentioning that the Sustainability Report also contains a correlation table with the recommendations of the Portuguese Securities Market Commission and the GRI Table.

This non-financial reporting, for analysis and support of the GRI Standards (environmental (GRI 301, 302, 303, 305, 306) and social (GRI 2-27, 2-30, 403)), took into consideration the information from the GROUP companies indicated in the table, gathered from the various markets. In essence, it encompasses the activities of all business units, including the Holding, in line with the Consolidated Report and Accounts. However, the exclusion of the company GENERADORA FÉNIX and SUMNISTRADORA FÉNIX stand out.

GROUP management internal structure	Companies
Europe E&C	MOTA-ENGIL EUROPA CENTRAL
	MOTA-ENGIL PORTUGAL
Africa E&C	MOTA-ENGIL ÁFRICA DO SUL
	MOTA-ENGIL ANGOLA
	MOTA-ENGIL CAMARÕES
	MOTA-ENGIL COSTA DO MARFIM
	MOTA-ENGIL GANA
	MOTA-ENGIL GUINÉ CONACRI
	MOTA-ENGIL MALAWI
	MOTA-ENGIL MALI
	MOTA-ENGIL MOÇAMBIQUE
	MOTA-ENGIL NIGÉRIA
	MOTA-ENGIL QUÉNIA
	MOTA-ENGIL RUANDA
	MOTA-ENGIL UGANDA
Latin America E&C	MOTA-ENGIL BRASIL
	MOTA-ENGIL COLÔMBIA
	MOTA-ENGIL MÉXICO
	MOTA-ENGIL PANAMÁ
	MOTA-ENGIL PERU
	MOTA-ENGIL REPÚBLICA DOMINICANA

Environment	SUMA - SERVIÇOS URBANOS PT
	SUMA - SERVIÇOS INDUSTRIAIS PT
	ECO VISION
	SUMA BRASIL
	VISTA WASTE
	ECOLIFE
	CLEAN EBURNIE
	ECO EBURNIE
	EGF
Capital	ATIV
	EMERGE
	RENEWING
	CONCESSÕES
	TURISMO
Holding	Holding

It must be stressed that the information gathered from the markets has the support of the respective SHEQ focal points. These elements pursue the main function of implementing, on a local level, the guidelines concerning the SHEQ management system (coming from the corporate area), as well as proceeding to the local maintenance, monitoring and improvement of the management system, also intervening as an interface of bidirectional communication between the corporate structure and the respective market or company.

The information regarding the remaining indicators was ascertained based on information centrally gathered.

1.3 Explanation in case of non-application of policies

Not applicable.

1.4 Other information

We refer to section A of this document for information on the external initiatives undertaken by the GROUP and identification of the main associations/networks where it takes part where sustainability is concerned (GRI 2-28).

SHAPING INSPIRATION

We are aligning decision-making and
performance measurement
to ESG dimensions.



CONSOLIDATED INCOME STATEMENT BY NATURES FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in thousand Euros)

	Notes	Year	
		2022	2021 restated
Sales and services rendered	2	3,804,258	2,591,776
Cost of goods sold, mat. cons. and changes in production	3	(925,164)	(623,880)
Third-party supplies and services	4	(1,705,829)	(983,069)
Wages and salaries	5	(677,951)	(563,586)
Other operating income / (expenses)	6	45,389	(9,609)
Amortizations and depreciations	7, 15, 16 and 17	(278,656)	(210,264)
Impairment losses	8	(2,632)	(2,137)
Provisions	8	(16,202)	(14,738)
Financial income and gains	9	446,170	140,733
Financial costs and losses	9	(600,357)	(267,078)
Gains / (losses) in associates and joint ventures	10	(5,478)	3,114
Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies	11	22,034	49,213
Net monetary position	46	10,550	11,124
Income before taxes	12	116,134	121,600
Income tax	12	(39,655)	(58,361)
Consolidated net profit of the year		76,479	63,239
Attributable:			
to non-controlling interests	38	35,750	39,138
to the Group	13	40,729	24,101
Earnings per share:			
basic	13	0.135 €	0.088 €
diluted	13	0.135 €	0.088 €
To be read with the Notes to the Consolidated Financial Statements			

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in thousand Euros)

	Notes	Year	
		2022	2021 restated
Consolidated net profit of the year		76,479	63,239
Items of other comprehensive income that may be reclassified to the income statement:			
Companies consolidated by the full consolidation method			
Exchange differences arising from the translation of financial statements expressed in foreign currencies:	29		
Of which, associated with the impact of hyperinflation in Angola and Zimbabwe in previous years		5,155	8,823
Others		74,419	72,976
Changes in the fair value of derivative financial instruments of cash flow hedges		3,989	493
Deferred taxes related to the changes in the fair value of derivative financial instruments of cash flow hedges		(733)	(103)
Impact of hyperinflation in Zimbabwe	46	(10,550)	(11,119)
Companies consolidated by the equity method			
Exchange differences arising from the translation of financial statements expressed in foreign currencies		(4,734)	3,947
Changes, net of taxes, in the fair value of derivative financial instruments of cash flow hedges	18 and 19	32,693	18,847
Other comprehensive income of companies consolidated by the equity method		292	-
Items of other comprehensive income that will not be reclassified to the income statement:			
Companies consolidated by the full consolidation method			
Changes in the revaluation surplus of tangible assets and right of use assets	16	9,514	89,792
Deferred taxes related to the changes in the revaluation surplus of tangible assets and right of use assets	16	(2,379)	(27,636)
Actuarial deviations	39	1,079	(4,188)
Deferred taxes related to actuarial deviations		(259)	1,005
Changes in the fair value of other financial investments recorded at fair value through other comprehensive income	20	3,700	5,504
Deferred taxes related to the changes in the fair value of other financial investments recorded at fair value through other comprehensive income		(814)	(1,238)
Total of other comprehensive income		111,372	157,102
Total consolidated comprehensive income of the year		187,851	220,341
Attributable:			
to non-controlling interests		76,516	70,899
to the Group		111,335	149,443

To be read with the Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022 AND 2021
(Amounts stated in thousand Euros)

	Notes	2022	2021 restated
Assets			
Non-current			
Goodwill	14	20,132	20,069
Intangible assets	15	752,219	699,160
Tangible assets	16	633,942	477,081
Right of use assets	17	301,909	287,162
Financial investments in associated companies	18	132,770	187,348
Financial investments in joint ventures	19	119,465	94,126
Other financial investments recorded at amortised cost	20	93,413	190,150
Other financial investments recorded at fair value through other comprehensive income	20	63,201	64,400
Investment properties	21	103,471	112,412
Customers and other debtors	23	251,129	245,265
Contract assets	24	5,139	-
Other non-current assets	25	40,742	35,802
Derivative financial instruments	32	4,000	149
Deferred tax assets	12	234,992	209,248
Total of non-current assets		2,756,525	2,622,374
Current			
Inventories	22	528,757	292,688
Customers and other debtors	23	1,453,952	1,130,477
Contract assets	24	589,669	693,236
Other current assets	25	79,073	72,160
Derivative financial instruments	32	58	1
Corporate income tax	26	39,021	31,598
Other financial investments recorded at amortised cost	20	32,404	32,253
Other financial applications	27	78,577	58,765
Cash and cash equivalents without recourse – Demand deposits	27	93,368	37,088
Cash and cash equivalents with recourse – Demand deposits	27	603,336	346,796
Non-current assets held for sale	28	143,159	88,380
Total of current assets		3,641,374	2,783,443
Total Assets		6,397,899	5,405,816
Liabilities			
Non-current			
Loans without recourse	30	190,445	132,103
Loans with recourse	30	843,161	1,026,221
Other financial liabilities	31	13,630	-
Lease liabilities	17	208,861	217,318
Derivative financial instruments	32	-	123
Suppliers and sundry creditors	33	16,642	68,925
Contract liabilities	34	294,423	46,399
Other non-current liabilities	35	141,368	169,529
Provisions	37	142,556	124,230
Deferred tax liabilities	12	199,482	195,249
Total of non-current liabilities		2,050,567	1,980,097
Current			
Loans without recourse	30	30,220	38,159
Loans with recourse	30	776,918	594,032
Other financial liabilities	31	206,422	340,271
Lease liabilities	17	141,236	116,197
Derivative financial instruments	32	1,206	135
Suppliers and sundry creditors	33	1,285,867	905,516
Contract liabilities	34	636,123	303,317
Other current liabilities	35	633,181	596,891
Corporate income tax	36	32,238	25,623
Non-current liabilities held for sale	28	73,237	73,380
Total of current liabilities		3,816,649	2,993,520
Total Liabilities		5,867,216	4,973,617
Shareholders' equity			
Share capital	29	306,776	306,776
Own shares	29	(10,232)	(10,232)
Reserves, retained earnings and share premiums	29	(116,143)	(185,315)
Consolidated net profit of the year		40,729	24,101
Own funds attributable to the Group		221,130	135,330
Non-controlling interests	38	309,552	296,870
Total shareholders' equity		530,683	432,200
Total shareholders' equity and liabilities		6,397,899	5,405,816

To be read with the Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Amounts stated in thousand Euros)

	Notes	Fair value reserves											Total shareholders' equity	
		Share capital	Own shares	Share premiums	Financial investments	Fixed assets	Derivatives	Currency translation reserve	Legal reserves	Other reserves and retained earnings	Net profit of the year	Own funds attributable to the Group		Non-controlling interests
Balance at 31 December 2020 (audited)		237,505	(10,232)	92,584	15,145	27,860	(617)	(423,222)	57,733	(65,447)	(19,944)	(88,634)	234,646	146,012
Accumulated effect of disregarding the Lineas subgroup as a non-current asset held for sale	1.2.	-	-	-	-	-	754	(1,661)	-	(59,589)	24,619	(35,877)	-	(35,877)
Balance at 1 January 2021 restated		237,505	(10,232)	92,584	15,145	27,860	138	(424,883)	57,733	(125,037)	4,675	(124,510)	234,646	110,135
Movements with equity holders														
Dividend distribution		-	-	-	-	-	-	-	-	-	-	-	(19,171)	(19,171)
Increase/Decrease in share capital	29	69,271	-	33,449	-	-	-	-	-	-	-	102,720	(3,641)	99,078
Other movements														
Other comprehensive income of the year		-	-	-	4,266	59,105	19,300	56,303	-	(13,632)	-	125,341	31,761	157,102
Consolidated net profit of the year		-	-	-	-	-	-	-	-	-	24,101	24,101	39,138	63,239
Transfers to other reserves		-	-	-	-	-	-	-	-	4,675	(4,675)	-	-	-
Others		-	-	-	-	-	-	-	-	(1,275)	-	(1,275)	(905)	(2,180)
Changes in the ownership interest in subsidiaries:														
- Other acquisitions / disposals of non-controlling interests	38	-	-	-	-	-	-	-	-	8,953	-	8,953	15,042	23,996
Balance at 31 December 2021 restated		306,776	(10,232)	126,034	19,411	86,965	19,437	(368,580)	57,733	(126,315)	24,101	135,330	296,870	432,200
Balance at 1 January 2022 restated		306,776	(10,232)	126,034	19,411	86,965	19,437	(368,580)	57,733	(126,315)	24,101	135,330	296,870	432,200
Movements with equity holders														
Dividend distribution	29	-	-	-	-	-	-	-	-	(20,747)	-	(20,747)	(10,235)	(30,983)
Other movements														
Other comprehensive income of the year		-	-	-	2,886	11,023	35,907	30,521	-	(9,730)	-	70,606	40,766	111,372
Consolidated net profit of the year		-	-	-	-	-	-	-	-	-	40,729	40,729	35,750	76,479
Transfers to other reserves		-	-	-	-	-	-	-	-	24,101	(24,101)	-	-	-
Others		-	-	-	-	-	-	-	-	(13,785)	-	(13,785)	5,091	(8,695)
Changes in the ownership interest in subsidiaries:														
- Other acquisitions / disposals of non-controlling interests	38	-	-	-	-	-	-	-	-	8,998	-	8,998	(58,689)	(49,691)
Balance at 31 December 2022		306,776	(10,232)	126,034	22,297	97,988	55,344	(338,059)	57,733	(137,478)	40,729	221,130	309,552	530,683

To be read with the Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

(Amounts stated in thousand Euros)

	Notes	2022	2021
Operating activities			
Cash receipts from customers		4,187,069	2,566,095
Cash paid to suppliers		(2,557,675)	(1,765,531)
Cash paid to employees		(668,258)	(556,780)
Cash generated from operating activities		961,136	243,785
Income tax (paid)/received		(67,536)	(49,506)
Other receipts/(payments) generated by operating activities		(27,347)	33,048
Net cash-flows from operating activities (1)		866,254	227,327
Investment activities			
Cash receipts from:			
Financial investments	43	159,056	49,323
Investment properties		-	728
Tangible assets, intangible assets and right of use assets		19,822	21,696
Investment grants		8,750	11,532
Interest and similar income		64,635	57,443
Dividends	43	5,385	1,316
Other treasury applications		-	20,881
		257,647	162,920
Cash paid in respect of:			
Financial investments	43	(18,898)	(40,825)
Other financial applications		(19,736)	-
Tangible assets, intangible assets and right of use assets		(257,387)	(180,117)
Investment properties		(3,646)	(1,901)
		(299,667)	(222,843)
Net cash-flows from investment activities (2)		(42,019)	(59,923)
Financing activities			
Cash receipts from:			
Loans obtained	30	1,322,274	1,383,216
Capital increases, equity instruments, share premiums	29	-	102,720
Leases, Factoring and Supplier payment management operations	31	418,104	400,923
		1,740,378	1,886,859
Cash paid in respect of:			
Loans obtained	30	(1,292,953)	(1,498,109)
Leases, Factoring and Supplier payment management operations	17 and 31	(705,136)	(353,156)
Interest and similar expense		(230,561)	(185,072)
Dividends	43	(27,151)	(14,084)
		(2,255,800)	(2,050,421)
Net cash-flows from financing activities (3)		(515,422)	(163,562)
Variation of cash and cash equivalents (4)=(1)+(2)+(3)		308,812	3,843
Impact of hyperinflation on cash and cash equivalents		(19,993)	(11,006)
Exchange rate effect		15,296	10,907
Impact of hyperinflation on the initial balance of cash and cash equivalents		8,705	9,935
Cash and cash equivalents at the beginning of the year	27	383,884	370,206
Cash and cash equivalents at the end of the year	27	696,705	383,884

To be read with the Notes to the Consolidated Financial Statements

0. Introduction

MOTA-ENGIL, SGPS, SA, with its head office at Edifício Mota, Rua do Rego Lameiro, 38, 4300-454 Porto - Portugal (MOTA-ENGIL SGPS or the Company), and its subsidiaries (the GROUP or the MOTA-ENGIL GROUP) mainly operates in public and private construction works and related activities, as well as waste collection and treatment. The GROUP's business is mostly developed in three regions: Europe, Africa and Latin America. Lastly, the shares of MOTA-ENGIL SGPS are listed at Euronext Lisbon.

These financial statements are included by the equity method in the consolidated financial statements of MOTA GESTÃO E PARTICIPAÇÕES, SGPS, SA (direct shareholder of the Company – MGP) and in the consolidated financial statements of FM – SOCIEDADE DE CONTROLO, SGPS, SA (FM - holder of 100% of the share capital of MGP), as well as, in the consolidated financial statements of CHINA COMMUNICATIONS CONSTRUCTION GROUP (CCCC).

All the amounts disclosed in these notes are presented in thousand euros, rounded off to the unit, unless explicitly stated otherwise.

1. Basis of presentation, consolidation and main accounting policies

1.1 BASIS OF PRESENTATION

The consolidated financial statements of the MOTA-ENGIL GROUP were prepared on a going concern basis from the books and accounting records of the companies comprising it, adjusted in the consolidation process.

The Board of Directors assessed the ability of the GROUP to operate on a going concern basis, based on all relevant information, facts and circumstances of financial, commercial or other nature, including subsequent events occurred after the reference date of the financial statements, available on the future. As a result of the assessment made, the Board of Directors concluded that the GROUP has adequate resources to maintain its business and has no intention to cease it in the short term. Therefore, the use of the going concern assumption in the preparation of the accompanying consolidated financial statements was considered appropriate.

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and according to the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or the former Standards Interpretations Committee (SIC), as adopted by the European Union at 1 January 2022. Regarding GROUP companies which use different accounting standards, the respective financial statements were subject to conversion adjustments to IFRS.

The accompanying consolidated financial statements were prepared based on the historical cost, except for certain classes of tangible assets, for investment properties, for some equity investments and for derivative financial instruments, which were recorded at their revalued cost or at their fair value at the end of each reporting period, as described in the accounting policies below.

The fair value is the amount by which an asset can be exchanged, or a liability settled, among parties with know-how and willing to do so, in a transaction in which there is no connection between them, regardless of the fact that said price can be directly verified or estimated using other valuation techniques. By estimating the fair value of an asset or liability, the GROUP takes into account the characteristics that the market players would also consider when they price the asset or liability on the measuring date. The fair value for measuring and disclosure purposes in these financial statements is determined on the basis described above, except for leases that are treated under IFRS 16, and measurements with similarities to the fair value, but which do not correspond to the fair value, such as the net realizable value prescribed in IAS 2 or the value in use prescribed in IAS 36.

In addition, for financial reporting purposes, measurement at fair value is ranked according to a three-tiered system (Level 1, 2 and 3) which takes into consideration, namely, whether the data used can be observed in an active market and its relevance in the valuation of the assets / liabilities or at their disclosure.

The aforesaid tiered system is comprised by:

- Level 1 – the fair value is set based on prices of an active market for identical assets / liabilities;
- Level 2 – the fair value is set based on data other than the market prices identified in Level 1, but which can be observed in the market; and
- Level 3 – the fair value is set based on valuation models whose main data cannot be observed in the market.

1.1.1 STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS WHICH BECAME IN FORCE DURING THE YEAR

The following standards, interpretations, amendments and revisions endorsed by the European Union were adopted by the first time during the year ended 31 December 2022:

Standard / Interpretation	Applicable in the European Union in the financial years started in or after	Contents
IFRS 16 (amendment), Leases – COVID-19 related rent concessions beyond 30 June 2021	01/Apr/21	This amendment extends the date of application of the IFRS 16 – ‘Leases – COVID-19 related rent concessions’ amendment from 30 June 2021 to 30 June 2022, allowing to recognise rent concessions related to COVID-19 as variable lease payments, and not as a modification to the lease. The conditions of application of the practical expedient remain, and the extension of the practical expedient can only be applied by the lessees who applied the previous practical expedient.
IAS 16 (amendment), Proceeds before intended use	01/Jan/22	This amendment changes the accounting treatment of the proceeds obtained from the sale of products that resulted from the production test phase of property, plant and equipment, prohibiting their deduction to the acquisition cost of assets. This amendment is applied retrospectively, without restatement.
IAS 37 (amendment), Onerous contracts – Cost of fulfilling a contract	01/Jan/22	This amendment specifies that when assessing whether a contract is onerous or not, only expenses directly related to the performance of the contract, such as incremental costs related to direct labour and materials and the allocation of other expenses directly related to the allocation of depreciation expenses of tangible assets used to carry out the contract, can be considered. This amendment must be applied to contracts that, at the beginning of the first annual reporting period to which the amendment is applied, still include contractual obligations to be satisfied, without restating comparatives.
IAS 41 (amendment) - Taxation in fair value measurements	01/Jan/22	This improvement removes the requirement to exclude tax cash flows when measuring the fair value of biological assets, thereby ensuring consistency with the requirements of IFRS 13 - Fair Value Measurement.
IFRS 1 (amendment) - Subsidiary as a first-time IFRS adopter	01/Jan/22	This improvement clarifies that when the subsidiary chooses to measure its assets and liabilities at the amounts included in the parent company's consolidated financial statements, the measurement of the cumulative translation differences of all foreign operations can be made at the amounts that would be recorded in the consolidated financial statements, based on the transition date of the parent company to IFRS.
IFRS 3 (amendment) - Reference to the conceptual framework	01/Jan/22	This amendment updates the references to the conceptual framework in the text of IFRS 3, without changing the accounting requirements for business combinations. This amendment also clarifies the accounting treatment to be given to contingent liabilities and liabilities under IAS 37 and IFRIC 21 and prohibits the accounting of the contingent assets of the subsidiary within a business combination. This amendment is applied prospectively.
IFRS 9 (amendment)- Fees in the ‘10 per cent’ test for derecognition of financial liabilities	01/Jan/22	This amendment clarifies that in applying the ‘10 per cent’ test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other’s behalf.
IFRS 16 (amendment) - Lease Incentives	01/Jan/22	This improvement refers to the amendment to Illustrative Example 13 accompanying IFRS 16, to eliminate inconsistencies in the accounting treatment of lease incentives, attributed by the lessor.

At 31 December 2022, there were no material effects in the accompanying consolidated financial statements resulting from the adoption of the standards / interpretations / amendments and revisions above-mentioned.

1.1.2 STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS THAT WILL BE APPLICABLE IN FUTURE YEARS

The following standards, interpretations, amendments and revisions, with mandatory application in future economic years, were, until 31 December 2022 endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years started in or after	Contents
IAS 1 (amendment) - Disclosure of accounting policies	01/Jan/23	Amendment to the disclosure requirements of accounting policies based on the definition of "material" instead of "significant". Information related to an accounting policy is considered material if, in its absence, the users of the financial statements do not have the ability to understand other information included in those financial statements. Immaterial information related to accounting policies do not need to be disclosed. IFRS Practice Statement 2 was also amended to clarify how the concept of "material" applies to the disclosure of accounting policies.
IAS 8 (amendment) - Disclosure of accounting estimates	01/Jan/23	Inclusion of the definition of accounting estimate and how it differs from changes in accounting policies. Accounting estimates are defined as monetary amounts subject to measurement uncertainty, used to achieve the objectives of an accounting policy.
IAS 12 (amendment), Deferred tax related to assets and liabilities arising from a single transaction	01/Jan/23	IAS 12 will require entities to recognise deferred tax on specific transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. These applies to the recognition of: i) right-of-use assets and lease liabilities; and ii) provisions for decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related asset, when not relevant for tax purposes. Such temporary differences are no longer subject to the initial recognition exemption for deferred taxes. The cumulative effect of initially applying the amendment is recognised as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the earliest comparative period presented.
IFRS 17 (new), Insurance contracts	01/Jan/23	This new standard replaces the IFRS 4 and applies to all insurance companies, reinsurance or investment contracts with discretionary profit sharing characteristics if they are also issuers of insurance contracts. Under IFRS 17, entities issuing insurance contracts need to evaluate whether the policyholder can benefit from a given service as part of a claim, or whether that service is independent of the claim/risk event, and separate of the unsecured component. In accordance with IFRS 17, entities must identify portfolios of insurance contracts at initial recognition and divide them, at least, into the following groups: i) contracts that are onerous at initial recognition; ii) contracts that do not present a significant possibility of becoming onerous in the future; and iii) remaining contracts in the portfolio. IFRS 17 requires an entity to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and any uncertainty relating to insurance contracts. IFRS 17 requires an entity to recognize income as it provides insurance services (rather than when it collects premiums) and to provide information about insurance contract earnings that it expects to recognize in the future. IFRS 17 provides for three measurement methods for accounting for different types of insurance contracts: i) General measurement model – or "General measurement model" ("GMM"); ii) the premium allocation approach – or "Premium allocation approach" ("PAA"); and iii) the Variable fee approach – or "Variable fee approach" ("VFA"). IFRS 17 is retrospectively applicable with some exemptions on the transition date.
IFRS 17 (amendment), Initial Application of IFRS 17 and IFRS 9 – Comparative information	01/Jan/23	This amendment relates only to insurers' transitioning to the IFRS 17 and allows the adoption of a classification overlay to a financial asset for which the entity does not restate IFRS 9 comparative information. This amendment seeks to avoid temporary accounting mismatches between financial assets and insurance contract liabilities in the comparative information presented, when applying IFRS 17 for the first time, providing for (i) the application on a financial asset-by-financial asset basis; (ii) the presentation of comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset, but without requiring an entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available at the transition date, to determine how the entity expects that financial asset to be classified in accordance with IFRS 9.

1.1.3 STANDARDS, INTERPRETATIONS, AMENDMENTS AND REVISIONS NOT YET ENDORSED BY THE EUROPEAN UNION

The following standards, interpretations, amendments and revisions, with mandatory application in future years, were not, until 31 December 2022, endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years started in or after	Contents
IAS 1 (amendment), Non-current liabilities with covenants'	01/Jan/24	This amendment clarifies that liabilities are classified as either current or non-current balances depending on the rights that an entity have to defer its settlement for at least 12 months after the reporting date. It clarifies also that the covenants that an entity is required to comply with, on or before the reporting date, affect the classification of a liability as current or non-current, even if the covenants are only assessed after the entity's reporting date. When an entity classifies liabilities arising from loan arrangements as non-current and those liabilities are subject to covenants, it is required to disclose information that enables investors to assess the risk that the liabilities could become repayable within 12 months, such as: a) the carrying amount of the liabilities; b) the nature of the covenants and the compliance date; and c) the facts and circumstances that indicate the entity may have difficulty complying with covenants when it is required to do so. This amendment is applied retrospectively.
IFRS 16 (amendment), Lease liability in a sale and leaseback	01/Jan/24	This amendment introduces guidance for the subsequent measurement of lease liabilities, in the scope of sale and leaseback transactions that qualify as "sales" under IFRS 15, with higher impact when some or all the lease payments are variable lease payments that do not depend on an index or rate. Whilst subsequently measuring lease liabilities, seller-lessees determine "lease payments" and "revised lease payments" in a way that does not result in the seller-lessees recognizing any gains/(losses) relating with the right of use that they retain. This amendment is applied retrospectively.

The standards / interpretations / amendments / revisions referred to in items 1.1.2. and 1.1.3. above were not adopted by the GROUP for the year ended 31 December 2022. Nevertheless, no material impacts are estimated as a result of their adoption.

The accompanying consolidated financial statements are presented in Euros (thousands) since this is the main currency of the GROUP's operations. The financial statements of affiliates expressed in foreign currency were translated into Euros in accordance with the accounting policies described in item h) of Note 1.3. of the accompanying notes.

In preparing the accompanying consolidated financial statements in accordance with the IFRS, the GROUP's Board of Directors adopted certain assumptions and estimates which affected the reported amounts of assets and liabilities, as well, the respective income and expenses incurred, part of which are described in item v) of Note 1.4. of the accompanying notes.

All estimates and assumptions made by the Board of Directors were based on its knowledge of the events and transactions in progress as at the date of approval of the consolidated financial statements.

1.2 COMPARABILITY OF INFORMATION

During the year ended 31 December 2022, following the occurrence of some constraints associated with the short-term disposal of LINEAS and some of its main affiliates (namely LUSOPONTE and DOURO INTERIOR), the GROUP did not comply (criterion of highly probable sale within 12 months) with the requirement provided in IFRS – 5 to classify that financial investment as a non-current asset held for sale. Thus, and as established in the standard mentioned above, the attached consolidated financial statements were restated, in order to disregard, since September 2015, the recognition of the LINEAS subgroup as a non-current asset held for sale.

The impacts of the restatement mentioned above can be summarized as follows:

	Total shareholders' equity	Consolidated net profit of the year attributable to the Group (1)	Financial investments in joint ventures	Non-current assets held for sale
Balances at December 31, 2020	146,012	(19,944)	17,496	126,967
Reclassification of the caption "Non-current assets held for sale"	-	-	89,396	(89,396)
Accumulated effect until December 31, 2020 of disregarding the Lineas subgroup as a non-current asset held for sale	(35,877)	24,619	(35,877)	-
Balances at December 31, 2020 restated	110,135	4,675	71,016	37,571
Balances at December 31, 2021	449,909	21,641	22,439	177,776
Reclassification of the caption "Non-current assets held for sale"	-	-	89,396	(89,396)
Effect in 2021 of disregarding the Lineas subgroup as a non-current asset held for sale				
Consolidated net profit of the year	2,461	2,461	2,461	-
Changes, net of taxes, in the fair value of derivative financial instruments of cash flow hedges	13,579	-	13,579	-
Exchange differences arising from the translation of financial statements expressed in foreign currencies	1,989	-	1,989	-
Results from previous years	(35,739)	-	(35,739)	-
Balances at December 31, 2021 restated	432,200	24,101	94,126	88,380
(1) Caption of "Gains / (losses) in associates and joint ventures"				

The accumulated effect until December 31, 2020 of the disregard of the LINEAS subgroup as a non-current asset held for sale was justified, essentially, by the capital gains and losses generated on the sale of financial holdings, by the financial costs incurred by some affiliated companies and by the changes of exchange rate and fair value of cash flow hedge derivatives.

On the other hand, following the approval, in the last quarter of 2021, of the GROUP's new Strategic Plan, the information by segments presented in the notes to the consolidated financial statements was also restated, in order to disclose the 5 current business units of the GROUP (Europe – E&C, Africa – E&C, Latin America – E&C, Environment and Capital). For more information, please see Note 44 of this document.

1.3 BASIS OF CONSOLIDATION

a) Controlled companies

The accompanying consolidated financial statements include the financial statements of the Company and of the entities controlled by it, as well as those controlled by its subsidiaries. Control is presumed when an entity: (i) has power over the affiliate; (ii) is exposed to and / or has variable rates of return arising from its involvement in the operations of the affiliate; (iii) has the ability to use the above-mentioned power to influence the affiliate's returns. Therefore, some affiliates whose holding percentage held by the GROUP is below 50% were considered to be controlled by it. The majority of these situations occur when the GROUP holds a majority financial holding in an affiliate that, in turn, holds another majority financial holding in another affiliated company. On the other hand, some affiliates whose effective holding percentage held by the GROUP is higher than 50% were not considered to be controlled given the existence of agreements signed with third parties through which shared control over those affiliates was established. Whenever any of the three elements above referred change regarding an affiliate, the GROUP reassesses the existence of control over it.

The GROUP controls an affiliate even if it does not hold the majority of the share capital when, by virtue of the voting rights held and / or eventual agreements entered into, it has the practical ability to unilaterally manage the affiliate's relevant activities and is exposed to variable rates of return.

The financial statements of controlled companies (including structured entities or SPV) are included in the accompanying consolidated financial statements through the full consolidation method from the moment that the GROUP acquires control. Consequently, the results of the companies whose control was acquired or lost during the year are included in the consolidated income statement, respectively, from the date control was taken or up to the date it was lost.

The net profit and further items of other comprehensive income and of equity of controlled companies that correspond to third party holdings in those entities (non-controlling interests) are presented in the consolidated statement of financial position and in the consolidated statement of other comprehensive income under specific captions of “Non-controlling interests”.

The other comprehensive income of controlled companies is attributable to the GROUP and to non-controlling interests even if this results in the latter ones having a deficit balance.

When necessary, the financial statements of controlled companies are adjusted in order to assure that their accounting policies are consistent with those adopted by the GROUP. The transactions and balances kept between GROUP companies are eliminated in the consolidation process.

During the years ended 31 December 2022 and 2021, the main transactions performed between GROUP companies can be summarized as follows:

- (i) Purchases and sales of inventories and fixed assets;
- (ii) Rendering of construction services;
- (iii) Rendering of administrative services;
- (iv) Equipment rentals;
- (v) Purchase and sell of energy;
- (vi) Concession and obtainment of loans; and
- (vii) Dividend distributions.

Controlled companies (included in the accompanying consolidated financial statements through the full consolidation method) are listed in Appendix A to accompanying notes.

b) Associated companies

Financial investments in associated companies are recorded using the equity method and are included in the consolidated statement of financial position under the caption “Financial investments in associated companies”.

Financial investments in associated companies are investments in which the GROUP has significant influence. A significant influence (presumed when voting rights exceed 20%) is the power to participate in the financial and operational decisions of an entity, without having direct control or joint control over it. Furthermore, in some entities whose effective holding percentage held by the GROUP is below 20% the GROUP has significant influence over them. The majority of those situations occur when the GROUP holds a majority financial holding in a subsidiary that, in turn, controls or has significant influence in an affiliated company.

In accordance with the equity method, the financial investments are initially recorded by their acquisition cost, which is subsequently adjusted:

- By an amount corresponding to the GROUP’s proportion in the comprehensive income (including the net profit of the year) of the associates - against other comprehensive income of the GROUP or gains or losses of the year, as applicable;
- By the dividends received – against an account receivable or cash; and
- By the potential gains or losses generated in operations with other GROUP companies which affect the valuation of the GROUP’s assets.

During the years ended 31 December 2022 and 2021, the main transactions performed between GROUP companies and associated companies can be summarized as follows:

- (i) Rendering of construction services;
- (ii) Rendering of administrative services;
- (iii) Concession and obtainment of loans; and
- (iv) Dividend distributions.

An impairment analysis is performed to the financial investments in associated companies whenever there is an indication that the asset may be impaired, with a loss being recorded in the consolidated income statement whenever that is confirmed. The recoverable amount of the financial investments in associated companies is, for this purpose, determined in accordance with the provisions established in IAS 36. When impairment losses recognized in prior periods no longer exist, they are subject to a reversal through the recording of the corresponding gain in the consolidated income statement. Impairment losses are recorded as a deduction to the carrying amount of the financial investments.

When the GROUP's proportion in the accumulated losses of the associate exceeds the amount at which the financial investment is recorded, the investment is recorded by zero until the equity of the associate becomes positive, unless the GROUP has assumed commitments towards the associated company, recording, in that situation, a provision to deal with those commitments.

Unrealized gains on transactions with associated companies are eliminated in the proportion to the GROUP's interest against the caption "Financial investments in associated companies". Unrealized losses are likewise eliminated, but only up to the point at which the loss does not evidence that the transferred asset is in an impairment situation.

Whenever necessary, the financial statements of the associated companies are adjusted in order to assure their consistency with the accounting policies adopted by the GROUP.

Financial investments in associated companies are listed in Appendix A to accompanying notes.

c) Joint ventures

Joint ventures are agreements in which the parties who hold joint control of the agreement have rights over their net assets.

Joint control is the contractually agreed share of control which exists only when the decisions over relevant activities require the unanimous consent of the parties who share control. Financial investments in joint ventures are recorded in the accompanying consolidated financial statements under the caption "Financial investments in joint ventures" through the equity method as described in item b) above.

Financial investments in joint ventures are listed in Appendix A to accompanying notes.

d) Joint operations

Joint operations are agreements in which the parties who hold joint control have rights over the assets and obligations towards the liabilities of the agreement. Joint control is the contractually agreed share of control which exists only when the decisions on relevant activities require the unanimous consent of the parties who share control. When a company of the GROUP develops its activity within the scope of a joint operation, the GROUP, as a joint operator, recognizes, in relation to its interest in a joint operation, the following elements:

- Its assets, including its share of any jointly held assets;
- Its liabilities, including its share of any jointly incurred liabilities;
- Its share of revenues arising from the sale of joint production; and
- Its expenses, including its share of any jointly incurred expenses.

e) Business combinations

Business combinations are recorded in accordance with the purchase method. The business combination cost is determined at fair value consisting in the sum, as at the date of acquisition of control, of: (i) fair value of the assets transferred by the GROUP; (ii) fair value of the liabilities incurred by the GROUP as a result of the acquisition of control; and (iii) fair value of the equity instruments issued by the GROUP in exchange for the acquisition of control. Expenses associated with business combinations are recorded in the consolidated income statement as they are incurred.

On the acquisition control date, the identifiable assets and liabilities acquired are measured at fair value being that measurement process be concluded within twelve months from that date. For fair value measurement purposes, the GROUP uses the market prices in force for similar assets and liabilities or, in its absence, universally accepted valuation techniques (comparable prices, discounted cash-flows, among others). The excess of the cost of the combination plus the fair value of potential interests previously held in the acquired entity and the value attributed to non-controlling interests in relation to the fair value of identifiable assets and liabilities is recognized as goodwill. If the above-mentioned difference is negative, it is recognized as a gain of the year under the caption "Other operating income / (expenses)", after reconfirmation of the fair value attributed to the identifiable assets and liabilities acquired. The GROUP chooses, on a case-by-case basis, the valuation of the non-controlling interests: (i) according to its proportion in the fair value of the acquired assets, liabilities and contingent liabilities or (ii) by its fair value. Up to 1 January 2012, non-controlling interests were exclusively valued in accordance with the corresponding proportion in the fair value of acquired assets and liabilities.

Future contingent payments, if applicable, are recognized as a liability at the time of acquisition at its fair value, with any change in the initially recorded amount being accounted against the carrying amount of goodwill, but only if this occurs within the remeasurement period (12 months after the acquisition date), and if it is related to events prior to the acquisition date. Otherwise, it should be recorded against the consolidated income statement.

When a business combination is achieved in stages, the interest previously held by the GROUP in the acquired company is remeasured at fair value on the acquisition date and the gain or loss arising therefrom, if any, is recognized in the consolidated income statement. On the other hand, amounts arising from interests in the acquired company before the acquisition date which had been recognized in other comprehensive income are reclassified to the consolidated income statement, provided that it was the proper treatment if that interest had been disposed of.

The acquisition of financial investments in associated companies is recorded through the purchase method.

Therefore, any surplus / shortfall of the acquisition cost in relation to the fair value of the identifiable assets and liabilities acquired of the associated companies, at the acquisition date, is recognized, respectively, as goodwill (being added to the carrying amount of the financial investment), or as gain in the income statement of the year under the caption "Gains / (losses) in associates and joint ventures" (in the latter case, after the proper reconfirmation of the fair value of the identifiable assets, liabilities and contingent liabilities).

On the other hand, future contingent payments and subsequent updates following the acquisition of financial investments in associated companies are recorded at fair value through the consolidated income statement.

Lastly, business combinations that result from transactions with entities under common control are recorded in accordance with the purchase method, adopting by analogy the rules of IFRS 3. Additionally, the difference between the amount received and the fair value of the assets and liabilities acquired, the determined difference of acquisition and the revaluation of previously held interests are recorded directly in the consolidated statement of changes in equity.

f) Other changes in interests in controlled entities

The acquisition of interests in companies that are already controlled is treated as a transaction between shareholders and, therefore, does not result in the recognition of any goodwill or result. Consequently, any difference between the respective cost and the carrying amount of the corresponding non-controlling interests acquired is recorded directly in equity. Furthermore, when the disposal of interests in controlled companies does not result in loss of control, the potential differences between the amount transferred to non-controlling interests and the price of the transaction is recorded directly in equity.

When the disposal of interests in a former controlled company results in loss of control by the GROUP, a gain or loss is recognized in the income statement corresponding to the difference between: (i) the fair value of the assets received by the GROUP plus the fair value of potential interests kept in that company and (ii) the carrying amount of the company's assets and liabilities in the GROUP's consolidated financial statements and any related potential non-controlling interests.

g) Goodwill

Goodwill is recorded at cost (determined as described in item e) of this Note) less accumulated impairment losses. Up to 1 January 2004, goodwill was amortized during the estimated recovery period of the corresponding investment being the corresponding amortizations recorded in the income statement under the caption "Amortizations and depreciations". From 1 January 2004, the GROUP suspended the amortization of goodwill, subjecting it to annual impairment tests or whenever there is evidence of impairment.

Regarding the goodwill generated before the IFRS transition date, the respective cost corresponded to its net book value determined in accordance with the accounting principles generally accepted in Portugal on that date, having it being subject to impairment tests at the transition date. Moreover, and in accordance with the dispositions established in IFRS 1 – First-time Adoption of the International Financial Reporting Standards, the GROUP did not apply retrospectively the provisions of IAS 21 – The effects of changes in foreign exchange rates to the goodwill generated before the IFRS transition date.

The goodwill generated in the acquisition of subsidiary companies based abroad whose functional currency is not the Euro is recorded in the functional currency of those subsidiaries having it been translated into the GROUP's functional and reporting currency (Euros) at the exchange rate in force on the reference date of the consolidated statement of financial position. Any currency translation differences arising from that translation are recorded in equity under the caption "Currency translation reserve".

On an annual basis and with reference to the date of the consolidated statement of the financial position, the GROUP performs impairment tests on goodwill. Whenever the amount recorded of goodwill is higher than its recoverable amount, an impairment loss is recognized in the income statement under the caption "Impairment losses". The recoverable amount is the highest between the fair value less costs to sell and the value in use. The fair value is the amount which would be obtained with the disposal of the asset in a transaction with independent parties. The value in use is the present value of the estimated future cash flows that are expected to arise from the continued use of the asset and from its disposal in the end of its useful life. For goodwill, the recoverable amount is always estimated for the cash generating unit (CGU) to which it was assigned.

Generally, CGUs correspond to the acquired companies, except for EGF waste collection and treatment companies, whose CGU corresponded to the group of companies acquired (11 concession companies of waste collection and treatment and two holding companies).

Impairment losses recorded in goodwill cannot be reversed.

h) Translation of companies' financial statements with a functional currency different from Euro

The assets and liabilities included in the financial statements of foreign companies (companies that do not use Euro as a functional currency) are translated to Euro, during the consolidation process, using the exchange rates in force at the reference date of the consolidated statement of the financial position. The income and expenses, as well as, the cash flows, are translated to Euro using the average exchange rates for the year, except for companies with a functional currency considered as hyperinflationary, where the exchange rates in force as at the reference date of the consolidated statement of the financial position are used. The resulting exchange differences, generated after 1 January 2004, are recorded in equity under the caption "Currency translation reserve". Exchange differences generated up to 1 January 2004 (IFRS transition date) were transferred to the caption "Other reserves and retained earnings".

Goodwill and fair value adjustments arising from the acquisition of foreign companies are treated as assets and liabilities of those companies and translated to Euro in accordance with the exchange rates in force at the reference date of the consolidated statement of financial position.

Whenever a foreign company is disposed of, the corresponding amount of the accumulated exchange differences is recognized in the income statement as a gain or a loss of disposal, if there is loss of control, or transferred to non-controlling interests if no loss of control occurs.

At 31 December 2022 and 2021, the functional currencies used by the main affiliates of the GROUP in the preparation of its financial information were as follows:

Affiliate	Business segment	Local currency	Functional currency	Business segment	Local currency	Functional currency
Mota Maurícias	Africa - E&C	Mauritian Rupee (MUR)	Euro (EUR)	Africa - E&C	Mauritian Rupee (MUR)	Euro (EUR)
Mota-Engil Angola	Africa - E&C	Kwanza (AOA)	Kwanza (AOA)	Africa - E&C	Kwanza (AOA)	Kwanza (AOA)
Mota-Engil Costa do Marfim	Africa - E&C	CFA Franc (XOF)	CFA Franc (XOF)	Africa - E&C	CFA Franc (XOF)	CFA Franc (XOF)
Mota-Engil Engenharia e Construção África (MEECA)	Africa - E&C	Euro (EUR)	Euro (EUR)	Africa - E&C	Euro (EUR)	Euro (EUR)
Mota-Engil Guiné Mandiana	Africa - E&C	Guinean Franc (GNF)	US Dollar (USD)	Africa - E&C	Guinean Franc (GNF)	US Dollar (USD)
Mota-Engil Nigéria	Africa - E&C	Nigerian Naira (NGN)	US Dollar (USD)	Africa - E&C	Nigerian Naira (NGN)	US Dollar (USD)
Mota-Engil África Angola Branch	Africa - E&C	Kwanza (AOA)	Kwanza (AOA)	Africa - E&C	Kwanza (AOA)	Kwanza (AOA)
Mota-Engil África Malawi Branch	Africa - E&C	Malawian Kwacha (MWK)	Malawian Kwacha (MWK)	Africa - E&C	Malawian Kwacha (MWK)	Malawian Kwacha (MWK)
Mota-Engil África Moçambique Branch	Africa - E&C	Metical (MZN)	Metical (MZN)	Africa - E&C	Metical (MZN)	Metical (MZN)
Mota-Engil África Rwanda Branch	Africa - E&C	Rwandian Franc (RWF)	US Dollar (USD)	Africa - E&C	Rwandian Franc (RWF)	Euro (EUR)
EGF Group Companies	Environment	Euro (EUR)	Euro (EUR)	Environment	Euro (EUR)	Euro (EUR)
Suma	Environment	Euro (EUR)	Euro (EUR)	Environment	Euro (EUR)	Euro (EUR)
Consorcio Lamat	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)
Empresa Construtora Brasil	Latin America - E&C	Real (BRL)	Real (BRL)	Latin America - E&C	Real (BRL)	Real (BRL)
FSE Suministradora Fenix SAPI	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)
Generadora Fenix	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)
Mota-Engil Latin America BV	Latin America - E&C	Euro (EUR)	Euro (EUR)	Latin America - E&C	Euro (EUR)	Euro (EUR)
Mota-Engil México	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America - E&C	Mexican Peso (MXN)	Mexican Peso (MXN)
Mota-Engil Peru	Latin America - E&C	Peruvian Nuevo Sol (PEN)	Peruvian Nuevo Sol (PEN)	Latin America - E&C	Peruvian Nuevo Sol (PEN)	Peruvian Nuevo Sol (PEN)
EMERGE - Mota-Engil Real Estate Developers (a)	Capital	Euro (EUR)	Euro (EUR)	Capital	Euro (EUR)	Euro (EUR)
Lineas SGPS	Capital	Euro (EUR)	Euro (EUR)	-	-	-
Mota-Engil ATIV (b)	Capital	Euro (EUR)	Euro (EUR)	Capital	Euro (EUR)	Euro (EUR)
Mota-Engil Central Europe Polónia	Europe - E&C	Zloty (PLN)	Zloty (PLN)	Europe - E&C	Zloty (PLN)	Zloty (PLN)
Mota-Engil Engenharia e Construção (MEEC)	Europe - E&C	Euro (EUR)	Euro (EUR)	Europe - E&C	Euro (EUR)	Euro (EUR)
Glan Agua (Ireland)	-	-	-	Europe - E&C	Euro (EUR)	Euro (EUR)
Mota-Engil Ireland Construction	-	-	-	Europe - E&C	Euro (EUR)	Euro (EUR)
Mota-Engil SGPS	Holding	Euro (EUR)	Euro (EUR)	Holding	Euro (EUR)	Euro (EUR)

(a) Previously named MOTA-ENGIL REAL ESTATE PORTUGAL.

(b) Previously named MANVIA.

The (closing and average) exchange rates used at 31 December 2022 and 2021 in the translation to Euro of the financial statements of the main foreign subsidiaries, joint ventures and associated companies (entities that do not use Euro as a functional currency) were as follows:

Currency		Closing exchange rates		Average exchange rates	
		2022	2021	2022	2021
US Dollar (USD)	USD	1.07	1.13	1.05	1.18
CFA Franc	XOF	655.96	655.96	655.96	655.96
Angolan Kwanza	AOA	537.44	629.02	479.72	733.06
Malawian Kwacha	MWK	1,092.67	922.43	997.61	946.86
Mozambican Metical	MZN	68.25	72.50	67.08	77.36
Peruvian Nuevo Sol	PEN	4.36	4.78	4.31	4.78
Mexican Peso	MXN	20.86	23.14	21.05	24.05
Brazilian Real	BRL	5.64	6.31	5.41	6.38
Polish Zloty	PLN	4.68	4.60	4.69	4.57

i) Companies in hyperinflationary economies

According to IAS 29 – “Financial reporting in hyperinflationary economies”, the financial statements of entities / companies whose functional currency is the currency of a hyperinflationary economy must be expressed in terms of the current measuring unit at the reference date of the consolidated statement of the financial position being the gain or loss in the net monetary position included in the consolidated net profit or loss of the year.

Hyperinflationary economies are defined by the GROUP as those where some of the following situations occur:

- i) The general population prefers to keep its wealth in non-monetary assets or in a relatively stable foreign currency. The amounts of local currency held are immediately invested in order to maintain the purchasing power;
- ii) The general population looks at monetary amounts not in terms of the local currency but in terms of a stable foreign currency. The prices may be expressed in that currency;
- iii) The credit sales and purchases take place at prices that offset the expected loss of purchasing power during the credit period, even in case of a short one;
- iv) The interest rates, the wages and prices are linked to a price index; and
- v) The cumulative inflation rate of the last three years is near, or exceeds, 100%.

Taking into consideration the above mentioned, and since some of those situations occur, Angola (in the years of 2017 and 2018) and Zimbabwe (from 2019 to 2022) were considered hyperinflationary economies. However, in the year 2019, as some of the situations mentioned above have ceased to occur in Angola, the GROUP, from 1 January 2019 onwards, suspended the application of IAS 29. Nevertheless, the impacts generated in previous years arising from the adoption of that standard, namely those associated with the remeasurement of non-monetary assets and liabilities, will remain until the assets are sold, consumed or amortized and until the liabilities are sold or liquidated.

According to IAS 29, the restatement of the financial statements of the entities which had the Kwanza / Zimbabwean dollar as functional currency to the current measuring unit was carried out as follows:

Statement of financial position

- The amounts of the statement of financial position not yet expressed in terms of current measuring unit at the reference date of that statement were restated by the application of a general price index;
- The monetary items were not restated because they were already expressed in terms of the current measuring unit at the reference date of the statement of financial position. The monetary items represent money held and items to be received or paid in cash;
- Assets and liabilities linked by agreement to changes in prices, such as index linked bonds and loans, were adjusted in accordance with the agreement terms in order to determine the outstanding amount at the reference date of the statement of financial position;
- All other assets and liabilities were considered as non-monetary. However, some non-monetary items were recorded at their current amounts at the statement of financial position date, like the net realizable value and the fair value, and so they were not restated. All other non-monetary assets and liabilities were restated;
- The majority of the non-monetary items was recorded at cost or at cost less depreciations and accumulated impairment losses, and so they were expressed by their current amounts at their acquisition date. The restated cost of each item was determined by the application to its historical cost and to its depreciation / accumulated impairment losses of the change occurred in a general price index from the date of their acquisition (or the date of functional currency change) up to the reference date of the statement of financial position. Therefore, the tangible and intangible assets, the financial investments and the inventories were restated from the dates of their acquisition or the dates of the functional currency change;
- Where applicable, the restated amounts of the non-monetary items were reduced to its recoverable amount taking in consideration the estimated future use of the item or its disposal. Therefore, in certain situations, the restated amounts of tangible and intangible assets were reduced to their recoverable amounts, the restated amounts of the inventories were reduced to their net realizable value and the restated amounts of the financial investments were reduced to their fair value;
- Items expressed by its current cost (fair value) were not restated since they were already expressed in terms of the current measuring unit at the date of the statement of financial position; and

- The equity captions, except the ones of retained earnings and of revaluations surplus, were restated through the application of a general price index from the dates in which the respective amounts were generated. On the other hand, any revaluations surplus which had been generated in previous years were eliminated. Finally, the restated retained earnings were determined taking in consideration all the other restated amounts of the statement of financial position.

Income statement

- The income statement, before restatement, generally reports the current expenses and income in the time on which the transactions occur or the underlying events took place. Therefore, the cost of sales and the amortizations of fixed assets are recorded at their current costs at the time of their consumption; and the income and other current expenses are recorded at their current amounts at the time in which they were generated / incurred;

- All items of the income statement were restated in terms of current measuring unit at the reference date of the statement of financial position. Thus, all amounts were restated from the dates in which the items of income and expenses were initially recorded in the income statement through the application of the respective general price index;

- The restatement of the financial statements in accordance with IAS 29 generated differences between the taxable profit and the accounting one. Those differences were accounted for in accordance with IAS 12.

Net monetary position

In a period of inflation, a company that holds an excess of monetary assets over monetary liabilities (debtor net monetary position) loses purchasing power and, consequently, generates a loss; on the other hand, a company that holds an excess of monetary liabilities over monetary assets (creditor net monetary position) gains purchasing power and, consequently, generates a gain.

The gain or loss in the net monetary position was included in the net profit of the year.

In order to determine the above-mentioned general price index, the GROUP used at 31 December 2022 and 2021 the information disclosed by the National Bank of Zimbabwe regarding the levels of inflation in that country in the last years. Those indexes, can be summarized as follows:

Price index in Zimbabwe	
Date	Price index
31.12.2017	21,876.16
31.03.2018	21,848.87
30.06.2018	21,835.28
30.09.2018	21,344.33
31.12.2018	15,396.26
31.03.2019	13,099.14
30.06.2019	7,921.19
30.09.2019	4,708.46
31.12.2019	2,478.67
31.03.2020	1,687.18
30.06.2020	946.12
30.09.2020	620.02
31.12.2020	552.55
31.03.2021	495.43
30.06.2021	457.83
30.09.2021	409.12
31.12.2021	343.76
31.03.2022	286.88
30.06.2022	157.03
30.09.2022	107.55
31.12.2022	100.00

Detailed information regarding the impact of the aforementioned restatements in the years ended 31 December 2022 and 2021 can be found in Note 46.

1.4 MAIN ACCOUNTING POLICIES

The main accounting policies adopted in the preparation of the accompanying consolidated financial statements were as follows:

a) Intangible assets

Intangible assets are recorded at their acquisition cost, less amortizations and any accumulated impairment losses and are recognized only if they are likely to generate future economic benefits for the GROUP, if their cost can be reasonably measured and if the GROUP held control over them.

Intangible assets are basically comprised by concessions operation rights (arising from the adoption of IFRIC 12), intangible assets recognized within the allocation process of fair value to assets and liabilities acquired in business combinations, and software.

IFRIC 12 applies to concession contracts of public service under which the concession owner controls (regulates):

- the services to be provided by the concessionaire company (by means of use of the infrastructure), to whom and at what price; and
- any residual interest on the infrastructure at the end of the contract.

IFRIC 12 applies to infrastructures:

- that were built or purchased by the operator from third parties; and
- that already exist and to which the operator is granted access.

Therefore, taking in consideration the above referred, the concessions held by the GROUP, mainly those assigned to the waste treatment and recovery business (EGF SUBGROUP), are covered by that IFRIC due to the following reasons:

- The GROUP has concession contracts of public service established with the State ("Concession owner") during a pre-set period;
- The GROUP provides public services through the usage of the infrastructures;
- The Concession owner controls the services provided and the conditions under which they are provided (as regards concessions in the waste treatment and recovery business namely through ERSAR the regulating body); and
- The several assets used for the provision of the services fall to the Concession owner at the end of the concession contracts.

On the other hand, IFRIC 12 also establishes the generic principles of recognition and measurement of the rights and obligations associated with concession contracts with the above-mentioned characteristics and defines the following recognition models:

- i) Intangible asset model – applicable when the operator receives from the Concession owner the right to charge a fee according to the usage of the infrastructure. In these situations, the operator should record an intangible asset;
- ii) Financial asset model – applicable when the operator has an unconditional contractual right to receive cash or another financial asset from the Concession owner corresponding to a specific or a determinable amount. In these situations, the operator should record a financial asset (account receivable). In this model, the Concession owner has few or no discretionary power to avoid the payment since the agreement is generally binding; and

Considering the terms of the concession contracts entered into by the concessionaire's companies of the EGF SUBGROUP, namely its remuneration model, the operations of those concessionaires were considered to be covered by the intangible asset model, mainly due to the fact that the concessionaires have the right to charge a fee to the users and since they assume the operational, investment and financing risks of the concessions.

On the other hand, regarding the residual value of the assets assigned to the concessions, for which, according with the respective concession contracts, the GROUP has the right to be reimbursed at the end of the concessions for their net book value, this amount was included as a part of the intangible asset, being remunerated annually in accordance with the tariff regulation in application.

In order to amortize the assets assigned to the concessions, the method that best reflected the model by which future economic benefits of the assets are expected to be consumed by the concessionaires was considered. Therefore, the GROUP is using the useful lives defined and approved by the regulator (ERSAR), since those are the basis of its annual income, i.e., the concession assets are amortized on a straight-line basis in accordance with the remuneration model underlying the tariff regulation.

The useful lives defined and approved by ERSAR for the main infrastructures assign to the waste treatment and recovery business are as follows:

Classes	Years
Landfill	Depletion method
Landfill sealing	Concession period
Mechanical treatment	3 - 36
Organic and biological recovery	3 - 36
Incineration	3 - 36
Screening and ecocenters	3 - 36
Transfers and transportation	10 - 36
Selective collection	3 - 10
Landfill biogas	7 - 36
WWTP - ETAL	3 - 36
CDR production	7 - 36
Others	2 - 12

The amortizations of intangible assets are recorded by twelfths under the caption “Amortizations and depreciations” of the consolidated income statement. Any potential changes to the estimated useful life of the intangible assets are carried out prospectively.

On the other hand, it should be highlighted that the right granted within the scope of the concession contracts corresponds to the possibility of the concessionaires to charge tariffs according to the incurred costs with the infrastructures. Thus, taking in consideration the tariff calculation methodology, the remuneration is calculated based on each specific concession asset, which implies the need to divide the right. Therefore, the right can be divided into several components as the different remuneration’s basis are fulfilled. Thus, intangible assets increase as the several infrastructures related to the concession are being fulfilled and are recorded at their acquisition / construction cost and decrease as future economic benefits are being consumed.

Regarding the investment grants linked to the concession assets, those are recognized in the consolidated income statement in the same rhythm of the amortization of the underlying assets.

Lastly, within the scope of the existing concession contracts, the construction activity is subcontracted to external specialized entities. Therefore, EGF concessionaires earn no margin in the construction of the assets allocated to the concessions and so the revenue and the costs with the construction of those assets present an equal amount and are recorded under the captions of “Sales and services rendered” and “Third-party supplies and services”.

The remaining intangible assets associated with concessions operation rights are being amortized using the straight-line method, by twelfths, during the remaining term of the respective rights (60 years for those allocated to AMGP AGRICULTURA, 20 years for those allocated to ESTRADAS DO ZAMBEZE and 7 years for those allocated to ECOEBURNIE and CLERAN ENURNIE).

At 31 December 2022, there are no intangible assets of material value with an indefinite useful life or intangible assets of material value generated internally.

b) Real estate assets

Real estate assets (land and buildings) for own use are initially recorded at their acquisition or production cost. However, for the real estate assets, with exception of lands and building assigned to quarries exploration, the GROUP adopted the revaluation method (revalued amount less accumulated amortizations) as the accounting policy for its subsequent measurement. The respective revalued amount corresponds to its fair value as at the revaluation date. The revaluations are carried out regularly (in a time frame which does not exceed three years) by independent real estate appraisers in order that the revalued amount does not differ materially from the fair value of the respective real estate asset. Fair value is determined either through the comparative market method, the income method or the depreciation replacement cost method.

In the comparative market method are used as relevant inputs the acquisition, construction, sale or lease cost per square meter of real estate assets with similar characteristics; in the income method are used as relevant inputs the lease rents in force, the estimated lease rents to be in force after the term of the current contracts and a discount rate that better reflects the risks inherent to the real estate assets; and in the depreciated replacement cost method are used as relevant inputs the construction cost per square meter and the economic / physical depreciation of the real estate asset under analysis.

Adjustments arising from revaluations performed to the real estate assets for own use (with exception of lands and buildings assigned to quarries exploration) are recorded against equity. When a land / building which had been revalued positively in previous years is subsequently revalued negatively, the adjustment is recorded against equity up to the amount corresponding to the increased equity arising from the previous revaluation, less the amount realized through depreciation, with its excess, if any, being recorded as a cost in the consolidated income statement of the year.

Depreciation is allocated on a systematic basis using the straight-line method during the estimated useful life of the buildings, which varies between 20 and 50 years. Land is not depreciated.

Depreciation of real estate assets for own use is recorded by twelfths under the caption "Amortizations and depreciations" of the consolidated income statement. Any potential changes to the estimated useful life of real estate assets for own use are carried out prospectively.

c) Land assigned to quarries exploration

The land assign to quarries exploration is recorded at acquisition cost, deducted from accumulated depreciation and impairment losses. Depreciation of these assets is carried out according to the depletion method, i.e., considering the ratio between the quantities of inert extracted annually and the estimated total reserves of existing inerts, which are assessed regularly through topographic surveys performed by drones.

d) Heavy equipment used for the Engineering and Construction business and other tangible assets

From 1 January 2021, a new class of tangible assets / right of use assets was created for the heavy equipment associated with the Engineering and Construction business (pavers, excavators, dumpers, tractors, cranes, loaders, platforms, engines, and others), that until 31 December 2020 were recorded at acquisition cost. In addition, starting from 1 January 2021, the GROUP adopted the revaluation model (revaluation amount deducted from accumulated amortization) as the accounting policy for the subsequent measurement of those equipment's.

The revaluated amount corresponds to the fair value of the equipment at the revaluation date. The revaluations are performed regularly (in a period of time that does not exceed 3 years) by independent appraisers so that the amount revaluated does not materially differ from the fair value of the equipment. The fair value is determined individually, through the market comparative method or through the depreciated replacement cost method.

The comparative market method consists in determining the market value of the equipment by analysis of the prices within active market (transactions) with the same or similar characteristics and traded in the local and international markets.

The depreciated replacement cost method consists in determining the value of replacing the equipment under analysis, taking into consideration the cost of acquiring another with similar functions, deducted from the amount of depreciation / functional obsolescence, physical and economic verified.

Adjustments arising from the revaluation performed to the heavy equipment's referred above are recorded against equity. When a heavy equipment which had been revalued positively in previous years is subsequently revalued negatively, the adjustment is recorded against equity up to the amount corresponding to the increased equity arising from the previous revaluations, less the amount realized through amortization, with its excess, if any, being recorded as a cost in the consolidated income statement of the year.

Other tangible assets are recorded at acquisition cost, less accumulated depreciation and impairment losses.

Heavy equipment and other tangible assets in progress represent assets still under construction / development and are recorded at acquisition cost, less any potential accumulated impairment losses.

Heavy equipment and other tangible assets depreciation is calculated after the assets are in condition to be used, that is, when the assets are available for use and in the desired conditions, in terms of quality and technical reliability, to operate as intended by the GROUP's Board of Directors, and are imputed systematically using the straight line method during its useful life, which is determined based on the asset's expected usage by the GROUP, its expected natural wear, its predictable technical obsolescence and the potential residual value attributable to the asset.

The depreciation rates used correspond to the following estimated useful lives (in years):

Equipment	Years
Basic equipment (excluding the one related to concessions)	3 - 10
Heavy equipment associated with the engineering and construction business	3 - 12
Administrative equipment	4 - 10
Transport equipment	3 - 10
Tools and utensils	3 - 6
Other tangible assets	3 - 10

Heavy equipment and other tangible assets depreciation is recorded by twelfths under the caption "Amortizations and depreciations" of the consolidated income statement. Any potential changes to the estimated useful life of the heavy equipment and other tangible assets are carried out prospectively.

Subsequent expenses incurred by the GROUP associated with the replacement of tangible assets' components are added to the respective assets, with the net value of the replaced components being written off and recorded as an expense under the caption "Other operating income / (expenses)".

Maintenance and repairment expenses that neither increase the useful life nor give rise to significant improvements in the items of tangible assets are recorded as an expense of the year when they occur.

Gains or losses arising from the disposal or the write-off of tangible assets are determined through the difference between its sale price and the net book value on the disposal / write-off date being those recorded in the consolidated income statement under the caption "Other operating income / (expenses)".

e) Impairment of tangible and intangible assets

At each reporting date the carrying amount of the GROUP's tangible and intangible assets are revised in order to determine if there is any evidence that those assets are impaired. In case there is such evidence, the recoverable amount of those assets (or of the CGU) is estimated, in order to determine the extent of the impairment loss (if any).

The recoverable amount of the asset or of the CGU is the highest between: (i) the fair value less costs to sell or (ii) the value in use. In determining the value in use, the estimated future cash flows are discounted using a discount rate which reflects the market expectations regarding the time value of money and the specific risks of the asset or the CGU in relation to which the estimated future cash flows were not adjusted.

Whenever the carrying amount of the asset (or of the CGU) is higher than its recoverable amount an impairment loss is recorded. An impairment loss is immediately recorded in the consolidated income statement under the caption "Impairment losses", unless that loss compensates a revaluation excess recorded in equity. In this last case, that loss will be treated as a revaluation decrease.

Impairment losses are assigned to the carrying amount of the CGU's assets as follows: first to the goodwill allocated to the CGU (if any) and then to the other assets of the CGU on a pro rata basis taking in consideration the respective carrying amounts.

The reversal of impairment losses recorded in previous years only occur when there is evidence that the impairment losses no longer exist or decreased. The reversal of impairment losses is recorded in the consolidated income statement under the caption "Impairment losses". The reversal of impairment losses is recognized up to the limit of the amount that would have been recorded (net of depreciation) if the previous impairment losses had not been accounted.

f) Leases

At the inception date of a contract, the GROUP assesses if its scope corresponds to a lease, or if it contains a lease. A lease corresponds to a contract, or part of a contract, through which it is granted the right to control the use of an identifiable asset for a defined period of time in exchange for a consideration. To assess whether a contract conveys the right to control the use of an identifiable asset for a defined period of time, the GROUP assesses, if, during the usage period of the asset, it has cumulatively:

- The right to obtain substantially all of the economic benefits arising from the use of the identifiable asset; and
- The right to control the use of the identifiable asset.

The GROUP recognizes the right of use of an asset and the lease liability at the inception date of the lease contract. The right of use of an asset is initially measured at cost, which includes the initial amount of the lease liability adjusted by any lease payments made on or before the commencement date, plus any initial direct costs incurred, as well as, an estimate of the costs required to dismantle and remove the underlying asset (if applicable), less any lease incentives received.

The right of use of an asset is depreciated by twelfths using the straight-line method. The right of use of an asset is depreciated during the term of the lease contract, except for those assets for which the GROUP expects to exercise a purchase option, being those depreciated during their expected useful life.

The right of use of an asset is periodically subject to impairment tests being the potential impairment losses identified recorded immediately in the consolidated income statement of the year.

The right of use of heavy equipments is measured by the revaluation model, as described in Note 1.4.d).

The lease liability is initially measured by the present value of the lease payments that have not yet been paid at the inception date of the contract, discounted using the implicit interest rate of the lease or, if that rate cannot be possible to be determined, using the incremental borrowing rate of the respective affiliate company. In the majority of the situations, the GROUP uses its incremental borrowing rate as the discount rate to be used in the above referred calculation.

The types of lease payments considered in the measurement of the lease liability include the following ones:

- Fixed payments, deducted from any incentives already received;
- Variable payments, dependent only of a pre-established index or rate;
- Amounts expected to be payable under a residual value guarantee;
- The exercise price of purchase options, if it is reasonably certain that the lessee will exercise them; and
- Penalty payments associated with the early termination of the contract, if it is reasonably certain that the lessee will cancel it.

The lease liability is subsequently increased by the cost with interests and decreased by the rent payments to the landlord and is remeasured when the following conditions occur: (i) changes in the future lease payments arising from a change in an index or a rate specified in the contract; (ii) a change in the GROUP'S estimate of the amount expected to be payable under the residual value guarantee of the asset; or (iii) if the GROUP changes its assessment over the exercise of a purchase option, or over its extension or termination.

When the lease liability is remeasured, the carrying amount of the right of use asset is adjusted by the same amount, except if the carrying amount of the right of use asset is zero, situation that will generate the recognition of a gain in the consolidated income statement.

g) Investment properties

Investment properties comprise land and buildings held with the aim of obtaining rents and / or the appreciation of the invested capital, and not for the use in the production or supply of products or services, or for administrative purposes (situations in which they are classified as tangible assets), or for sale during the ordinary course of business (situations in which they are classified as inventories). The classification of certain land and buildings as investment properties instead of inventories and / or tangible assets is based, essentially, on the use that the GROUP'S Board of Directors defines for those real estate assets taking in consideration namely the maximization of their return.

Investment properties, including those that are under construction, are recorded at their fair value, determined in an annual basis by specialized external appraisers.

Changes in the fair value of investment properties are recorded directly in the consolidated income statement of the year under the caption "Other operating income / (expenses) – Changes in fair value in investment properties".

Costs incurred with investment properties in use, namely maintenances, repairs, insurances and property taxes (Municipal Property Tax), are recognized in the consolidated income statement of the year to which they refer.

h) Non-current assets held for sale

Non-current assets are classified as held for sale if its carrying amount is expected to be recovered essentially through a disposal or through a distribution to the shareholders instead of its continued use. In order to be classified as such, those assets must be available for immediate sale under their current conditions, the sale must be highly probable, the Board of Directors must be committed to execute such sale and the disposal should occur within a 12-month period.

Non-current assets held for sale may include a separate asset, a group of assets or a financial investment.

Non-current assets classified as held for sale are recorded at the lowest amount between its carrying amount and its fair value less the estimated costs with its sale. Its amortization ceases at the time of classification as non-current assets held for sale.

In order to determine the fair value of non-current assets held for sale, binding offers for the assets to be disposed of and valuations performed by external entities were taken in consideration.

Due to a change in circumstances, the non-current assets may cease to be classified as held for sale. If such happens, those assets shall be reclassified according to its underlying nature and any remeasurement adjustments are recognized as profit or loss for the year.

In the case of non-current assets that are no longer classified as non-current held for sale, whether a subsidiary, a joint operation, a joint venture, or an associate, the financial statements for periods subsequent to the classification as held for sale are amended in accordance.

i) Financial assets and liabilities

Financial assets and liabilities are recognized in the consolidated statement of the financial position of the GROUP when it becomes a contracting party of the financial instrument.

Financial assets and liabilities are initially recorded at their fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities (except for financial assets and liabilities measured at fair value through the income statement) are added or deducted to the fair value of the financial asset or liability, as the case may be, in the initial recognition.

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

Financial assets

All purchases and sales of financial assets are recognized on the date the respective purchase and sale agreements are signed, regardless of the financial settlement date.

All financial assets recognized are subsequently measured at amortized cost, or at fair value, (through other comprehensive income or through the income statement), depending on the business model adopted by the GROUP and the characteristics of its contractual cash flows.

Classification of financial assets

a) Debt instruments and accounts receivable

The fixed income debt instruments and the accounts receivable that meet the following requirements are subsequently measured at amortized cost:

- (i) the financial asset is held taking in consideration a business model whose purpose is to keep the asset in order to receive its contractual cash flows; and
- (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows which are just reimbursements of capital and interest over the outstanding principal amount.

The effective interest rate method is a method for calculating the amortized cost of a financial instrument and to allocate the respective interest during its term.

For financial assets which were not acquired or originated with impairment (i.e., impaired assets in the initial recognition), the effective interest rate is the rate which discounts exactly the estimated future cash flows (including fees and commissions paid or received that make part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the instrument in its gross carrying amount on the date of its initial recognition.

The amortized cost of a financial asset is the amount by which it is measured in the initial recognition minus the repayments of capital, plus the accumulated amortization, using the effective interest rate method, of any difference between that initial amount and the amount of its repayment, adjusted by potential impairment losses.

The income associated with interest is recorded in the consolidated income statement under the caption “Financial income and gains”, through the effective interest rate method, for financial assets subsequently recorded at amortized cost or at fair value through the income statement. The interest income is calculated by applying the effective interest rate to the gross carrying amount of the financial asset.

The debt instruments and the accounts receivable which meet the following requirements are subsequently measured at fair value through other comprehensive income:

- (i) the financial asset is held taking in consideration a business model whose purpose allows both the receipt of its contractual cash flows and its disposal; and
- (ii) the contractual terms of the financial asset give rise, on specific dates, to cash flows which are just reimbursements of capital and interest over the outstanding principal amount.

b) Equity instruments designated at fair value through other comprehensive income

In the initial recognition, the GROUP may irrevocably choose (financial instrument to financial instrument) to designate certain investments in equity instruments (shares) at fair value through other comprehensive income.

The designation at fair value through other comprehensive income is not allowed if the investment is held for trading purposes or if it results from a contingent consideration recognized within the scope of a business combination.

An equity instrument is held for trading if:

- i) it is acquired, essentially, for purposes of short-term disposal;
- ii) in the initial recognition, is part of a portfolio of identified financial instruments that the GROUP jointly manages and in which there is evidence of a recent real pattern of short-term profit generation; and
- iii) if it is a derivative financial instrument (unless if it is assigned to a hedging operation).

The investments in equity instruments recorded at fair value through other comprehensive income are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value with the gains and losses arising from its change recognized in other comprehensive income. At the date of their disposal, the accumulated gain or loss generated with these financial instruments is not reclassified to the consolidated income statement but instead it is transferred to the caption “Retained earnings”.

The dividends associated with investments in equity instruments are recorded in the consolidated income statement at the date they are attributed / declared unless they clearly represent a recovery of part of the investment cost. The dividends are recorded in the consolidated income statement under the caption “Financial income and gains”.

In the first application of IFRS 9, at 1 January 2018, the GROUP designated the investments in equity instruments which were not kept for trading purposes as recorded at fair value through other comprehensive income.

c) Financial assets at fair value through the income statement

Financial assets which do not meet the criteria for being measured at amortized cost or at fair value through other comprehensive income are measured at fair value through the income statement.

Financial assets recorded at fair value through the income statement are measured at fair value determined at the end of each reporting period, being the respective gains or losses recognized in the consolidated income statement, unless they are assigned to a hedge relationship.

Impairment of financial assets

The GROUP recognizes expected impairment losses for debt instruments measured at amortized cost or at fair value through other comprehensive income, as well as, for accounts receivable from customers and for contract assets.

The amount of expected impairment losses for the financial assets above referred is updated on each reporting date in order to reflect the changes in the credit risk occurred since the initial recognition of the respective financial assets.

The expected impairment losses for credit granted (accounts receivable from customers and contract assets) are estimated using an uncollectability matrix based on the credit history of the GROUP's debtors over the last five years, adjusted by specific factors attributable to the debtors, as well as, by the forecasted macroeconomic conditions for the future. Therefore, the balances of customers and other debtors were segmented taking in consideration similar types of credit risk (by country, by business unit, by type of debtor - public or private, etc.) and by aging.

The GROUP recognizes the expected impairment losses for credit granted for the whole life of the accounts receivable from customers, as well as, for contract assets.

Regarding accounts receivable from joint ventures and associated companies, which are not part of the financial investment in those companies, the credit impairment is assessed taking in consideration the following criteria: i) if the account receivable is immediately payable ("on demand"); ii) if the account receivable risk is low; (iii) if the account receivable term is lower than 12 months.

In the situations where the account receivable is immediately due and the affiliated company has the ability to pay it, the probability of default was considered close to 0% and therefore the impairment was considered equal to zero. In the situations where the account receivable is not immediately payable, it was assessed the credit risk of the affiliated company and if it is "low" or if its term is lower than 12 months, the GROUP only assesses the probability of a default occurring for the cash-flows that will expire in the next 12 months.

For all other situations and natures of accounts receivable, the GROUP applies the general approach of the impairment model assessing in each reporting date if there was a significant increase in the credit risk since the initial date of recognition of the asset. If the credit risk has not increase, the GROUP calculates an impairment loss corresponding to the amount of the expected loss in a 12-month period. If there has been an increase in the credit risk, the GROUP calculates an impairment loss corresponding to the expected loss for all contractual cash flows until the maturity of the asset. The credit risk assessment is performed in accordance with the criteria disclosed in the credit risk policies included in Note 45.

Presentation of accounts receivable

Accounts receivables are recorded in the consolidated statement of financial position under the caption "Customers and other debtors".

Accounts receivables are classified as current assets, except when their maturity is greater than the normal business cycle, in which case they are classified as non-current assets.

In some geographies, namely in Africa and Latin America, the normal business cycle may exceed 12 months from the date of the consolidated statement of financial position and, for this purpose, the present value of those accounts receivable is estimated, under the terms explained in the Note 23.

Write-off policy

The GROUP writes off a financial asset when there is sufficient information proving that the debtor is in a very weak financial situation, namely if it is involved in winding-up or insolvency proceedings, and when there are no realistic perspectives regarding the credit recovery. However, the written-off financial assets may still be subject to recovery proceedings by the GROUP. Any subsequent recoveries shall be recorded in the consolidated income statement.

Derecognition of financial assets

The GROUP only derecognizes a financial asset when the contractual rights to the asset's cash flows expire or when it transfers the financial asset together with all substantial risks and rewards associated with the respective ownership to other entity. If the GROUP neither transfer, neither retain, substantially all the risks and rewards associated with the ownership of a financial asset but still carries on controlling that asset, the GROUP recognizes its interest in the asset retained and a liability equivalent to the amount that it must return. If the GROUP substantially retains all risks and rewards associated with the ownership of a financial asset transferred, it continues to recognize it and recognizes in addition a loan for the amount received.

In the derecognition of a financial asset measured at amortized cost the difference between its carrying amount and the sum of the consideration received or receivable is recognized in the consolidated income statement.

Moreover, in the derecognition of a financial asset represented by a debt instrument recorded at fair value through other comprehensive income, the gain or loss accumulated in the fair value reserve is reclassified to the consolidated income statement.

However, in the derecognition of a financial asset represented by an equity instrument irrevocably designated in the initial recognition as recorded at fair value through other comprehensive income, the gain or loss accumulated in the fair value reserve is not reclassified to the consolidated income statement being instead transferred to the caption of "Other reserves and retained earnings".

Financial liabilities and equity instruments

Classification as financial liability or as equity instrument

Financial liabilities and equity instruments are classified as liabilities or as equity instruments according to the contractual substance of the transaction.

Equity

The GROUP defines equity instruments as those where the underlying contract of the transaction evidence that the GROUP holds a residual interest in a set of assets after deduction of a set of liabilities.

The equity instruments issued by the GROUP are recognized by the amount received net of the costs directly attributable to them.

The repurchase of equity instruments issued by the GROUP (own shares) is recorded by its acquisition cost as a deduction of equity. Gains or losses arising from the disposal of own shares are recorded under the caption "Other reserves and retained earnings".

Financial liabilities

Following the initial recognition, all financial liabilities are subsequently measured at amortized cost or at fair value through the income statement.

Financial liabilities are recorded at fair value through the income statement when:

- i) the financial liability results from a contingent consideration arising from a business combination;
- ii) when the liability is held for trading; or
- iii) when the liability is designated for being recorded at fair value through the income statement.

A financial liability is classified as being held for trading if:

- i) it is acquired mainly for purposes of short-term disposal;
- ii) in the initial recognition, it is part of a portfolio of identified financial instruments that the GROUP jointly manages and in which there is evidence of a recent real pattern of short-term profit generation; and
- iii) if it is a derivative financial instrument (unless if it is assigned to a hedging operation).

Financial liabilities recorded at fair value through the income statement are measured at fair value with the respective gains or losses arising from its change being recognized in the consolidated income statement unless they are assigned to hedging operations.

Financial liabilities subsequently measured at amortized cost

Financial liabilities which are not designated to be recorded at fair value through the income statement are subsequently measured at amortized cost, using the effective interest rate method.

The effective interest rate method is a method for calculating the amortized cost of a financial liability and to allocate the respective interest during its term.

The effective interest rate is the rate which discounts exactly the estimated future cash flows (including fees and commissions paid or received that make part of the effective interest rate, transaction costs and other premiums or discounts) during the expected life of the financial liability in its carrying amount at the date of its initial recognition.

Types of financial liabilities

Loans that constitute issued commercial paper are classified as non-current liabilities when there is a placement guarantee for more than a year and the GROUP'S Board of Directors intends to use that financing source also for more than a year.

Loans without recourse correspond to loans in which only the assets of the financed companies secure the payment of the debt (Project finances). In loans with recourse, the debt's settlement can be ensured by the GROUP.

Other financial liabilities refer, essentially, to factoring and other supplier's management payment operations (confirming and other similar agreements), which are initially recorded at their fair value. These financial liabilities are, subsequent to its initial recognition, measured at amortized cost using the effective interest rate method.

Derecognition of financial liabilities

The GROUP derecognizes financial liabilities when, and only when, its obligations are settled, cancelled or have expired.

The difference between the carrying amount of the derecognized financial liability and the consideration paid or payable is recognized in the consolidated income statement.

When the GROUP exchanges with a creditor a debt instrument by another with substantially different terms that exchange is recorded as an extinguishment of the original financial liability and the recognition of a new one.

Similarly, the GROUP records the substantial changes occurred in the terms of an existing liability, or part thereof, as an extinguishment of the original financial liability and the recognition of a new one. The terms are assumed to be substantially different if the present value of the cash flows of the renegotiated financial liability, including any commissions paid net of any commissions received, discounted using the original effective interest rate is at least 10 percent different from the present value of the remaining cash flows of the original financial liability.

If the change is not substantial, the difference between: (i) the carrying amount of the liability prior to the change; and (ii) the present value of the future cash flows following the change is recognized in the consolidated income statement as a gain or loss of the change.

Derivative financial instruments

The GROUP uses a set of derivative financial instruments (forwards, swaps and options) to manage its exposure to the interest rate risk and to the exchange rate risk, but it never uses derivative financial instruments for trading purposes. The use of derivative financial instruments is duly regulated by the GROUP.

Derivative financial instruments are initially recorded at their fair value on the date they are established and are subsequently remeasured at fair value on each reporting date. The gain or loss arising therefrom is immediately recognized in the consolidated income statement unless the derivative financial instrument has been designated as a hedge instrument, situation on which the recognition in the income statement depends upon the nature of the hedging relationship.

As referred above, the derivative financial instruments used by the GROUP refer, essentially, to interest rate and exchange rate hedge instruments mainly related to loans obtained. The amount of the loans, the interest payment dates, and the reimbursement plans are similar to the conditions established for the interest rate and for the exchange rate hedge instruments, and therefore the hedges are highly effective.

In the initial recognition, the following criteria is used by the GROUP to classify derivative financial instruments as cash flows hedge instruments:

- a) The hedging relationship is solely comprised by eligible hedging instruments and eligible hedged items;
- b) At the beginning of the hedging relationship there is a designation and formal documentation concerning the hedging relationship and the entity's risk management goal and strategy to carry out the hedging;
- c) The hedging relationship meets all the following hedging effectiveness requirements:
 - i) There is an economic relationship between the hedged item and the hedging instrument;
 - ii) The effect of the credit risk does not dominate the changes resulting from that economic relationship;
 - iii) The hedge ratio of the hedging relationship is the same which results from the quantity of the hedged item that an entity effectively hedges and the quantity of the hedging instrument that the entity effectively uses to hedge that quantity of the hedged item; and

- iv) There is an expectation that the value of the hedging instrument and of the hedged item will move in opposite directions as a result of the common underlying assumptions or the hedged risk.

Interest rate and exchange rate hedge derivative financial instruments are initially recorded at their fair value. Subsequent changes in the fair value of the derivative financial instruments assign to cash flows hedges, associated to the portion that is effectively hedged, are recognized in the consolidated statement of other comprehensive income under the caption "Changes in the fair value of derivative financial instruments of cash flow hedges", and are transferred to the consolidated income statement in the same period that the hedged instrument affects the net profit.

The potential existing hedge inefficiencies are recorded under the captions "Financial income and gains" and "Financial costs and losses" of the consolidated income statement of the year.

The cash-flow hedge accounting must be discontinued if the hedging instrument matures or terminates earlier if the hedge is no longer efficient (when there is no longer an economic relationship between the hedged item and the hedging instrument) or if the hedged relationship fails to meet the risk management objective. In these situations, the accumulated gain or loss arising from the hedging instrument must remain recognized separately in other comprehensive income, being reflected in the consolidated income statement in the same period of the recognition in the net profit of the gains or losses in the hedged item.

If the coverage ratio for risk management purposes is no longer optimized, but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced adjusting both the volume of the hedging instrument and the volume of the hedged item, in order that the coverage ratio will be aligned with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and recognized in the consolidated net profit or loss for the year when the hedge relationship is rebalanced.

A derivative financial instrument with positive fair value is recognized as a financial asset, whereas a derivative financial instrument with negative fair value is recognized as a financial liability.

The derivative financial instruments are not offset in the accompanying consolidated financial statements unless the GROUP is legally entitled and intends to offset them.

A derivative financial instrument is presented as a non-current asset or a non-current liability if its residual term exceeds 12 months counting from the reporting date and if it is not expected to be realized or settled within 12 months from the aforementioned date. The remaining derivative financial instruments are presented as current assets or current liabilities.

j) Cash and its equivalents

a) Cash and cash equivalents – Demand deposits

The amounts included under the captions "Cash and cash equivalents with / without recourse - Demand deposits" correspond to cash, demand and term bank deposits and other treasury applications falling due within less than three months from the issuance date which can be repayable on demand with an insignificant risk of change in value.

b) Other financial applications

The amounts included under the caption "Other financial applications" correspond to cash, demand and term bank deposits and other treasury applications that are not immediately available, since they have been pledged as a guarantee or have been blocked.

The amounts of Cash and cash equivalents without recourse correspond to the funds held by the companies financed under a project finance regime, namely the ones of the EGF SUBGROUP.

k) Inventories

Merchandise and raw materials, subsidiaries and consumables are recorded at the lowest of their average acquisition cost and their net realizable value (estimate of its sale price less the costs to be incurred with the disposal).

Finished and semi-finished products, the subproducts, and work in progress are recorded at production cost, which is lower than its net realizable value. Production cost includes the cost of the incorporated raw materials, direct labour costs and other direct production general costs.

Adjustments are recorded to reflect the difference between the inventories carrying amount and the corresponding net realizable value, whenever this last one is lower on the reporting date.

Regarding inventories, adjustments to their net realizable value are determined based on market values and several rotation indicators.

The cost of goods sold, and materials consumed is determined by the following rules:

- Real estate properties – specific cost; and
- Materials and remaining inventories – average cost.

l) Revenue

Revenue is measured according to the specific consideration established in the contracts entered into with the customers, excluding any amount received on behalf of third parties. The GROUP recognizes revenue when it transfers to the customer the control of a given good or service, depending on the business unit where it performs its activity.

The main business areas / sources of revenue of the GROUP can be detailed as follows:

- i) Engineering and Construction – In this area, the GROUP develops, in the three regions where it operates, projects of civil construction and public works, namely the construction of several infrastructures, such as roads, motorways, airports, ports, dams, railways, residential and commercial buildings, etc. This area also comprises the industrial engineering services provided by the GROUP (extraction and transport of ore).
- ii) Environment – In this area, the GROUP develops in the three regions where it operates, waste urban collection services, as well as the treatment and recovery of waste. In the waste treatment and recovery business, it should be highlighted the organic recovery of waste, as well as the production of energy through biogas and energy recovery plants.
- iii) Services – In this area, the GROUP develops, mainly, infrastructure operation and maintenance projects.
- iv) Energy – This sub-area comprises, essentially, the activity of generation and trade of energy in Mexico.

Nature, performance obligations and timing of revenue recognition

- i) Engineering and Construction – In this business area, the GROUP establish with several public and private entities contracts for the provision of construction services which include several components / tasks. Although in the vast majority of the contracts the customers may benefit from the several components / tasks separately, since they are negotiated in a bundle the promise of transfer of each of them may not be separate from the others. Furthermore, since the aforementioned components / tasks are generally highly correlated and dependent upon each other, the GROUP considers that they must be treated as a single performance obligation. Thus, each construction contract is generally treated as a single performance obligation.

On the other hand, since the customers are able to control the use of the asset as the asset is being built and are able to substantially obtain all remaining economic benefits therefrom, the GROUP's performance obligation in these situations is fulfilled throughout time, being the revenue recognized according to the cost-to-cost method (described below).

Thus, the GROUP recognizes the revenue of each construction contract in accordance with the cost-to-cost method (also called percentage-of-completion method), which is defined as the ratio between the costs incurred in each contract up to a given period and the sum of these costs with the costs estimated to complete it. The differences obtained between the amounts arising from the application of the percentage-of-completion to the total estimated revenue and the amounts already invoiced are recorded under the captions of Contract assets / Contract liabilities. Additionally, the GROUP's Board of Directors considers that the cost-to-cost method is the most appropriate method to measure the degree of fulfilment of the performance obligations in the construction contracts.

In order to apply the cost-to-cost method, costs with training, budgeting, displacement, among others, are not considered since they do not reflect the progress and transfer of control to the customer.

In order to deal with the costs to be incurred during the warranty period of the construction contracts, the GROUP recognizes a liability to face up to such legal obligation, which is calculated taking in consideration the historic levels of production and the incurred costs with the contracts during the warranty period. Due to the fact that the quality warranties provided by the GROUP arise solely from a legal obligation (both in its scope and in its term), they were not treated as autonomous performance obligations.

In the situations in which the GROUP is able to control the use of the asset as the asset is being built and is able to obtain substantially all remaining economic benefits therefrom (namely in the real estate activity), revenue is recognized when the GROUP transfers to the customer the control of the asset (normally when the public deed of purchase of the asset occurs).

Regarding the mining and operation and maintenance services, since the customers simultaneously receive and consume the economic benefits arising from the GROUP's performance as it carries out its activity (extraction and transportation of ore or operation and maintenance of the infrastructure) the GROUP's performance obligation in these situations is satisfied throughout time, being the revenue recognized when the GROUP is entitled to invoice the services rendered since there is not a material delay between the moment that the GROUP performs the services and the moment it invoice them.

- ii) Environment - In this business area, the GROUP enters into several contracts for the collection, treatment and recovery of waste, essentially, with public entities. Since in the majority of the situations the customers may benefit from the aforementioned services separately, each one of them is regarded as an autonomous performance obligation. On the other hand, since the customers simultaneously receive and consume the economic benefits arising from the GROUP's performance as it carries out its activity (collection, treatment and recovery of waste), the GROUP's performance obligation in these situations is satisfied throughout time, being the revenue recognized when the GROUP provides the services.

Moreover, the revenue arising from the regulated activities carried out by the companies of the EGF SUBGROUP (treatment and recovery of waste) is determined based on the tariff approved by the regulator (ERSAR), taking in consideration the allowed revenues and the quantities of waste arising from the undifferentiated collection.

The aim of the tariff is to recover:

- i) The amortization of the concession assets associated with the regulated activity;
- ii) The return of the average net book value of the assets associated with the regulated activity, according to the rates defined by the regulator; and
- iii) The operational costs associated with the regulated activity.

Tariff deviations

The tariff regulation, issued by ERSAR, defines the formula for the calculation of the allowed revenues for the regulated activities, as well as the formula for the quantification of the tariff deviations which should be recovered until the second year after the date in which they were generated.

Therefore, in each reporting date, the GROUP determines, according to the criteria defined in the tariff regulation, the tariff deviations that exist between the allowed revenues recalculated based on the real amounts and the invoiced ones.

Taking in consideration the regulatory framework described above, the tariff deviations determined by the GROUP in each year meet a set of requirements (reliability of measurement, right to its recovery, possibility of transfer and interest rate incidence) which support their recognition as revenue, and as an asset, in the year in which they are determined. Such rationale is also applicable when tariff deviations to be delivered (payable) are determined, which are regarded as liabilities and less revenue.

- iii) Services – Regarding the provision of infrastructure operation and maintenance services, given that customers simultaneously receive and consume the economic benefits arising from the GROUP's performance as it develops its activity, the performance obligation in these cases is satisfied over time, and therefore, the revenue is recognized in the moment when the GROUP is entitled to bill the services provided, as there is no significant time gap between the moment the services are provided and the moment they are billed.

- iv) Energy - In this business subarea, under the contracts entered into, the GROUP sells, namely to energy managing network companies, the energy that it produces. Thus, each energy sale contract is considered an autonomous performance obligation. On the other hand, since the customers simultaneously receive and consume the economic benefits arising from the GROUP's performance as it carries out its activity (energy production), the GROUP's performance obligation in these situations is satisfied throughout time, being the revenue recognized when the GROUP is entitled to invoice it.

Generally, and due to the type of services rendered by the GROUP, the allocation of the price to the different performance obligations is already defined in the contracts established with the customers.

Significant financing components

Whenever there is a significant time lag (more than 12 months) between the moment in which a good or service becomes available to the customer and the moment in which it is paid, the GROUP assesses the existence of a significant financing component in the contract. If such component exists, it is considered as an autonomous performance obligation, being the respective interest recognized as income throughout the estimated financing period.

Additionally, the GROUP also assesses the existence of a significant financing component in the advances received from customers. If such component exists, it is considered as an autonomous performance obligation, being the respective interest recognized as an expense throughout the estimated financing period.

Variable revenue components

In order to determine the total amount of revenue of a contract, the GROUP takes into consideration all variable components of it, namely, discounts, bonus, price revisions, penalties, costs recovery requests, among others. Nevertheless, the GROUP only recognizes revenue associated with variable components when it is highly probable that a significant reversal of said revenue will not occur in the future. Therefore, in what concerns price revisions, since the calculation formula inherent to its quantification generally includes some indices of difficult estimation, the revenue associated is only recognized when it can be reliably measured. Similarly, since historically the GROUP has not been subject to penalties applied by its customers, those are only recognized when their occurrence is highly probable to occur. Lastly, the costs recovery requests (which include claims, among others) are only recognized as revenue when it is highly probable that a significant reversal will not occur in the future.

Contract assets

Contract assets correspond to the performance obligations already fulfilled by the GROUP under the scope of the contracts established with customers for which the respective invoice has not yet been issued (essentially production executed under construction contracts recognized by the cost-to-cost method). When the respective invoice is issued and the right to its receipt is unconditional, the balance of this caption is transferred to the caption "Customers and other debtors".

Contract liabilities

Contract liabilities correspond to advances received from customers associated with performance obligations to be fulfilled by the GROUP in the future or to deferred income arising from the adoption of the cost-to-cost method, namely, in construction contracts in progress.

Advance payments received from customers are recorded under current liabilities or non-current liabilities, in accordance with the expected invoicing profile of the contracts established with the customers.

Costs associated with the fulfilment of a contract

The costs associated with the fulfilment of a contract are recognized in the consolidated statement of the financial position when:

- (i) They are related with an already existing contract or with a specific future contract;
- (ii) They create resources that will be used for fulfilling one or more performance obligations in the future;
- (iii) Their recovery is expectable; and
- (iv) They are not covered yet by the scope of another IFRS standard, such as, for example, inventories, tangible assets or intangible assets.

Therefore, the costs with direct labour, materials and other indirect costs or other specific costs with the set-up, mobilization and demobilization of construction sites associated with construction contracts are recognized under this caption.

The costs associated with the fulfilment of a contract for a customer are recognized throughout the period of the construction contract under operating expenses captions.

When it is probable that the total costs foreseen for completing a construction contract exceed the revenue defined therein, the expected loss is recognized immediately in the consolidated income statement of the year.

Advances denominated in foreign currency

When there are advances received from customers regarding contracts denominated in foreign currency, the revenue associated with such advances is recognized at the exchange rate of the date of its receipt.

m) Accrual basis

The GROUP adopts the accrual basis of accounting for the majority of the captions of the financial statements. Therefore, expenses and income are recorded as they are generated, regardless of when they are paid or received.

n) Assets, liabilities and transactions in foreign currency

At initial recognition, all transactions in foreign currency are recorded in the functional currency of the respective entity through the application to the amount in foreign currency of the spot exchange rate between the functional currency and the foreign currency as at the transaction date.

At the end of each reporting period: a) monetary items expressed in foreign currency are translated at the closing exchange rate; b) non-monetary items which are measured in terms of historical cost in a foreign currency are translated at the exchange rate at the transaction date; and c) non-monetary items measured at fair value in a foreign currency are translated at the exchange rate at the date when the fair value was determined.

Exchange differences arising from the settlement of monetary items or from the translation of monetary items at rates which were different from those used to translate them in the initial recognition or, in previous financial statements, are recognized in the income statement of the year, unless they arise from monetary items that are part of the net investment in a foreign operating unit. In this case, the exchange differences are initially recognized in other comprehensive income and are reclassified to the consolidated net profit of the year when the control of that operational unit is lost.

Exchange differences related to investment / financing transactions (financial) are recorded under the sub-captions "Financial income and gains" and "Financial costs and losses".

Exchange differences related to operating transactions are recorded under a sub caption of "Other operating income / (expenses)".

In the preparation process of the accompanying consolidated financial statements, the results, the cash-flows and the financial position of the entities included in the consolidation perimeter, whose functional currencies are not the ones of a hyperinflationary economy, have been translated to Euro at the exchange rates detailed in item h) of Note 1.3..

o) Income tax

Income tax for the year is determined based on the taxable profit of the companies included in the consolidation (in accordance with the tax rules in force in the country where they operate) and considers deferred taxes.

Deferred taxes are determined based on the balance sheet liability method and refer to existing temporary differences between the amounts of the assets and liabilities reported for accounting purposes and their respective amounts for tax purposes.

Deferred tax assets and liabilities are determined and assessed annually using the tax rates in force, or announced to be in force, at the date of the reversal of the temporary differences.

Deferred tax liabilities are recorded for all taxable temporary differences except for the ones associated with: (i) the initial recognition of goodwill; or (ii) initial recognition of assets and liabilities which do not arise from business combinations, which at the transaction date do not impact the tax or the accounting profit. Deferred tax assets are recorded for the deductible temporary differences only if there are reasonable expectations about the existence of sufficient future tax profits to use them. At each statement of financial position date, a reassessment is made regarding the temporary differences underlying the deferred tax assets in order to recognize deferred tax assets not recorded previously, since they did not meet the requirements for their recording, and / or to reduce the amount of those assets according to the current expectations of their future recovery. More specifically, in what concerns the recognition of deferred tax assets associated with tax losses carried forward, these ones are only recorded if the business plans of the respective companies support their full recovery during the legal deadlines set.

The offset between deferred tax assets and liabilities is only allowed when: (i) the GROUP has the legal right to offset such assets and liabilities for settlement purposes; (ii) such assets and liabilities relate to income taxes levied by the same tax authority; and (iii) the GROUP intends to offset them for settlement purposes.

The amount of tax to be recognized, both in current tax and deferred tax, arising from transactions or events recognized under captions of other comprehensive income is recorded directly under these same captions, not affecting the net profit of the year.

The amount of taxes recognized in the consolidated financial statements corresponds to the GROUP's assessment over the tax treatment applicable to specific transactions, being liabilities related to income tax or other type of taxes recognized based on the interpretation that is made and which is considered to be the most appropriate.

In the situations where such interpretations are challenged by the Tax Authorities, within the scope of their competences, as its interpretation is different from the one considered by the GROUP, that situation is subject to a reanalysis. In case such reanalysis reconfirms the GROUP's position, concluding that the probability of losing a certain tax lawsuit is less than 50%, the GROUP treats the situation as a contingent liability, which results in the non-recognition of any amount of tax since the most probable decision is that no tax will be paid. In the situations where the probability of loss is greater than 50%, a liability is recognized, or, if the payment has already been made, the correspondent expense is recognized.

p) Financial costs with loans obtained

Financial costs associated with loans obtained for the acquisition, construction or manufacturing of qualifying assets are capitalized and are part of the asset cost. The capitalization of these costs begins with the preparation of the construction or development activities of the asset and is stopped after the beginning of its use, at the end of its construction, or when the construction of the asset is suspended.

The remaining financial costs associated with loans obtained are recognized as a cost in the year in which they are incurred.

q) Provisions

Provisions are recognized if, and only if, the GROUP has a present obligation (legal or implicit) arising from a past event, it is probable that an outflow of resources will occur to settle that obligation and the amount of the obligation can be reasonably estimated. Provisions are reviewed on each consolidated statement of financial position date and are adjusted to reflect the best estimate on that date (expected amount of the outflow to incur), taking in consideration the risks and uncertainties inherent to such estimates. When a provision is determined taking in consideration the future cash flows required to settle the obligation, those cash flows are subject to a financial discount. The discount rate used in the above-mentioned financial discount corresponds to a discount rate that reflects the time value of money and the specific risks of the responsibility.

Provisions for onerous contracts - The present obligations arising from onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when the GROUP is in a situation in which the inevitable costs to fulfil the contractual obligations exceed the economic benefits expected to be received under that contract.

Provisions for work warranties - The provisions to deal with the costs to be incurred during the warranty period of the construction contracts are recorded as the construction revenue is recognized, according to the best estimate of the Board of Directors regarding the outflows required to fulfil that obligation.

Provisions for legal proceedings - The provisions for legal proceedings are recorded when the occurrence of an outflow of resources by the GROUP is probable, being those reassessed on an annual basis taking in consideration the opinion of the respective lawyers / legal consultants in charge of the processes.

Provisions for restructuring are only recognized by the GROUP when there is a formal and detailed restructuring plan that is already in progress and / or that it has been disclosed to the parties involved.

r) Employee benefits

a) Benefits granted to employees – current and non-current

A liability is recognized to deal with the benefits granted to employees associated with wages, vacations and holiday pay in the period in which the employees provide the services, being it recognized by the amount of benefits expected to be paid.

Recognized liabilities concerning current benefits granted to employees are measured at the undiscounted amount of the benefits expected to be paid in exchange for the services provided.

Recognized liabilities concerning non-current benefits granted to employees are measured at the present value of the future expected payments associated with the services provided by the employees up to the reporting date.

b) Pensions

Liabilities associated with the defined benefit pension plan, attributed to some former employees and to some current and former directors of the GROUP, are determined in accordance with the Projected Unit Credit Method being the respective actuarial appraisals performed on each reporting date, using the actuarial and financial assumptions more adequate to the established plan. On the other hand, the discount rate is determined based on the market rates of bonds issued by companies with a good credit risk and with a duration similar to the one of the settlement of the liabilities.

The GROUP records under the caption "Wages and salaries" of the consolidated income statement the following components associated with the above-mentioned pension plan:

- Cost of current services;
- Net cost of interest with the pension plan; and
- Gains and losses arising from the change of plan conditions.

The net cost of interest with the pension plan is determined by the GROUP multiplying the net liability with pensions by the discount rate used in the determination of the corresponding liability. At 31 December 2022 and 2021, the GROUP' liabilities with pensions were recognized as a provision under the caption "Provisions" in the consolidated statement of the financial position, not existing an autonomous Fund.

Actuarial gains and losses arising from differences between actuarial assumptions used and the amounts effectively verified (gains and losses from experience), as well as gains and losses arising from changes in actuarial assumptions are recognized against the consolidated statement of other comprehensive income.

s) Government grants

Government grants attributed to finance investments in tangible or intangible assets are deferred and recorded as liabilities. Investment grants are recognized in the consolidated income statement during the estimated useful life of the corresponding assets under the caption "Other operating income / (expenses)".

t) Contingent assets and liabilities

Contingent assets are not recognized in the accompanying consolidated financial statements but are disclosed in these Notes whenever it is probable that there will be a future economic benefit.

Contingent liabilities are not recognized in the accompanying consolidated financial statements but are disclosed in these Notes, unless the probability of an outflow of resources affecting future economic benefits is remote.

u) Subsequent events

Events occurring between the consolidated statement of the financial position date and the issuance date of the consolidated financial statements that provide additional information on conditions that exist at the consolidated statement of the financial position date (adjusting events) are reflected in the consolidated financial statements. Events occurring between the consolidated statement of the financial position date and the issuance date of the consolidated financial statements that provide additional information on conditions which occur after the consolidated statement of the financial position date (non-adjusting events), if material, are disclosed in these Notes to the consolidated financial statements.

v) Judgments and estimates

In preparing the accompanying consolidated financial statements, the GROUP's Board of Directors used its best knowledge and experience of past and / or current events, considering certain assumptions regarding future events.

The most significant accounting estimates reflected in the accompanying consolidated financial statements (and the corresponding sources of uncertainty) include:

- a) Fair value of land and buildings and investment properties and determination of the net realizable value of real estate assets recorded in inventories

The GROUP's real estate assets (namely land and buildings for own use) are measured through the revaluation method, or the fair value method, in the case of investment properties, which implies determining the respective fair value. Additionally, the real estate assets recorded under inventories that exhibit impairment indicators are subject to impairment tests, which consist in determining their net realisable value. The fair value and the net realisable value of those real estate assets is often determined through appraisals, which inevitably have underlying uncertainties associated with several factors, such as market prices, yields, demand, among others. To mitigate the effect of those uncertainties, the Board of Directors uses, whenever possible, qualified and independent appraisers to conduct the appraisals.

The information regarding the most relevant assumptions used in the determination of the fair value or the net realizable value for the main real estate assets held by the GROUP, as well as the sensitivity of the corresponding results to some changes in the assumptions is disclosed in Notes 16, 21 and 22.

b) Fair value of the heavy equipment used in the Engineering and Construction business

Heavy equipment used in the Engineering and Construction business is measured through the revaluation method, which implies determining their respective fair value. The fair value of these assets is often determined through appraisals, which inevitably have underlying uncertainties associated with several factors, such as market prices, yields, demand, among others. To mitigate the effect of those uncertainties, the Board of Directors uses, whenever possible, qualified and independent appraisers to conduct the appraisals.

c) Impairment analyses of goodwill, of investments in associated and joint ventures, of tangible and intangible assets

Impairment analyses require the determination of the fair value and / or the value in use of the respective assets (or of some CGU's). This process requires a high number of assumptions, namely the estimation of future cash flows associated to the assets or the respective CGUs, and the determination of an appropriate discount rate to compute the present value of those cash flows. Therefore, once again, the GROUP established as a requirement the usage of as much observable market data as possible. Furthermore, the GROUP also established monitoring mechanisms over the calculations based on the critical challenge of the assumptions used, on its coherence and consistency (in similar situations).

The information regarding the most relevant assumptions used in the impairment analyses, as well as the sensitivity of the corresponding results to some changes in the assumptions is disclosed in Notes 14, 15, 16, 18 and 19.

d) Determination of impairment losses in accounts receivable and in other financial investments recorded at amortised cost

Impairment losses in accounts receivable are determined in accordance with the described in Note 1.4. i). On the other hand, the determination of impairment through an individual analysis corresponds to the GROUP's judgment regarding the economic and financial situation of its customers and its estimate of the value attributed to potential existing guarantees, with the consequent impact on expected future cash flows. Similarly, the expected impairment losses in the credit granted and in other financial investments recorded at amortised cost are determined taking in consideration a set of historical information and assumptions (described in Note 45 for other financial investments recorded at amortised cost), which may not be representative of the future uncollectability of the GROUP's debtors.

The information regarding the most relevant assumptions used in the determination of the impairment losses in accounts receivable is disclosed in Notes 23 and 45.

e) Revenue recognition in construction contracts in progress

The revenue of construction contracts in progress is recognized based on the cost-to-cost method, i.e., according to the percentage of completion of the contract. The determination of the percentage of completion is a very relevant estimate based on the projections of costs to be incurred until the conclusion of the contracts. This process is based, essentially, in the inputs received from the technicians involved in the execution of the contracts, due to their detailed knowledge, their experience and their technical skills.

f) Valuation of financial instruments not traded in active markets

In the valuation of financial instruments not traded in active markets (such as derivative financial instruments established by the GROUP and the shares of Banco Angolano de Investimento, S.A. – BAI), valuation techniques based on discounted cash flows and market multipliers were used.

The determination of the fair value of the derivate financial instruments is generally performed by the entities before which those instruments were established (counterparties). The GROUP's Board of Directors recognizes competence and objectivity to the counterparties. Moreover, the GROUP has also access to the main assumptions and methodologies used to determine the fair value of those instruments, and those assumptions and methodologies were considered appropriate.

The determination of the fair value of the shares of BAI was performed taking in consideration its market price adjusted by other public information available regarding market transactions at Reuteurs / Bloomberg or other credible sources of financial data.

The information regarding the most relevant assumptions used in the valuation of the financial instruments not traded in active markets is disclosed in Notes 20 and 32.

g) Determination of the outcome of legal proceedings in progress

The outcome of the legal proceedings in progress, as well as the respective need for provisions, is estimated based on the opinion of the GROUP's lawyers / legal consultants. The GROUP's lawyers / legal consultants have the technical skills and the detailed knowledge of the proceedings necessary to deal with the uncertainty inherent to the outcome of such proceedings (Note 37).

h) Measurement and recognition of deferred taxes

Deferred tax assets and liabilities are determined based on the interpretation of the tax legislation in force in the several jurisdictions in which the GROUP operates. Therefore, changes in the tax legislation or in its interpretation by the competent authorities may impact the amount of the recognized deferred taxes. On the other hand, the recognition of deferred tax assets is dependent upon the existence of future positive results and tax basis. The recovery of deferred tax assets also depends upon the performance of the several entities included in the consolidation perimeter, situation which the GROUP does not fully control. In order to mitigate the degree of uncertainty associated to these estimates, particularly the one regarding the interpretation of the applicable tax legislation, the GROUP and the several companies included in its consolidation perimeter hire specialized external tax consultants.

The information regarding the most relevant assumptions used in the analysis of the deferred tax assets recovery, as well as the sensitivity of the results to some changes in the assumptions is disclosed in Note 12.

The several aforementioned estimates were determined based on the best available historical information at the date of preparation of the accompanying consolidated financial statements. The underlying judgments to those estimates took in consideration the overall economic environment of the sector and of the geography in which the several companies included in the consolidation perimeter operate, as well as their expected future developments. Due to its nature, those judgments are subject to a reasonable degree of uncertainty.

Therefore, in subsequent periods, there may be situations which, due to their unforeseeable nature, were not taken in consideration in the estimates and which may produce an outcome different from the one expected. Changes in estimates occurred after the issuance date of the accompanying consolidated financial statements will be corrected in net profit prospectively, pursuant to IAS 8.

At the preparation date of the accompanying consolidated financial statements no relevant changes in the estimates produced are foreseen and, therefore, no material changes in the recognized assets and liabilities based on those estimates are expected.

w) Cash flow statement

The consolidated statement of cash flows is prepared in accordance with IAS 7, through the direct method. The GROUP classifies under the caption "Cash and cash equivalents" investments falling due in less than three months for which the risk of change in value is insignificant, excluding blocked sums of term deposits of concessionaire companies assigned to the debt service, as well as deposits given in guarantee under contractual clauses, which are recorded under the caption "Other financial applications". On the other hand, bank overdrafts are not included in the caption "Cash and cash equivalents" as they are not part of the GROUP's treasury management.

The consolidated statement of cash flows is classified into operating, investment, and financing activities.

Operating activities comprise receipts from customers, payments to suppliers, payments to employees, and others related to operating activities. The cash flows related to investment activities include, essentially, acquisitions and disposals of investments in affiliates, as well as payments and receipts arising from the purchase and disposal of fixed assets and the receipt of dividends. The cash flows related to financing activities include, essentially, the payments and receipts related to loans obtained and leases, as well as the payment of interest and dividends.

2. Sales and services rendered

Sales and services rendered in the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Sales		
Energy	227,462	194,856
Recyclable materials	78,906	62,967
Inert materials	28,890	18,874
Real estate	27,023	42,963
Others	25,626	35,875
Services rendered		
Engineering and construction	2,852,812	1,705,163
Environment - Waste collection	174,564	129,108
Environment - Waste treatment	139,012	114,881
Environment - Waste treatment - associated with the construction of concession assets	59,126	34,295
Others	190,836	252,794
	3,804,258	2,591,776

In the year ended 31 December 2022, the increase occurred in the caption "Sales – Energy" was justified, essentially, by the increase in the commercialization of energy in Mexico.

In the year ended 31 December 2022, the increase occurred in the caption "Services rendered – Environment – Waste collection" was justified, essentially, by the increase of activity verified in VISTA WASTE and SUMA BRASIL.

In the year ended 31 December 2021, as a result of ERSAR's decision to correct the tariffs to be applied by the concessionaires of EGF SUBGROUP in the regulatory period 2019-2021, the caption "Sales and services rendered" included a positive amount of circa 27,600 thousand euros associated with this matter.

In the years ended 31 December 2022 and 2021, sales and services rendered by operating segment can be analysed as follows:

	2022	2021
Latin America - E&C	1,521,367	620,027
Africa - E&C	1,183,017	824,044
Environment	556,249	442,999
Europe - E&C	509,734	606,972
Capital	105,029	141,866
Other, eliminations and intragroup	(71,138)	(44,131)
	3,804,258	2,591,776

In the years ended 31 December 2022 and 2021, the caption "Other, eliminations and intragroup" included, essentially, sales and services rendered between companies of Africa – E&C, Europe – E&C and Capital segments.

In the year ended 31 December 2022, a GROUP customer in Mexico represented more than 18% of the total amount of the caption "Sales and services rendered", with no other representing more than 10%.

In the year ended 31 December 2021, no customer of the GROUP represented more than 10% of the total amount of the caption "Sales and services rendered".

In the years ended 31 December 2022 and 2021, there was no significant discontinuation in the activities carried out by the GROUP.

As of 31 December 2022 and 2021, the component of future revenue allocated to performance obligations not yet fulfilled, or partially fulfilled, can be analysed as follows:

Segment	2023	2024 and subsequent	Total
Africa E&C	1,650,112	4,749,072	6,399,184
Latin America - E&C	1,969,511	2,839,196	4,808,706
Europe - E&C	543,487	363,327	906,813
E&C - total	4,163,110	7,951,595	12,114,704
Environment	170,128	210,758	380,886
Capital	36,812	33,719	70,530
Group - total	4,370,049	8,196,071	12,566,120

Segment	2022	2023 and subsequent	Total
Africa E&C	1,181,856	3,426,713	4,608,569
Latin America - E&C	477,640	1,122,251	1,599,891
Europe - E&C	451,532	485,606	937,138
E&C - total	2,111,027	5,034,570	7,145,597
Environment	132,660	239,366	372,025
Capital	27,068	8,238	35,306
Group - total	2,270,755	5,282,174	7,552,929

3. Cost of goods sold, materials consumed and changes in production

The cost of goods sold, materials consumed and changes in production for the years ended 31 December 2022 and 2021 can be analysed as follows:

2022	Merchandise	Raw and subsidiary materials and consumables	Total
Opening balance	82,900	120,232	203,132
Purchases	67,294	956,345	1,023,639
Exchange differences and other movements	921	5,526	6,447
Changes in the perimeter	898	(315)	583
Closing balance (Note 22)	(76,517)	(214,182)	(290,699)
	75,496	867,606	943,102
Changes in production			(17,938)
Cost of goods sold, materials consumed and changes in production			925,164

2021	Merchandise	Raw and subsidiary materials and consumables	Total
Opening balance	82,774	98,882	181,657
Purchases	62,202	570,052	632,254
Exchange differences and other movements	(345)	5,804	5,459
Changes in the perimeter	-	159	159
Closing balance (Note 22)	(82,900)	(120,232)	(203,132)
	61,731	554,666	616,397
Changes in production			7,483
Cost of goods sold, materials consumed and changes in production			623,880

The amounts included under the caption "Changes in production" refer, essentially, to the value of the apartments built and sold by the GROUP, namely in Poland.

4. Third-party supplies and services

Third-party supplies and services for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Subcontracts	785,170	457,151
Specialised works, fees and commissions	304,629	118,753
Transport of goods	129,151	60,231
Leases and rents	122,188	97,454
Maintenance and repair	75,976	50,639
Expenses associated with the construction of concession assets	59,126	34,295
Fuel	47,043	36,840
Insurance	44,059	34,238
Transport, travel and lodging	39,320	26,870
Vigilance and security	16,638	14,916
Water and electricity	14,629	18,000
Advertising and publicity	8,205	5,727
Communications	6,255	4,611
Cleaning	4,958	4,361
Utensils, other materials and office equipment	3,527	9,561
Other supplies and services	44,955	9,421
	1,705,829	983,069

In the years ended 31 December 2022 and 2021, the caption “Subcontracts” refers, essentially, to expenses incurred with subcontractors associated with the performance of the construction contracts that the GROUP was carrying out. On those dates, 472,744 thousand euros and 137,027 thousand euros, respectively, refer to Latin America – E&C 176,190 thousand euros and 214,694 thousand euros, respectively, refer to the Europe – E&C and 121,820 thousand euros and 74,296 thousand euros, respectively, refer to the Africa – E&C.

In the years ended 31 December 2022 and 2021, the caption “Specialised works, fees and commissions” included, among others, technical assistance works, outsourcing, audit, and consulting services.

In the years ended 31 December 2022 and 2021, the caption “Leases and rents” refers, essentially, to expenses incurred with the lease of equipment, machinery, vehicles and facilities, leases which did not comply with the definition of lease under IFRS – 16 and leases that did comply with that definition, but which are short-term or low value leases, or include a variable price component (see Note 1.4. f).

5. Wages and salaries

Wages and salaries for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Payroll	545,980	452,019
Social security charges:		
Pensions (defined benefit plan) - Note 39	432	559
Others	131,538	111,008
	677,951	563,586

In the years ended 31 December 2022 and 2021, the caption “Others” included, essentially, expenses incurred with Social Security and other similar social contribution schemes abroad, meals and sickness subsidies, occupational accident insurance and severance pay.

In the years ended 31 December 2022 and 2021, the wages and salaries by operating segment can be analysed as follows:

	2022	2021
Latin America - E&C	190,066	141,535
Africa - E&C	183,843	131,198
Environment	157,235	136,985
Europe - E&C	94,971	106,554
Capital	31,514	31,504
Other, eliminations and intragroup	20,322	15,810
	677,951	563,586

Number of employees

As of 31 December 2022 and 2021, the number of employees working in the GROUP (taking into consideration the business unit in which those employees effectively carry out its activity) can be analysed as follows:

	2022	2021
Directors and board members	138	145
Employees	18,667	18,489
Temporary workers	25,232	19,940
	44,037	38,574
Africa - E&C	15,505	14,408
Latin America - E&C	13,995	6,892
Environment	9,914	12,357
Europe - E&C	3,081	3,384
Capital	1,158	1,193
Others, eliminations and intragroup	384	340
	44,037	38,574

6. Other operating income / (expenses)

Other operating income / (expenses) for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Operating income		
Favourable exchange differences	514,060	209,194
Changes in fair value in investment properties - Increases (Note 21)	364	708
Investment grants (Note 35)	16,700	14,902
Gains arising from the sale of tangible assets	22,095	15,698
Other income	34,969	19,969
	588,188	260,471
Operating expenses		
Unfavorable exchange differences	477,363	231,528
Taxes	20,645	17,292
Losses arising from the sale of tangible assets	14,569	6,749
Changes in fair value in investment properties - Decreases (Note 21)	3,986	3,076
Donations	3,138	3,023
Other expenses	23,097	8,414
	542,799	270,081
	45,389	(9,609)

In the years ended 31 December 2022 and 2021, the net exchange differences were originated, essentially, in Africa – E&C business unit.

In the years ended 31 December 2022 and 2021, the caption “Investment grants” referred, essentially, to the recognition of investment grants by EGF SUBGROUP companies.

In the year ended 31 December 2022, the net gains arising from the sale of tangible assets are justified, essentially, by MOTA-ENGIL O&M MEXICO, by EMPRESA CONSTRUTORA BRASIL, by MOTA-ENGIL CENTRAL EUROPE POLÓNIA and by MOZAMBIQUE BRANCH OF MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO ÁFRICA.

In the year ended 31 December 2021, the net gains arising from the sale of tangible assets are justified, essentially, by MOTA-ENGIL CENTRAL EUROPE POLÓNIA, MOTA-ENGIL ANGOLA, MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO and by EMPRESA CONSTRUTORA BRASIL.

In the years ended 31 December 2022 and 2021, the caption "Taxes" included several taxes supported by the different companies of the Group, with particular emphasis to the ones located in Colombia, Mexico Portugal and Nigeria (only in 2022).

7. Amortizations and depreciations

Amortizations and depreciations for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Amortizations for the year of intangible assets (Note 15):		
Development costs	-	4,761
Software and other rights	1,084	1,215
Concessions operation rights	70,032	56,219
Other intangible assets	3,345	3,071
	74,460	65,266
Depreciations for the year of tangible assets (Note 16):		
Land and buildings - assigned to quarries exploration	921	672
Land and buildings - to own use	9,761	5,923
Heavy equipment used in the Engineering and Construction business	50,710	24,897
Equipment - others	45,102	38,355
Other tangible assets	2,283	1,844
	108,778	71,691
Depreciations for the year of right of use assets (Note 17):		
Land and buildings - to own use	3,410	2,901
Heavy equipment used in the Engineering and Construction business	51,352	46,399
Equipment - others	40,616	23,989
Other tangible assets	41	18
	95,418	73,307
	278,656	210,264

8. Provisions and impairment losses

Provisions and impairment losses for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022			2021		
	Increases	Decreases	Net	Increases	Decreases	Net
Provisions (Note 37)	33,503	(17,302)	16,202	15,618	(880)	14,738
Total of provisions	33,503	(17,302)	16,202	15,618	(880)	14,738
Adjustments and impairment losses:						
In inventories (Note 22)	462	(229)	233	1,308	(7,567)	(6,259)
In goodwill (Note 14)	641	-	641	870	-	870
In tangible assets (Note 16)	960	(1,559)	(599)	1,168	(859)	308
In other current assets	1,787	-	1,787	-	-	-
In other financial investments recorded at amortised cost (Note 20)	-	-	-	-	(6,453)	(6,453)
In customers and other debtors (Note 23)	10,543	(9,972)	570	28,233	(14,651)	13,582
In right of use assets	-	-	-	88	-	88
Total of impairment losses	14,393	(11,760)	2,632	31,667	(29,530)	2,137
Total of provisions and impairment losses	47,896	(29,062)	18,834	47,285	(30,410)	16,875

The net increase occurred in the year ended 31 December 2022 under the caption "Provisions" was due, essentially, to the increase of several provisions associated with the warranty period of the construction contracts, as well as, for several contingencies (namely in the Africa – E&C and Environment business units).

The net increase occurred in the year ended 31 December 2021 under the captions "Provisions" and "Impairment losses" was due, essentially, to the recognition of impairment losses in the Africa - E&C and Latin America - E&C business units to address the realization of some accounts receivables, as well as, the reinforcement of several provisions associated with the warranty period of the construction contracts (namely in the Africa – E&C business unit) and for several contingencies (namely in the Africa – E&C business unit, in MOTA-ENGIL SGPS and in some subsidiaries of MOTA-ENGIL CAPITAL). On the other hand, the reversion of impairments in inventories was due, essentially, to the update of impairment tests / real estate appraisals performed to some real estate assets located in Portugal.

9. Financial income and gains and Financial costs and losses

Financial income and gains and financial costs and losses (financial results) for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Financial income and gains		
Financial assets recorded at amortised cost:		
Interest income	67,837	50,917
Prompt payment discounts received	489	452
Favourable exchange differences	354,999	81,127
Other financial assets:		
Income from equity investments - Other financial investments recorded at fair value through other comprehensive income	4,337	966
Fair value gains - Derivative financial instruments	832	4
Other financial income and gains	17,676	7,267
	446,170	140,733
Financial costs and losses		
Financial liabilities recorded at amortized cost		
Interest expenses	165,216	124,718
Interest expenses - right of use assets (Note 17)	18,786	13,159
Prompt payment discounts granted	482	537
Unfavourable exchange differences	368,127	73,551
Other financial liabilities:		
Other financial costs and losses	47,746	55,113
	600,357	267,078
	(154,187)	(126,344)

In the years ended 31 December 2022 and 2021, the caption "Interest income" included, essentially, the interests associated with Angola and Mozambique sovereign bonds held by the GROUP, as well as, the income from the CLEAN EBURNIE concession, which is recorded according to the IFRIC - 12 financial asset model, as well as, the interests related with the loans granted by MOTA ENGIL MEXICO to some associated companies.

In the years ended 31 December 2022 and 2021, net exchange differences were, essentially, generated in the Africa – E&C and Latin America – E&C (only in 2021) business units.

Dividends are recognized when the GROUP's right to receive the corresponding amount is established. In the years ended 31 December 2022 and 2021, the caption "Income from equity investments" referred, essentially, to dividends received from BAI – Banco Angolano de Investimentos (4,179 thousand euros in 2022 and 543 thousand euros in 2021).

In the years ended 31 December 2022 and 2021, the financial costs capitalized in assets under construction / development can be analysed as follows:

	2022	2021
Inventories	1,961	883
	1,961	883

In the years ended 31 December 2022 and 2021, in order to capitalize financial costs to the assets under construction / development above-mentioned, an average interest rate of 6.09% and 4.39%, respectively, was used.

In the years ended 31 December 2022 and 2021, the caption "Other financial costs and losses" included, essentially, costs with guarantees and with the set-up of loans, as well as, several commissions and costs charged by financial institutions, part of which are being recognised through the effective interest rate method.

In the year ended 31 December 2021, the aforementioned caption also included the amount of circa 530 thousand euros associated with the effect of the non-substantial modifications performed to some loans obtained by the GROUP (Note 1.4.i).

10. Gains / (losses) in associates and joint ventures

Gains in associates and in joint ventures for the years ended 31 December 2022 and 2021 can be analysed as follows:

Gains in associates and joint ventures	2022	2021
Martifer Group (Others, eliminations and intragroup segment)	5,438	6,994
Lineas Group (Capital segment)	2,961	1,065
Sistemas Electricos Metropolitanos (Latin America - E&C segment)	2,018	-
Consortio Línea Panama Norte (Latin America - E&C segment)	1,668	-
Concesionaria Alternativas Viales (Latin America - E&C segment)	1,343	-
Operadora Tampico Ciudad Victoria (Latin America - E&C segment)	1,112	187
Automatriz (Africa - E&C segment)	906	2,291
APP Tamaulipas (Latin America - E&C segment)	582	35
APP Coatzacoalcos Villahermosa (Latin America - E&C segment)	493	748
Mota-Engil Tourism BV and affiliates (Latin America - E&C segment)	15	451
HL - Sociedade Gestora do Edifício (Capital segment)	-	2,461
Haçor (Capital segment)	-	356
Others	1,641	1,331
	18,176	15,920

Losses in associates and in joint ventures for the years ended 31 December 2022 and 2021 can be analysed as follows:

Losses in associates and joint ventures	2022	2021
Lineas Group (Capital segment)	9,658	-
Concessionária Autopista Cardel Poza Rica (Latin America - E&C segment)	6,268	4,239
Autopista Urbana Siervo de la Nacion (Latin America - E&C segment)	3,532	1,667
Concessionária Autopista Tuxpan-Tampico (Latin America - E&C segment)	2,397	3,705
Grupo Constructor y Desarrollador de Puebla (Latin America - E&C segment)	636	-
Infraconnect Fifteen Kenya (Africa - E&C segment)	282	252
Infraconnect Eighteen Kenya (Africa - E&C segment)	227	-
Operadora Tampico Ciudad Victoria (Latin America - E&C segment)	183	-
Agrupamentos Complementares de Empresas – ACE's" held by Mota-Engil Engenharia e Construção (Europe - E&C segment)	-	906
Others	469	2,036
	23,654	12,806
Gains/(Losses) in associates and joint ventures	(5,478)	3,114

In the year ended 31 December 2021, following the significant improvement occurred in the economic and financial indicators of MARTIFER, the GROUP recorded once again the effects of the application of the equity method over this associated company. On 31 December 2020, the financial investment in MARTIFER was recorded by zero.

In the year ended 31 December 2022, the result appropriated in LINEAS GROUP was influenced, essentially, by the following two non-recurring events: (i) the change in the accounting of the DOURO INTERIOR concession contract (circa of -29,000 thousand euros); and (ii) the reversal of a provision for contingencies at CONCESSIONÁRIA DO TIETE (circa of +14,000 thousand euros).

In the years ended 31 December 2022 and 2021, the losses appropriated in CONCESSIONÁRIA AUTOPISTA CARDEL POZA RICA, AUTOPISTA URBANO SIERVO DE LA NACION and in CONCESSIONÁRIA AUTOPISTA TUXPAN-TAMPICO were justified, essentially, by the recent opening of the respective highways and by the existent gap in this stage of the operation between the income generated and the costs supported, namely with financial expenses and amortizations.

11. Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies

Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies in the years ended 31 December 2022 and 2021 can be analysed as follows:

Gains on the acquisition and disposal of subsidiaries, joint ventures and associated companies	2022	2021
Autopista Siervo de la Nacion (Mota-Engil México)	20,163	-
Ireland and United Kingdom operations (Mota-Engil Engenharia e Construção)	5,083	-
Takargo (Mota-Engil Capital)	785	-
HL (Mota-Engil Ambiente e Serviços and Mota-Engil Engenharia e Construção)	635	-
Mota-Engil Tourism BV (Mota-Engil Latin America)	-	46,331
Haçor (Mota-Engil Ambiente e Serviços and Mota-Engil Engenharia e Construção)	-	1,804
Sunviauto Internacional (ME 3I SGPS)	-	724
Others	11	469
	26,677	49,328

Losses on the acquisition and disposal of subsidiaries, joint ventures and associated companies	2022	2021
Mota-Engil Tourism BV (Mota-Engil Latin America)	4,416	-
Others	227	115
	4,643	115

Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies	2022	2021
	22,034	49,213

In the years ended 31 December 2022 and 2021, for the most relevant transactions, the detail of the calculation of the respective gains / (losses) is disclosed in Note 42.

12. Income tax

Income tax for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Current tax	59,475	67,226
Deferred tax - Impact of hyperinflation in Zimbabwe	-	(4)
Deferred tax	(19,820)	(8,861)
	39,655	58,361

As of 31 December 2022 and 2021, the detail and the movement of deferred tax assets and liabilities, in accordance with the temporary differences that gave rise to them, can be analysed as follows:

Deferred Tax Assets 2022	2021	Changes in the perimeter	Effect in results	Effect in reserves	Transfers and others	2022
Provisions and impairment losses not accepted for tax purposes	62,458	-	13,364	255	3,579	79,656
Tax losses carried forward	37,313	-	19,864	2,670	1,466	61,313
Accrued expenses not accepted for tax purposes	62,101	-	(32,140)	16,178	-	46,140
Accrued expenses associated with investments to be performed not accepted for tax purposes	27,582	-	(3,821)	-	-	23,761
Temporary differences in the liquidation of subsidiaries	9,189	-	-	-	-	9,189
Others	10,605	784	7,223	1,361	(5,039)	14,933
	209,248	784	4,490	20,464	6	234,992

Deferred Tax Assets 2021	2020	Changes in the perimeter	Effect in results	Effect in reserves	Transfers and others	2021
Provisions and impairment losses not accepted for tax purposes	69,322	-	(9,139)	2,275	-	62,458
Accrued expenses not accepted for tax purposes	41,646	(150)	19,407	6,212	(5,013)	62,101
Tax losses carried forward	50,188	(3,372)	(8,375)	(418)	(710)	37,313
Accrued expenses associated with investments to be performed not accepted for tax purposes	24,051	-	1,905	-	1,626	27,582
Temporary differences in the liquidation of subsidiaries	9,189	-	-	-	-	9,189
Others	7,521	-	2,306	992	(214)	10,605
	201,918	(3,523)	6,103	9,061	(4,311)	209,248

Deferred Tax Liabilities 2022	2021	Changes in the perimeter	Effect in results	Effect in reserves	Transfers and others	2022
Revaluation of fixed assets and investment properties	61,833	-	(10,683)	6,476	(783)	56,843
Untaxed accrued income	27,320	-	(6,534)	8,707	15,850	45,343
Fair value allocation in business combinations	38,571	-	272	-	-	38,843
Exchange differences not accepted for tax purposes	13,157	-	572	484	-	14,214
Amortizations associated with future investments to be performed not accepted for tax purposes	23,882	-	(772)	-	-	23,111
Amortizations not accepted for tax purposes	8,149	-	219	2	-	8,370
Impact of hyperinflation in Angola	7,688	-	-	674	-	8,362
Others	14,647	(152)	1,595	1,143	(12,837)	4,397
	195,249	(152)	(15,331)	17,485	2,230	199,482

Deferred Tax Liabilities 2021	2020	Changes in the perimeter	Effect in results	Effect in reserves	Transfers and others	2021
Revaluation of fixed assets and investment properties	52,082	(18,639)	(5,045)	30,719	2,716	61,833
Fair value allocation in business combinations	39,766	-	(1,195)	-	-	38,571
Untaxed accrued income	34,252	-	(1,840)	3,526	(8,618)	27,320
Amortizations associated with future investments to be performed not accepted for tax purposes	24,002	-	(546)	-	426	23,882
Exchange differences not accepted for tax purposes	13,850	-	(692)	-	-	13,157
Amortizations not accepted for tax purposes	8,780	-	(155)	(50)	(426)	8,149
Impact of hyperinflation in Angola	5,803	-	190	1,695	-	7,688
Others	3,160	(885)	6,526	5,814	33	14,647
	181,695	(19,524)	(2,758)	41,704	(5,869)	195,249

As of 31 December 2022 and 2021, the share of deferred tax assets expected to be used within a period of more than 12 months amounts to, approximately, 155,000 thousand euros and 135,000 thousand euros, respectively.

In the year ended 31 December 2021, the column “Changes in the perimeter” reflected, essentially, the impact of changing the consolidation method of the MEXICO TOURISM BUSINESS (from the full consolidation method to the equity method) following the loss of control over that business.

In the years ended 31 December 2022 and 2021, the column “Effect in reserves” included, essentially: (i) the exchange differences arising from the translation of the financial statements of affiliated companies expressed in a foreign currency, namely the ones located in the Africa - E&C and Latin America - E&C business units and (ii) the tax associated with the revaluations carried out to the lands and buildings for own use and to the heavy equipment’s used in the Engineering and Construction business.

In the years ended 31 December 2022 and 2021, the captions “Accrued expenses not accepted for tax purposes” and “Untaxed accrued income” included, essentially, the effect of the temporary differences in some countries between the tax and the accounting treatment of the construction contracts (namely, recognition for tax purposes of expenses and income only in the moment when the respective financial flow occurs).

As of 31 December 2022 and 2021, according to the tax estimates and the tax returns of the companies that recorded deferred tax assets associated with tax losses and tax credits, those were carried forward as follows:

2022	Tax credits and losses	Deferred tax assets
Year of recognition:		
up to 2018 (inclusive)	26,392	5,959
2019	26,947	8,581
2020	18,987	7,722
2021	54,875	19,496
2022	43,552	19,554
	170,752	61,313

2022	Tax credits and losses	Deferred tax assets
Time limit:		
2023	1,630	936
2024	6,130	3,679
2025	40,386	9,974
2026	39,774	21,808
after 2026	82,832	24,916
	170,752	61,313

2021	Tax credits and losses	Deferred tax assets
Year of recognition:		
up to 2017 (inclusive)	10,451	1,985
2018	21,007	3,613
2019	26,517	5,456
2020	10,169	2,794
2021	98,143	23,464
	166,287	37,313

2021	Tax credits and losses	Deferred tax assets
Time limit:		
2022	1,921	343
2023	2,978	566
2024	7,749	1,261
2025	11,679	2,495
after 2025	141,960	32,648
	166,287	37,313

As of 31 December 2022 and 2021, an assessment was performed regarding the deferred tax assets recognized arising from taxes losses carried forward and other temporary deductible taxable differences. As a result, those were only recorded when it was considered probable, according to the information provided below, that there would be taxable profits in the future and those could be used to recover the tax losses or to offset existing temporary taxable differences. That assessment was based, essentially, taking in consideration the business plans of the several companies of the GROUP, which are periodically reviewed and updated.

Likewise, in order to assess the realization of the deferred tax assets generated under MOTA-ENGIL SGPS tax consolidation group (Special Taxation Regime for Company Groups, "RETGS" on the Portuguese abbreviation), the business plans of the companies included in that regime were used, namely those of MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO, and MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO AFRICA.

As of 31 December 2022 and 2021, if the taxable profits considered in the business plans of the companies included in the MOTA-ENGIL SGPS tax consolidation regime were higher or lower in 5%, the recognized deferred tax assets would increase and decrease in 0 thousand euros and 0 thousand euros, respectively (263 thousand euros and 263 thousand euros, respectively, as of 31 December 2021).

Additionally, following the entry into force of Law No. 24-D/2022, of December 30, the deduction of tax losses from taxable income is no longer limited in time, being limited to 65% of taxable income, with the exception of the deduction of tax losses generated in the years 2020 and 2021, whose deduction is limited to 75% of taxable income.

Finally, as of 31 December 2022, there were tax losses carried forward in the amount of 46,005 thousand euros, which deferred tax assets, from a cautious perspective and taking into consideration the uncertainty of its realization, were not recorded.

2022	Tax losses	Deferred tax assets
Year of recognition:		
up to 2018 (inclusive)	13,347	2,656
2019	3,677	571
2020	14,941	4,156
2021	7,385	1,865
2022	6,655	1,706
	46,005	10,953

2022	Tax losses	Deferred tax assets
Time limit:		
2023	6,143	1,141
2024	4,401	871
2025	4,876	701
2026	4,291	959
after 2026	26,294	7,281
	46,005	10,953

MOTA-ENGIL SGPS is covered since January 2010 by the Special Tax Regime for Groups of Companies (“Regime Especial de Tributação dos Grupos de Sociedades – RETGS”), and therefore its current tax is calculated based on the taxable profits of the companies included in the consolidation and in that special regime, according to its rules.

RETGS includes all the subsidiaries held, directly or indirectly, at least by 75% of its share capital, located in Portugal and subject to the general regime of taxation established in the Corporate Income Tax (CIT).

For the companies not subject to that special tax regime, current tax is calculated based on the respective taxable profit determined in accordance with the tax rules in force at the location of the head office of each affiliated company.

Since January 1, 2007, municipalities began to be entitled to charge an annual municipal surcharge up to the maximum limit of 1.5% of the taxable profit subject to and not exempt from CIT. Therefore, in the years ended 31 December 2022 and 2021, MOTA-ENGIL SGPS and its subsidiaries located in Portugal were subject to a CIT rate of 21%, plus a municipal surcharge at a maximum rate of 1.5% applicable to the taxable profit, reaching a maximum aggregate tax rate of, circa of, 22.5%.

Furthermore, in the years ended 31 December 2022 and 2021, the taxable profits of the affiliated companies located in Portugal that exceeded 1,500,000 euros were subject to a state surcharge determined in accordance with article 87 - A of the Portuguese Code of CIT, at the following rates:

- 3% for taxable profits between 1,500,000 euros and 7,500,000 euros;
- 5% for taxable profits between 7,500,000 euros and 35,000,000 euros; and
- 9% for taxable profits over 35,000,000 euros.

On the other hand, in the years ended 31 December 2022 and 2021, the deduction of the net financing costs in the determination of the taxable profit became limited to the highest of the following thresholds:

- 1,000,000 euros; and
- 30% of earnings before depreciation, net financing costs and taxes.

Lastly, in accordance with article 88 of the Portuguese Code of CIT, the affiliated companies located in Portugal are additionally subject to an autonomous taxation over a set of costs at the rates provided for in the aforesaid article.

Therefore, in order to determine deferred tax assets / liabilities in Portugal, the rates of 21% (for tax losses and tax credits carried forward) and 22.5% (for the remaining temporary differences) were used since those rates are estimated to be the ones in force at the date of the reversal of the respective temporary differences.

In the years ended 31 December 2022 and 2021, the reconciliation between the nominal and the effective income tax rate can be analysed as follows:

2022	Rate	Tax basis	Tax
Nominal tax rate and tax on income	22.5%	116,134	26,130
Results of associates and joint ventures recorded by the equity method	1.1%	5,478	1,232
Tax losses and other temporary differences of the year for which no deferred tax assets were recognized and / or write-off of deferred tax assets recognized in previous years and / or recognition of deferred tax assets not recognized in previous years	3.2%	16,527	3,718
Differentiated nominal tax rates	9.6%	-	11,247
Differences between tax and accounting capital gains and losses	(7.9)%	(40,993)	(9,223)
Autonomous taxation	1.1%	-	1,259
Financial costs not deductible	11.4%	59,153	13,309
Income taxed under other taxes instead of Income Tax	(6.5)%		(7,556)
Other effects	(0.4)%		(462)
Effective rate and income tax	34.1%		39,655

2021	Rate	Tax basis	Tax
Nominal tax rate and tax on income	22.5%	121,600	27,360
Results of associates and joint ventures recorded by the equity method	(0.1)%	(3,114)	(701)
Tax losses and other temporary differences of the year for which no deferred tax assets were recognized and / or write-off of deferred tax assets recognized in previous years	12.1%	27,794	14,372
Differentiated nominal tax rates	6.1%	-	7,221
Differences between tax and accounting capital gains and losses	(4.5)%	(23,981)	(5,396)
Autonomous taxation	1.1%	-	1,361
Financial costs not deductible	8.5%	45,064	10,139
Income taxed under other taxes instead of Income Tax	(1.1)%	-	(1,265)
Prior year corrections	3.0%	-	3,591
Other effects	1.4%	-	1,678
Effective rate and income tax	48.0%		58,361

The amounts included under the caption "Differentiated nominal tax rates" are justified, essentially, by the fact that companies located outside Portugal are subject to tax rates different from 22.5%.

As of 31 December 2022 and 2021, the nominal tax rates in force in the main countries in which the GROUP operates, which were also the basis for the quantification of deferred tax assets and liabilities, since those rates are estimated to be the ones in force at the date of reversal of the respective temporary differences, were as follows:

Country	Rate	
	2022	2021
South Africa	28%	28%
Angola	25%	25%
Brazil	34%	34%
Colombia	35%	31%
Malawi	35%	35%
Mexico	30%	30%
Mozambique	32%	32%
Peru	29,5%	29,5%
Poland	19%	19%

Pursuant to the national legislation, tax returns are subject to review and correction by tax authorities during a period of four years (five years for Social Security), except when tax losses have occurred, tax benefits have been granted or inspections, claims or other objections are under way, situations in which, depending on the circumstances, those periods are extended or suspended. Therefore, the tax returns of the GROUP companies located in Portugal, for the years 2019 to 2022, may still be subject to review and correction. Nevertheless, the GROUP's Board of Directors is of the opinion that potential corrections arising from different interpretations of the legislation in force by the tax authorities will not have a significant effect on the accompanying consolidated financial statements.

On the other hand, it is the GROUP's Board of Directors belief, supported by its lawyers and tax consultants, that there are no material liabilities related with tax contingencies, taking into consideration the dispositions of IFRIC - 23 – Uncertainties on the income tax treatment, that should give rise to the recognition of provisions or the need to disclose them in the accompanying consolidated financial statements.

Finally, following the publication of the Community Directive, called "Pillar II", issued by the European Union on December 15, 2022 (whose transposition into national legislation will have to occur by the end of 2023 to enter into force in 2024) and in the absence of specific legislation published on its practical adoption, it was not possible to estimate the impacts arising from its adoption on current tax or deferred tax. However, since the GROUP's level of effective taxation in the various jurisdictions where it operates, although applying only the local taxation rules and not the methodology foreseen in the aforementioned Directive, is mostly higher than the 15% defined in that Directive, no significant impacts resulting from its application are estimated.

13. Earnings per share

MOTA-ENGIL, SGPS only issued ordinary shares and so there are no special rights to dividends or voting rights.

There are no situations in the GROUP which might lead to a reduction of earnings per share as a result of options, warrants, convertible bonds or other rights linked with ordinary shares. Therefore, there is no dissimilarity between the calculation of basic earnings per share and the calculation of diluted earnings per share.

In the year ended 31 December 2021, 69,270,809 ordinary and nominative shares were issued, with a nominal value of 1 euro each at a unit subscription price of 1.5 euros. By 31 December 2022 and 2021, the share capital of MOTA-ENGIL SGPS amounted to 306,775,950 euros and was represented by 306,775,950 ordinary shares with a nominal value of 1 euro each.

Therefore, in the years ended 31 December 2022 and 2021, the calculation of the earnings per share may be analysed as follows:

		2022	2021
Consolidated net profit of the year attributable to the Group	(I)	40,729	24,101
Number of shares outstanding at the beginning of the year		306,776	237,505
Number of shares outstanding at the end of the year		306,776	306,776
Weighted average number of ordinary shares	(II)	306,776	278,878
Weighted average number of own shares	(III)	6,092	6,092
Average number of shares outstanding	(II - III)	300,684	272,786
Earnings per share:			
basic	(I) / (II - III)	0.135 €	0.088 €
diluted	(I) / (II - III)	0.135 €	0.088 €

14. Goodwill

Information regarding goodwill for the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022			2021		
	Gross Goodwill	Accumulated impairment losses	Net Goodwill	Gross Goodwill	Accumulated impairment losses	Net Goodwill
Europe - E&C						
Mota-Engil Central Europe Poland	8,011	(4,426)	3,585	8,107	(3,859)	4,248
Mota-Engil Central Europe Czech Rep.	-	-	-	93	(93)	0
Others	-	-	-	1,726	(1,726)	-
	8,011	(4,426)	3,585	9,926	(5,677)	4,249
Environment						
Suma Group	12,639	(4,177)	8,462	13,609	(4,229)	9,380
Others	98	(75)	23	175	-	175
	12,737	(4,252)	8,485	13,784	(4,229)	9,555
Africa - E&C						
Cecot	1,036	-	1,036	976	-	976
Others	143	-	143	149	-	149
	1,179	-	1,179	1,125	-	1,125
Latin America - E&C						
Empresa Construtora Brasil	3,548	-	3,548	3,170	-	3,170
Vias Y Comunicaciones Cua	1,169	-	1,169	-	-	-
Consita	377	-	377	337	-	337
	5,093	-	5,093	3,507	-	3,507
Capital						
Mota-Engil Ativ	1,187	-	1,187	498	(75)	423
Others	643	(41)	602	1,252	(41)	1,211
	1,831	(41)	1,789	1,750	(116)	1,634
	28,851	(8,719)	20,132	30,091	(10,022)	20,069

The movements occurred in goodwill in the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Goodwill at the beginning of the year	20,069	20,717
Impairment losses in Goodwill (Note 8)		
Mota-Engil Central Europe Poland	(641)	(870)
	(641)	(870)
Changes in Goodwill due to changes in the perimeter (acquisitions)		
Vias Y Comunicaciones Cua	1,169	-
	1,169	-
Transfers		
Suma Group (Industrial waste business)	(918)	-
	(918)	-
Changes in Goodwill due to exchange differences		
Empresa Construtora Brasil	378	(17)
Mota-Engil Central Europe Poland	(22)	32
Others	97	208
	453	222
Goodwill at the end of the year	20,132	20,069

In the years ended 31 December 2022 and 2021, the impairment losses recorded in goodwill were justified, essentially, by the write-off of goodwill allocated to the bridge's businesses in Poland.

In the year ended 31 December 2022, the transfer of goodwill occurred at SUMA GROUP resulted from the classification of its industrial waste business as a non-current asset available for sale (Note 28).

As of 31 December 2022 and 2021, the methods and the main assumptions used in the assessment over the existence, or not, of impairment for the most significant amounts of goodwill recorded in the accompanying consolidated financial statements, were as follows:

2022			
Assumptions	ECB*	Mota-Engil Central Europe Poland	Suma Group (except EGF)
Method used	Value in use	Value in use	Value in use
Basis used	Forecasts with perpetuity	Forecasts with perpetuity	Forecasts with perpetuity
Period used	5 years	5 years	5 years
Growth rate of sales:			
Year n+1	62.0%	75.4%	(5.4)%
Year n+3	(17.9)%	2.3%	2.6%
In perpetuity	3.0%	2.5%	2.0%
Discount rate used	14.3%	10.5%	8.8%

* Valuation expressed in local currency

2021			
Assumptions	ECB*	Mota-Engil Central Europe Poland	Suma Group (except EGF)
Method used	Value in use	Value in use	Value in use
Basis used	Forecasts with perpetuity	Forecasts with perpetuity	Forecasts with perpetuity
Period used	5 years	5 years	5 years
Growth rate of sales:			
Year n+1	10.0%	8.4%	3.7%
Year n+3	5.0%	2.3%	2.6%
In perpetuity	3.0%	1.5%	1.5%
Discount rate used	10.0%	6.3%	5.9%

* Valuation expressed in local currency

As of 31 December 2022 and 2021, the sensitivity of the results of the impairment tests performed to goodwill to the most significant assumptions, namely to the discount rate, to the sales growth rate in perpetuity and to the projected cash-flows was as follows (impact on the recoverable amount of the net assets to which the goodwill was assigned):

in million euros

2022	Sensitivity to key assumptions					
	Discount rate		Sales growth rate in perpetuity		Projected cash-flows	
	0.5%	(0.5)%	0.5%	(0.5)%	5.0%	(5.0)%
ECB	(3)	3	2	(2)	3	(3)
Mota-Engil Central Europe Poland	(6)	7	5	(5)	5	(5)
Suma	(11)	13	10	(9)	8	(8)

in million euros

2021	Sensitivity to key assumptions					
	Discount rate		Sales growth rate in perpetuity		Projected cash-flows	
	0.5%	(0.5)%	0.5%	(0.5)%	5.0%	(5.0)%
ECB	(3)	4	3	(2)	2	(2)
Mota-Engil Central Europe Poland	(17)	21	18	(14)	9	(9)
Suma	(14)	18	15	(12)	7	(7)

As of 31 December 2022 and 2021, if a discount rate higher in 0.5% or a sales growth rate in perpetuity lower in 0.5% or projected cash-flows lower in 5% had been used, the results of the above-mentioned tests would not lead to the recognition of any impairment losses.

The value in use refers to the estimation of the present value of future cash flows of the respective CGU's, determined based on budgets and business plans duly approved by the GROUP's Board of Directors, which cover, on average, a period of five years.

In general terms, the assumptions used in the determination of the value in use were the following: (i) the cash inflows arising from sales were projected based on historical knowledge of the business, in market analyses, both in terms of growth and market share, in the backlog already obtained, as well as, in the prospects of obtaining new contracts in the future, based on historical probabilities of success; (ii) the operating margin was projected based on historical data and on management experience and knowledge; (iii) cash flows after the projection period were extrapolated using a perpetual growth rate similar to the inflation rate expected for the market where the affiliate operates; and (iv) estimated cash flows were discounted at their present value using a weighted average cost of capital rate.

Between 31 December 2022 and the date of approval of these consolidated financial statements, the GROUP did not acquire any material financial investment that generated goodwill.

15. Intangible assets

The information regarding the net book value of intangible assets by operating segment, as of 31 December 2022 and 2021, can be analysed as follows:

	Europe - E&C	Environment	Africa - E&C	Latin America - E&C	Capital	Other, eliminations and	Mota-Engil Group
2022							
Software and other rights	68	1,273	600	931	93	1,638	4,604
Concessions operation rights	-	504,267	49,011	66,767	11,452	-	631,498
Assets in progress	232	31,100	38	84,389	98	-	115,857
Other intangible assets	74	77	223	299	-	(412)	261
	374	536,717	49,872	152,387	11,643	1,226	752,219
2021							
Development costs	-	20,928	12	-	-	1,514	22,454
Software and other rights	108	1,036	1,087	963	124	804	4,124
Concessions operation rights	-	515,816	47,968	-	11,457	-	575,241
Assets in progress	-	22,249	32	74,603	92	-	96,976
Other intangible assets	80	73	212	-	-	-	365
	188	560,102	49,312	75,566	11,673	2,318	699,160

The information regarding the gross amount of intangible assets, as of 31 December 2022 and 2021 can be analysed as follows:

	Development costs	Software and other rights	Concessions operation rights	Assets in progress	Other intangible assets	Total
2022						
Opening balance	39,493	22,216	1,595,164	96,976	1,418	1,755,267
Increases	-	1,475	78,576	42,344	8,205	130,599
Disposals	-	(1)	(3,176)	(2,254)	-	(5,430)
Write-offs	(1)	(13)	(11,185)	(22)	(2,058)	(13,279)
Exchange differences	86	625	1,435	8,189	31	10,366
Changes in the perimeter	-	-	-	-	(416)	(416)
Transfers and other movements	(39,578)	(887)	59,241	(29,376)	(5,975)	(16,575)
	0	23,415	1,720,056	115,857	1,204	1,860,532
2021						
Opening balance	34,363	21,212	1,533,647	104,758	22,447	1,716,427
Increases	3,274	426	22,277	23,951	65	49,993
Disposals	-	(26)	(5,550)	-	-	(5,576)
Write-offs	-	(275)	(9,437)	-	-	(9,712)
Exchange differences	71	83	3,328	3,894	723	8,100
Changes in the perimeter	1,079	(0)	-	-	-	1,079
Transfers and other movements	705	796	50,899	(35,626)	(21,817)	(5,044)
	39,493	22,216	1,595,164	96,976	1,418	1,755,267

In the year ended 31 December 2022, the main increases / disposals / write-offs in intangible assets were related with the execution of the investment plan of the EGF SUBGROUP companies, with the investments performed by three new concessionaires (of highways and amusement parks) in Mexico (approximately 66,800 thousand of euros)) and with the investment performed by ESTRADAS DO ZAMBEZE under the concession contract that it currently explores.

In the year ended 31 December 2021, the main increases / disposals / write-offs in intangible assets were related with the execution of the investment plan of the EGF SUBGROUP companies, with the investments performed by GENERADORA FÉNIX, associated with the construction of a combined cycle plant and with the investments performed by CLEAN EBURNIE and ESTRADAS DO ZAMBEZE, under the scope of two concession contracts that they explore.

The information regarding the amount of accumulated amortization of intangible assets and the respective net amount at 31 December 2022 and 2021 can be analysed as follows:

	Development costs	Software and other rights	Concessions operation rights	Assets in progress	Other intangible assets	Total
2022						
Opening balance	(17,039)	(18,092)	(1,019,923)	-	(1,053)	(1,056,107)
Increases (Note 7)	-	(1,084)	(70,032)	-	(3,345)	(74,460)
Disposals	-	1	3,163	-	-	3,163
Write-offs	1	13	10,550	-	2	10,566
Exchange differences	(3)	(366)	(74)	-	(23)	(467)
Transfers and other movements	17,042	716	(12,241)	-	3,475	8,992
	(0)	(18,811)	(1,088,558)	-	(944)	(1,108,313)
2021						
Opening balance	(12,273)	(17,448)	(975,609)	-	(3,109)	(1,008,438)
Increases (Note 7)	(4,761)	(1,215)	(56,219)	-	(3,071)	(65,266)
Disposals	-	24	4,823	-	-	4,847
Write-offs	-	273	9,402	-	-	9,675
Exchange differences	(5)	(53)	(262)	-	(184)	(504)
Transfers and other movements	0	326	(2,058)	-	5,312	3,580
	(17,039)	(18,092)	(1,019,923)	-	(1,053)	(1,056,107)
Net amount						
2022	0	4,604	631,498	115,857	261	752,219
2021	22,454	4,124	575,241	96,976	365	699,160

As of 31 December 2022 and 2021, the caption “Concessions operation rights” can be detailed as follows:

	2022	2021
Concessions granted to EGF Subgroup	480,568	474,103
AMGP Agricultura	48,128	49,823
Concessionária Tulltepec	42,019	-
Azpau Entretenimiento	19,898	-
Eco Eburnie	19,411	23,698
Others	21,473	27,617
	631,498	575,241

At the end of 2014, a decision was announced which declared SUMA the winner of the public tender for the privatisation of 95% of the share capital of EGF, entity that manages the concession operators of multi-municipal systems for the treatment and recovery of municipal solid waste in Portugal. After obtaining a no-objection statement from the Competition Authority, the privatisation process was completed by the end of the first half of 2015 and EGF and its subsidiaries were consolidated in MOTA-ENGIL GROUP after July 1, 2015.

Concessions granted on an exclusive basis for 19 years to the companies of the EGF SUBGROUP (ALGAR, AMARSUL, ERSUC, RESISTRELA, RESINORTE, RESULIMA, SULDOURO, VALNOR, VALORLIS, VALORMINHO and VALORSUL) will end in 2034.

As of 31 December 2022 and 2021, circa of 63% and 61%, respectively, of the total amount of the concession’s operation rights of EGF SUBGROUP was justified by 5 concessionaires (VALORSUL, ERSUC, RESINOTE, ALGAR and AMARSUL).

The activity covered by the concessions comprises the treatment of municipal waste produced in the user municipalities, including their recovery and the provision of by-products, as well as the selective collection of municipal waste. Municipalities are required to provide concessionaires with all municipal waste whose management is under their responsibility.

The supervision of the concessions is the responsibility of ERSAR, which is empowered to set the tariffs to be applied, as well as, to approve the regulated accounts. On the other hand, from 2021 onwards, the investment plans of the concessionaires began being approved by the Grantor instead of ERSAR.

The operation and management of the concessions also includes the design, construction, acquisition, extension, repair, renewal, maintenance and optimisation of the works and equipment’s necessary for the execution of the business of the concessionaires.

The concession basis determine that concessionaires will have as its main activity the operation and management of the multi-municipal system of urban waste, including the treatment of urban waste arising from the undifferentiated collection, as well as, the selective collection of urban waste, including its sorting, and as complementary activities, concessionaires will have activities that, although not being part of its main activity, use assets related thereto, enabling the optimisation of the corresponding profitability. The performance of complementary activities depends upon authorisation from the Concession owner, after the opinions of the Competition Authority and of ERSAR.

The assets considered to be assigned to the concession are as follows:

- Infrastructures related to the treatment and recovery of undifferentiated and selective urban waste, as well as assets used in the selective collection of urban waste: transfer stations, eco-centres, plants for processing, sorting and recovery and corresponding points of access, related infrastructures, landfills, eco points and waste transport vehicles;
- Equipment required to operate infrastructures and to monitor and control its use;
- All works, machines and apparatuses and corresponding accessories used to collect and treat waste and to maintain equipment and management of the system that were not mentioned above;
- Equipment, machines, vehicles, apparatuses and corresponding accessories used to collect urban waste selectively.

In addition, the following assets are also considered to be assigned to the concession:

- Property purchased using the private right or by means of expropriation to set infrastructures;
- Exclusive rights of intellectual and industrial property that the concessionaires hold;

- Other assets and rights related to the continuity of the operations of the concessions, such as the ones related to labour, construction, lease and provision of services.

Concessionaires should prepare and keep the inventory of assets and rights related to the concessions and should send annually to ERSAR detailed information regarding them, as well as, the write-offs carried out.

During the period in force of the concessions, the concessionaires have the obligation to keep the assets in proper conditions of operation, conservation and safety, performing all repairs, renewals and adjustments necessary to keep assets in the required technical conditions.

The concessionaires have the right to use the assets related to the concessions until their extinguishment. Assets assigned to the concessions can only be used for the purposes foreseen in the concessions. At the extinguishment date of the concessions, assets assigned thereto are reverted to an inter-municipal entity, to the Association of Municipalities, to the group of using municipalities, or to the State, through the exercise of the corresponding option right and the payment to the concessionaires, under the terms established in the Basis and on the concession contracts, of a compensation that corresponds to the net book value of those assets, net of grants.

Concessionaires are liable for the risks inherent to the concessions under the applicable law, assuming the corresponding operating risks. On the other hand, the concessionaires are liable for the financing to develop the concession object, in order to meet all obligations established in the concession contracts in due time, assuming also the corresponding investment and financing risks.

The remuneration regime of the concessions is based on the recognition to concessionaires of allowed revenues that should be reflected in the tariffs to be applied to the users of the system.

Revenues allowed to concessionaires within the scope of the regulated activity are set by ERSAR for a period of three to five years ("Regulatory period"). The regulatory model is set by ERSAR and is based on the following assumptions, among others:

- Eligibility of operating costs, for the purposes of determination of allowed revenues, by reference to a context of operation production efficiency and management of the municipal system;
- Return on capital based on the weighted average cost, with parameters set by reference to market values and in accordance with the performance of comparable representative entities;
- Definition of an asset basis comprised by the assets allocated to the concessions as a basis for the capital remuneration;
- Adoption of mechanisms to promote efficiency; and
- Suitable impact on allowed revenues of the differences recorded between the estimated quantities and the quantities of urban waste delivered to the concessionaires.

Furthermore, the definition of the operating cost basis should take in consideration its effective control by the concessionaires, the technologies and capacity installed, as well as the fluctuations in demand.

Therefore, tariffs to be applied to the users must provide concessionaires with the allowed revenues determined under the terms of the previous basis and correspond to the division between the allowed revenues attributed each year to the concessionaires by the estimated delivered quantities for that year.

Concession contracts can be terminated by the Concession owner if one of the following situations occurs, with a significant impact on the concession operations: deviation from the purpose of the concession; long-lasting interruption of operation due to a fact attributable to the concessionaires; repeated objection to supervision or repeated non-compliance with the instructions of the Concession owner, or if laws and regulations applicable to the operation are not fully complied; refusal to carry out a proper conservation and repair of the infrastructures; repeated collection of amounts that exceed those set in the concession contracts and in the contracts entered into with users; dissolution or insolvency of the concessionaires; unauthorised transfer of the concession or sub concession; unauthorised disposal of shares in the share capital of concessionaires; encumbrance of shares in the share capital of the concessionaires that breach provisions in the concession contracts; unauthorised increase or decrease, when applicable, in the share capital of the concessionaires; lack of provision of guarantees or its renewal under the terms and deadlines foreseen; and concessionaires refusal or impossibility to resume concessions.

In addition, the Concession owner can bail out the concessions, assuming the direct management of the granted public service, whenever this arises for public interest and after at least two thirds of the contract term, with at least one year in advance in relation to the date the bailout takes effect.

As a result of the bailout, concessionaires are entitled to a compensation that must take in consideration the net book value on the bailout date of the regulated assets, net of grants, the amount of existing credits, as well as, the amount of future non realized profits, considering the remaining number of years until the term of the concession.

On the other hand, in September 2018, it was awarded to ECOEBURNIE a concession for the collection and treatment of urban waste in Abidjan, in Ivory Coast, during a period of 7 years. In this concession, the remuneration of ECOEBURNIE is indexed to the quantities of waste collected and treated, which exposes it to the risk of demand. At the end of the concession, the assets assigned to it will revert to the Concession owner in exchange of the receipt of their net book value.

In addition, also in Ivory Coast, and related to the concession described above, it was awarded to CLEAN EBURNIE a concession to operate a landfill for a period of 7 years. In this concession, the remuneration of CLEAN EBURNIE consists of two stakes: (i) an unconditional fixed rent irrespective of the amount of waste deposited in the landfill (and which was treated according to the financial asset model - see Note 23); and (ii) a variable rent based on the amount of waste deposited at the landfill (which was treated according to the intangible asset model). At the end of the concession, the assets assigned to it will revert to the Concession owner.

Additionally, in 2010, the Mozambican State granted to ESTRADAS DO ZAMBEZE the concession to operate two bridges and some roads for a period of 30 years. In this concession, the remuneration of ESTRADAS DO ZAMBEZE consisted in the receipt of a guaranteed minimum net amount that would allow it to, at least, cope with the debt service, the operating and maintenance costs of the conceded assets, as well as the major repairs to be carried out in the future on such assets. However, in April 2015, as a result of the contestation from local economic agents, the tolls on some of those infrastructures were suspended by the Mozambican Government, and after that date, and until the conclusion of the ongoing renegotiation process of the concession, ESTRADAS DO ZAMBEZE is, under the provisions of the concession contract, receiving in full the tolls charged on the remaining infrastructure. Thus, and until the new concession model is clarified, ESTRADAS DO ZAMBEZE is recognizing its operation right as an intangible asset to the extent that, in this period, ESTRADAS DO ZAMBEZE is supporting the demand risk.

On the other hand, during the year of 2020, it was renewed to EMPRESA AGRÍCOLA E FLORESTAL (subsidiary of AMGP AGRICULTURA) the right of surface and exploitation for 60 years of a land located in Cabinda with an area of circa of 16,000 hectares for agricultural and forestry activities. This right was temporarily granted for 5 years, becoming permanent if certain conditions are met. In addition, that right may be renewable for another 60 years, provided that neither party proceeds with its termination with one year in advance of the date of its initial termination date, moment when it will revert to the Angolan State. In this business, the demand risk is fully assumed by EMPRESA AGRÍCOLA E FLORESTAL.

Lastly, in the year ended 31 December 2022, the GROUP began the construction works at CONCESSIONARIA TULTEPEC and AZPAU ENTRETENIMIENTO. These concessions, of highways and of an amusement park, are located in Mexico and have a duration of 30 years and 20 years, respectively, assuming the GROUP the demand risk. At the end of the concessions, the assets assigned to them will revert to the Grantor.

As of 31 December 2022 and 2021, the most significant amounts included in the caption “Assets in progress” regard to the following projects:

Description	2022	2021
Analysis and development of Jorge Luque project (Generadora Fenix)	82,120	74,603
Transition of the mechanical treatment facility in Palmela to biological treatment (Amarsul)	6,531	-
Civil construction works to adapt to the reception of biowaste (Ersuc)	1,982	-
Sealing of the landfill of Vila Fria - 2nd stage (Resulima)	1,191	-
Solid waste treatment plant (Algar)	-	11,894
Technical studies in Torres Vedras and Lisboa (Valorsul)	-	2,371
Other ongoing investments made by companies of the Subgroup EGF	15,827	7,694
	107,651	96,561

As of 31 December 2022 and 2021, regarding the assets included in the caption “Concessions operation rights”, those cannot be traded without the previous approval of the Concession owner and of the Regulator (in the case of the companies of EGF SUBGROUP). On the other hand, as of 31 December 2022 there were commitments associated with the execution of future investments in the amount of circa of 173,000 thousand euros (115,000 thousand euros on 31 December 2021).

As of 31 December 2022 and 2021, there were approximately 33,450 thousand euros and 30,200 thousand euros, respectively, of intangible assets whose assets were pledged as collateral to the respective creditors.

The assessment over the existence of impairment indicators in intangible assets and the preparation of the corresponding tests, if applicable, were performed on an annual basis as referred to in Note 1.4. e).

In order to assess the existence of impairment indicators in intangible assets, the following topics were considered by the GROUP:

- Physical / technical obsolescence of the asset;
- Asset / EBITDA ratio above a given parameter (according to the type and location of the asset);
- Changes in interest rates and in capital remuneration rates;
- Generation of negative cash flows; and
- Interruption / delay in the development / construction of the respective assets.

As of 31 December 2022 and 2021, the methods and the main assumptions used by the GROUP in the preparation of the impairment tests regarding the intangible assets which presented indicators of impairment were as follows:

Assumption	Jorge Luque	
	2022	2021
Method used	Value in use	Value in use
Basis used	Forecasts	Forecasts
Period used	21 years	21 years
Growth rate of sales	11.04%	8.00%
Discount rate used	10.40%	9.20%
Net amount of the asset	82,120	74,603

The Jorge Luque project, which is in the final phase of construction, corresponds to the construction of a combined cycle plant in Mexico with a maximum capacity of 110 MW (37 MW on a first stage), under a concession contract.

As of 31 December 2022 and 2021, if a discount rate higher in 0.5%, or a sales growth rate lower in 0.5%, or projected cash-flows lower in 5% had been used, the results of the above-mentioned test would not lead to the recognition of any impairment losses.

Assumption	Eco Eburnie	
	2022	2021
Method used	Value in use	Value in use
Basis used	Forecasts	Forecasts
Period used	4 years (end of the concession period)	5 years (end of the concession period)
Growth rate of sales	1.00%	(2.65)%
Average discount rate used	11.62%	9.33%
Net amount of the asset	19,411	23,698

As of 31 December 2022 and 2021, if a discount rate higher in 0.5%, or a sales growth rate lower in 0.5%, or projected cash-flows lower in 5% had been used, the results of the above-mentioned test would not lead to the recognition of any impairment losses.

Assumption	2022	AMGP Phase I (Cocoa production)
Method used		Value in use
Basis used		Forecasts
Period used		25 years with perpetuity
Start of activity		2,026
Peak production		2,033
Average growth rate of sales		56%
Discount rate used:		15.47%
Net amount of the asset		48,128

Assumption	2021	AMGP	
		Phase I (Cashew production)	Phase II (Cocoa production)
Method used		Value in use	Value in use
Basis used		Forecasts	Forecasts
Period used		25 years with perpetuity	25 years with perpetuity
Start of activity		2022	2022
Maximum peak production		2026	2026
Average Cash flow / sales from 2023		59%	57%
Discount rate used:			
In the projection period		14.00%	14.00%
In the perpetuity		14.00%	14.00%
Net amount of the asset		49,823	

As above referred, AMGP AGRICULTURA is dedicated to agricultural and forestry activities in Cabinda, having been decided in 2022, following a strategic analysis, to focus its activity on cocoa production (cocoa and cashew in 2021). For that decision, the following topics, among others, were considered: (i) cocoa has a lower demand risk; (ii) allow for longer periods of storage; and (iii) since it is a native crop is more sustainable to the surrounding ecosystem. Thus, the planting schedule has been altered, and is now expected to begin in 2024, the first harvests in 2026, and the peak production in 2033. Therefore, as a result of the changes above mentioned, the estimated future cash flows suffered a change in comparison with those estimated in 2021, not jeopardizing the profitability of the project.

As of 31 December 2022 and 2021, if a discount rate higher in 0.5%, or a sales growth rate lower in 0.5%, or projected cash-flows lower in 5% had been used, the results of the above-mentioned test would not lead to the recognition of any impairment losses.

Assumption	2022 EGF Subgroup (a)
Method used	Value in use
Basis used	Forecasts
Period used	12 years (Remaining period of the concessions)
Regulated average asset basis approved for 2023	382,295
Regulated average asset basis approved for 2022 - 2024	362,752
Regulated average asset basis estimated for 2034	348,696
Average discount rate used in the period 2023 - 2034	6.04%
Net amount of the CGU	307,312

(a) Net assets used in the waste treatment and recovery activity developed by the concessionaires of EGF SUBGORUP.

Assumption	2021
	EGF Subgroup (a)
Method used	Value in use
Basis used	Forecasts
Period used	13 years (Remaining period of the concessions)
Regulated average asset basis approved for 2022	345,725
Regulated average asset basis approved for 2019- 2021	319,279
Regulated asset basis estimated for 2034	330,593
Average discount rate used in the period 2022 - 2034	4.87%
Net amount of the CGU	298,660

(a) Net assets used in the waste treatment and recovery activity developed by the concessionaires of EGF SUBGORUP.

As of 31 December 2022 and 2021, if a discount rate higher in 0.25% or a regulated average asset basis (RAB) lower in 5% had been used, the results of the above-mentioned tests would not lead to the recognition of impairment losses.

In the year ended 31 December 2022, within the scope of existing mechanisms for adapting estimated tariffs to the real ones, the Regulator (ERSAR) accepted the following corrections to the tariffs invoiced by the EGF concessionaires:

- Correction of the tariff adjustment of 2021 in an amount of circa of 8,600 thousand euros, determined in accordance with the provisions of article 37 of the Tariff Regulation. It should be noted that the amount referred above includes an adjustment associated with the effects caused by the Covid-19 pandemic, amounting to circa of 1,400 thousand euros and an adjustment associated with multi-year maintenance amounting to circa of 5,300 thousand euros.

In the year ended 31 December 2021, within the scope of existing mechanisms for adapting estimated tariffs to the real ones, the Regulator (ERSAR) accepted the following corrections to the tariffs invoiced by the EGF concessionaires:

- Extraordinary revision of the allowed revenues in 2019 and 2020 in the amount of circa of 13,600 thousand euros, as a result of a correction of benchmark operating costs of 2019;
- Correction of the tariff adjustment regarding 2020, in the amount of circa of 13,900 thousand euros, determined in accordance with article 37 of the Tariff Regulation. It is also relevant to highlight that the amount previously referred includes an adjustment associated with the effects caused by the Covid-19 pandemic, namely the one's related with the income not earned and with the additional expenses incurred in 2020, in the amount of circa of 9,000 thousand euros.

16. Tangible assets

The information regarding the net book value of tangible assets by operating segment as of 31 December 2022 and 2021, can be analysed as follows:

	Europe - E&C	Environment	Africa - E&C	Latin America - E&C	Capital	Others, eliminations and intragroup	Mota-Engil Group
2022							
Land and buildings - assigned to quarries exploration	23,616	-	-	-	-	-	23,616
Land and buildings - to own use	51,272	18,396	94,803	19,935	33,188	125	217,719
Heavy equipment used in the Engineering and Construction business	14,261	-	129,726	42,988	-	-	186,975
Equipment - others	11,452	18,251	25,472	13,491	2,466	169	71,301
Tangible assets in progress	18,643	2,537	75,696	1,194	10,378	-	108,448
Other tangible assets	967	255	7,807	4,011	12,841	-	25,882
	120,212	39,440	333,504	81,619	58,874	294	633,942
2021							
Land and buildings - assigned to quarries exploration	24,132	-	-	-	-	1,764	25,896
Land and buildings - to own use	24,248	16,899	99,015	19,171	14,736	(1,616)	172,454
Heavy equipment used in the Engineering and Construction business	20,264	-	76,844	38,931	-	(0)	136,039
Equipment - others	11,033	23,931	534	23,477	2,982	(1,635)	60,322
Tangible assets in progress	15,542	6,152	35,274	4,467	7,530	(0)	68,966
Other tangible assets	201	380	3,018	3,324	6,483	-	13,405
	95,420	47,362	214,685	89,371	31,730	(1,487)	477,081

The information regarding the gross amount of tangible assets at 31 December 2022 and 2021 can be analysed as follows:

	Land and buildings - assigned to quarries exploration	Land and buildings - to own use	Heavy equipment used in the Engineering and Construction business	Equipment - others	Tangible assets in progress	Other tangible assets	Total
2022							
Opening balance	51,785	264,521	437,634	425,967	68,966	30,833	1,279,705
Increases	649	5,095	44,292	58,993	90,945	10,996	210,971
Disposals	-	(186)	(6,348)	(12,958)	(15)	(625)	(20,131)
Write-offs	-	(3,117)	(8,201)	(18,179)	(27)	(191)	(29,716)
Revaluations	-	3,390	423,540	259	-	-	427,189
Exchange differences	-	13,587	14,880	18,244	(1,399)	1,957	47,269
Changes in the perimeter	-	(484)	-	(6,131)	470	381	(5,764)
Transfers and other movements	10,745	37,733	191,378	(53,311)	(52,427)	4,466	138,584
	63,178	320,539	1,097,175	412,883	106,513	47,816	2,048,105
2021							
Opening balance	51,898	219,024	-	625,094	52,155	23,132	971,302
Reclassification between classes of assets	-	-	175,262	(173,327)	(1,935)	-	(0)
Increases	24	5,168	1,262	60,732	33,890	11,321	112,398
Disposals	(48)	(76)	(520)	(29,009)	-	(104)	(29,757)
Write-offs	-	(248)	-	(20,169)	(28)	(542)	(20,986)
Revaluations	-	2,173	230,626	-	-	-	232,799
Exchange differences	(89)	22,878	9,920	19,368	4,906	(83)	56,900
Changes in the perimeter	-	-	-	-	(3,606)	-	(3,606)
Transfers and other movements	-	15,601	21,083	(56,721)	(16,416)	(2,891)	(39,346)
	51,785	264,521	437,634	425,967	68,966	30,833	1,279,705

In the year ended 31 December 2022, the increases occurred in tangible assets were justified, essentially, by the investments performed in South Africa, Mali and in Mozambique associated with the provision of medium and long-term engineering industrial services, and by the investments performed in Angola, Mexico and in Peru in the Engineering and Construction segment.

In the year ended 31 December 2021, the increases occurred in tangible assets were justified, essentially, by the investments performed in South Africa, Guinea Conakry, Mali and Mozambique associated with the provision of medium and long-term engineering services, by the investments performed in Angola, Mexico and in Portugal in the Engineering and Construction segment and by the investments performed by SUMA in the Environment segment.

In the years ended 31 December 2022 and 2021, the disposals of tangible assets were justified, essentially, by EMPRESA CONSTRUTORA DO BRASIL (in 2022) and by MOTA-ENGIL MÉXICO (in 2021).

In the years ended 31 December 2022 and 2021, the amounts included in the caption "Revaluations" were originated, essentially, from the update of the revalued amount of a set of land and buildings of own use held by the GROUP in Angola and in Portugal and by the update of the revalued amount of the heavy equipment's used in the Engineering and Construction business.

In the year ended 31 December 2021, the increases occurred in the caption "Revaluations" were associated to heavy equipment's used in the Engineering and Construction business located mainly in Mozambique, Malawi, Portugal, Peru and Brazil.

In the year ended 31 December 2021, the exchange differences were justified, essentially, by the appreciation of the Angolan Kwanza, the Mozambican Metical and the Mexican Peso, as well as by the depreciation of the Malawian Kwacha.

In the year ended 31 December 2021, the exchange differences were justified, essentially, by the appreciation of the Angolan Kwanza, the Mozambican Metical and the US Dollar.

In the years ended 31 December 2022 and 2021, the amounts recorded under the caption "Transfers and other movements" refer, essentially, to the transfer of some equipment's from / to the caption "Right of use assets" (Note 17) and the transfer, in 2022, of a land from the "Investment properties" caption.

The information regarding the accumulated depreciations and impairment losses of tangible assets and their respective net amounts as of 31 December 2022 and 2021, can be analysed as follows:

	Land and buildings - assigned to quarries exploration	Land and buildings - to own use	Heavy equipment used in the Engineering and Construction business	Equipment - others	Tangible assets in progress	Other tangible assets	Total
2022							
Opening balance	(25,889)	(92,067)	(301,595)	(365,645)	-	(17,428)	(802,624)
Increases (Note 7)	(921)	(9,761)	(50,710)	(45,102)	-	(2,283)	(108,778)
Impairment losses (Note 8)	-	599	-	-	-	-	599
Disposals	-	64	1,670	12,791	-	620	15,145
Write-offs	-	600	4,958	7,745	-	188	13,491
Revaluations	-	(26)	(416,849)	(308)	-	-	(417,183)
Changes in the perimeter	-	297	-	4,651	-	-	4,948
Exchange differences	-	1,679	(7,509)	(13,408)	-	(1,128)	(20,365)
Transfers and other movements	(12,752)	(4,205)	(140,167)	57,696	1,935	(1,904)	(99,398)
	(39,562)	(102,820)	(910,201)	(341,581)	1,935	(21,934)	(1,414,164)
2021							
Opening balance	(25,217)	(81,458)	-	(461,498)	-	(18,541)	(586,713)
Reclassification between classes of assets	-	-	(94,117)	94,117	-	-	-
Increases (Note 7)	(672)	(5,923)	(24,897)	(38,355)	-	(1,844)	(71,691)
Impairment losses (Note 8)	-	-	-	(308)	-	-	(308)
Disposals	-	76	479	24,393	-	104	25,050
Write-offs	-	177	-	13,225	-	520	13,922
Revaluations	-	(1,481)	(174,179)	-	-	-	(175,660)
Exchange differences	-	(5,017)	(2,789)	(16,257)	-	183	(23,879)
Transfers and other movements	-	1,558	(6,093)	19,040	-	2,151	16,656
	(25,889)	(92,067)	(301,595)	(365,645)	-	(17,428)	(802,624)
Net amount							
2022	23,616	217,719	186,975	71,301	108,448	25,882	633,942
2021	25,896	172,454	136,039	60,322	68,966	13,405	477,081

As of 31 December 2022 and 2021, the most significant amounts included under the caption “Tangible assets in progress” refer to the following projects:

Description	2022	2021
Dry Port Liwonde land (MEECA - Malawi Branch)	17,749	21,737
Miscellaneous equipments (MEECA - Mozambique Branch)	16,052	-
Equipment related with mine exploitation (ME Mali)	15,444	4,963
Equipment related with mine exploitation (Mota-Engil Côte d'Ivoire Mining)	13,392	-
Miscellaneous equipment (ME Railway Engineering)	13,392	16,228
Miscellaneous equipments (Tarucani)	6,928	6,524
Biske Plaza land (ME Real Estate Hungary)	1,027	1,115
Land (Citrave)	-	1,662
	83,985	52,229

The assessment over the existence of impairment indicators in tangible assets and the preparation of the corresponding tests, if applicable, were performed on an annual basis as referred to in Note 1.4.e).

In order to assess the existence of impairment indicators in tangible assets, the following topics were considered by the GROUP:

- Physical / technical obsolescence of the asset;
- Asset / EBITDA ratio above a given parameter (according to the type and location of the asset);
- Changes in interest rates and in return on capital rates;
- Generation of negative cash flows; and
- Interruption / delay in the development / construction of the respective assets.

Assumption	2022	
	Malawi Gateway Project (logistic business)	
Method used	Fair value less costs to sale	
Basis used	projections for the estimated useful life of the assets	
Period used	33 years	
Average growth rate of cash-flows	0.51%	
Discount rate used	16.00%	
Net amount of the asset	17,749	

The MALAWI GATEWAY PROJECT corresponds to construction and integrated logistic complex development project in Malawi, which is still ongoing, that includes the construction of several warehouses, as well as the exploitation of several existent railway and fluvial infrastructures that will support the connection of the country to the Indian Ocean.

Assumption	2021	
	MEEC (a)	Vista Waste (b)
Method used	Value in use	Value in use
Basis used	projections with perpetuity	projections with perpetuity
Period used	5 years	7 years
Growth rate of sales		
Year n+1	13.64%	(62.20)%
Year n+3	3.00%	20.94%
Discount rate used	6.13%	16,42% (c)
Net amount of the asset	41,582	15,443

(a) Net assets used in the construction activity of MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO, excluding the quarries exploitation activity and the sale of buildings.

(b) Net assets used for the collection and treatment of waste in Angola.

(c) In VISTA WASTE'S valuation, for each projection period, the GROUP used a different discount rate in order to incorporate the expected annual inflation level in Angola (between 15.35% and 20.22%).

Assumption	2021	
	Malawi Gateway Project (logistic business)	
Method used	Fair value less costs to sale	
Basis used	projections for the estimated useful life of the assets	
Period used	33 year	
Average growth rate of cash-flows	0.51%	
Discount rate used	14.00%	
Net amount of the asset	21,737	

As of 31 December 2022 and 2021, the sensitivity of the results of the impairment tests performed to tangible assets to the main key assumptions, namely the discount rate, the sales growth rate in perpetuity and the projected cash-flows was as follows (in thousand euros):

	2022					
	Discount rate		Sensitivity to key assumptions Sales growth rate in perpetuity		Projected cash-flows	
	0.5%	(0.5)%	0.5%	(0.5)%	5.0%	(5.0)%
Malawi Gateway project	(1.8)	1.9	n.a.	n.a.	1.7	(1.7)

	2021					
	Discount rate		Sensitivity to key assumptions Sales growth rate in perpetuity		Projected cash-flows	
	0.5%	(0.5)%	0.5%	(0.5)%	5.0%	(5.0)%
MEEC	(37.6)	46.8	39.2	(31.6)	18.6	(18.6)
Vista Waste	(1.1)	1.3	1.0	(0.1)	3.5	(3.5)
Malawi Gateway project	(1.9)	2.1	n.a.	n.a.	1.7	(1.7)

As of 31 December 2022 and 2021, if a discount rate higher in 0.5% or a sales growth rate in perpetuity lower in 0.5% or projected cash-flows lower in 5% had been used, the results of the above-mentioned tests would not lead to the recognition of material additional impairment losses.

The value in use corresponds to the estimation of the present value of future cash flows, determined based on budgets and business plans duly approved by the GROUP's Board of Directors.

In general terms, the assumptions used in the determination of the value in use included: (i) the cash inflows arising from sales were project based on historical business knowledge, in market analyses, both in terms of growth and market share, in the backlog already awarded, as well as, the prospects of obtainment new contracts in the future, based on historical probabilities of success; (ii) the operating margin was projected based on historical data and management experience and knowledge; (iii) cash flows after the projection period were extrapolated using a perpetual growth rate similar to the inflation rate expected for the market where the affiliate operates; and (iv) estimated cash flows were discounted at their present value using a weighted average cost of capital rate.

The GROUP's land and buildings (real estate properties) for own use are recorded at fair value, having part of them been subject to revaluations in 2022 or in 2021. According to the GROUP's policy, this type of real estate properties must be subject to revaluation, at least, every three years.

The appraisals of the land and buildings were carried out in accordance with one of the following methods, used according to the specific situation of each asset:

a) Market method

The criterion for market comparison is based on the value of transactions of similar real estate properties that can be compared to the property under examination obtained through market research in the area where the property is located.

b) Income method

This method consists in estimate the value of the property from the capitalisation of its net rent, discounted to the present moment, using the discounted cash flows method.

c) Cost method

The cost method consists in the determination of the replacement value of the property under analysis taking in consideration the construction cost of another property with similar functionalities deducted from the amount related to functional, physical and economic depreciation / obsolescence observed.

The majority of the appraisals performed were carried out by external and specialised entities, which, for the assets located in Portugal, are accredited by the Comissão dos Mercados dos Valores Mobiliários (CMVM).

Regarding the appraisals performed to the real estate properties located in Angola, those were also carried out by an independent and specialized entity, accredited by the Comissão de Mercado de Capitais de Angola that integrates an international group that provides that kind of services.

The most significant inputs used in the appraisals of the above referred real estate properties were as follows:

- Land cost per square meter;
- Construction cost per square meter;
- Sale price per square meter;
- Rent per square meter; and
- Capitalisation / discount rate.

The most relevant information regarding the appraisals performed in 2022 and 2021 to the main real estate properties held by the GROUP can be summarised as follows:

2022				Key assumptions			
Property	Company	Valuation method	Valuation	Rent per square meter / month	Discount rate	Sale price per square meter	Construction cost per square meter
Building in Lima	ME Peru	Comparative method	15,636	n.a.	n.a.	1,960.88	n.a.
Building in Vilar do Andorinho	Suma	Replacement cost method	2,850	n.a.	n.a.	n.a.	997.90
Building in Maia	MERE PT	Income method	2,314	2.97	6.7%	n.a.	n.a.

2021				Key assumptions			
Property	Company	Valuation method	Valuation	Rent per square meter / month	Discount rate	Sale price per square meter	Construction cost per square meter
Building in Lisboa	MEEC	Income method	17,306	11.93	7.5%	n.a.	n.a.
Building in Porto	MEEC	Income method	11,686	8.23	5.8%	n.a.	n.a.
Building in Benavente	MEEC	Replacement cost method	8,507	n.a.	n.a.	641.16	n.a.
Building in Amarante	MERE PT	Discounted cash flows	5,286	n.a.	9.6%	2,095.51	1,407.90

The sensitivity of the results of the appraisals performed to the real estate properties above referred to the main key assumptions, namely to the discount rate, to the rent per square meter / month, to the sale price per square meter and to the construction cost per square meter, can be analysed as follows:

2022				Sensitivity to key assumptions							
Property	Company	Valuation method	Discount rate	Rent per square meter / month		Sale price per square meter		Construction cost per square meter			
			0.5%	(0.5)%	5.0%	(5.0)%	5.0%	(5.0)%	5.0%	(5.0)%	
Building in Lima	ME Peru	Comparative method	n.a.	n.a.	n.a.	n.a.	782	(782)	n.a.	n.a.	
Building in Vilar do Andorinho	Suma	Replacement cost method	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	111	(111)	
Building in Maia	MERE PT	Income method	(161)	187	116	(116)	n.a.	n.a.	n.a.	n.a.	

2021				Sensitivity to key assumptions							
Property	Company	Valuation method	Discount rate	Rent per square meter / month		Sale price per square meter		Construction cost per square meter			
			0.5%	(0.5)%	5.0%	(5.0)%	5.0%	(5.0)%	5.0%	(5.0)%	
Building in Lisboa	MEEC	Income method	(993)	1,136	792	(792)	n.a.	n.a.	n.a.	n.a.	
Building in Porto	MEEC	Income method	(898)	1,069	561	(561)	n.a.	n.a.	n.a.	n.a.	
Building in Benavente	MEEC	Replacement cost method	n.a.	n.a.	n.a.	n.a.	425	(425)	n.a.	n.a.	
Building in Amarante	MERE PT	Discounted cash flows	(144)	150	n.a.	n.a.	621	(621)	(417)	417	

If an increase occurs in the sale price per square meter, in the rent price per square meter / month or a decrease occurs in the capitalization / discount rate, the fair value of the real estate properties will increase. On the other hand, if a decrease occurs in the sale price per square meter, in the rent price per square meter / month or an increase occurs in the capitalization / discount rate, the fair value of the real estate properties will decrease.

Although the above-mentioned appraisals were carried out based on market data and transactions (essentially released by real estate agencies), their reduced liquidity and the different characteristics of each property do not allow to qualify the market as active. Thus, the determination of the fair value of the GROUP's real estate properties falls under the level 3 of IFRS 13.

Starting from 1 January 2021, a new class of tangible assets / right of use assets was created. To this new class were transferred the heavy equipment's used for the Engineering and Construction business (concrete plants, pavers, excavators, dumpers, tractors, cranes, loaders, platforms, engines, and others) which, up to 31 December 2020 were recorded at the acquisition cost. In addition, starting from 1 January 2021, the GROUP adopted the revaluation model (revaluation amount deducted from accumulated depreciation) as the accounting policy for the subsequent measurement of this new class of tangible assets.

The fair value of the heavy equipment's is determined individually, through the market comparative method or through the depreciation replacement cost method.

The comparative method consists in determining the market value of the equipment by consulting the prices practiced in transacted assets, with the same or similar characteristics and traded in the local and international market in the last six months. For that, several sources were consulted namely in the concrete, transports, cargo handling, pavements, ore, and construction sectors.

The depreciation replacement cost method consists in determining the value of replacing the equipment under analysis, taking into consideration the cost of acquiring another with similar functions, deducted from the amount of depreciation / functional, physical and economic obsolescence verified.

The most relevant inputs used in the appraisals of heavy equipment's were as follows:

- Use and conservation state;
- Equipment usefulness in the national and international context;
- Year of manufacture and remaining useful life of the equipment;
- Acquisition year;
- Brand and model; and
- Revisions and inspection history.

The appraisals performed to the heavy equipment's were essentially based on the market comparative method and, although they were based in data and market transactions, their liquidity and the distinct characteristics of each equipment do not allow for the qualification of the market as active. Thus, the determination of the fair value of the GROUP's heavy equipment's falls under the level 3 of IFRS 13.

As a result of the revaluations mentioned above, throughout 2021, the first year of implementation of the new policy for subsequent measurement of heavy equipment, the following impacts were generated:

	Gross asset	Acumulated amortization	Net asset	Deferred taxes	Equity impact
Tangible assets	232,799	(175,660)	57,139	(17,518)	39,621
Right of use assets - Note 17	83,580	(50,927)	32,653	(10,118)	22,535
Impact from the revaluations at 31 December 2021	316,379	(226,587)	89,792	(27,636)	62,156

As of 31 December 2022 and 2021, the carrying amount which would have been recognised if the tangible assets of the GROUP had been recorded pursuant to the cost model, would be as follows:

	Historical cost	Revaluation	Total
Land and buildings - assigned to quarries exploration	23,616	-	23,616
Land and buildings - to own use	134,589	83,130	217,719
Heavy equipment used in the Engineering and Construction business	141,325	45,650	186,975
Equipment - others	71,301	-	71,301
Tangible assets in progress	108,448	-	108,448
Other tangible assets	25,882	-	25,882
	505,162	128,780	633,942
Land and buildings - assigned to quarries exploration	25,896	-	25,896
Land and buildings - to own use	118,148	54,305	172,454
Heavy equipment used in the Engineering and Construction business	89,922	46,116	136,039
Equipment - others	60,322	-	60,322
Tangible assets in progress	68,966	-	68,966
Other tangible assets	13,405	-	13,405
	376,659	100,422	477,081

As of 31 December 2022 and 2021, the GROUP's main assets and liabilities assigned to quarries exploration are as follows:

	2022	2021
Fixed assets:		
Land under exploration	22,772	24,916
Buildings assigned to the operations	844	980
Equipments assigned to the operations	4,231	4,695
Inventory:		
Ore stock	2,204	2,664
Accounts receivables and payables:		
Accounts receivables	11,452	9,247
Accounts payables	7,209	5,686
	34,293	36,816

As of 31 December 2022, some assets included under the caption of tangible assets were collateralizing loans obtained in the amount of circa of 21,000 thousand euros.

17. Right of use assets and lease liabilities

As of 31 December 2022 and 2021, the detail of right of use assets was as follows:

Right of use assets	2022	2021
Land and buildings - to own use	17,400	47,155
Heavy equipment used in the Engineering and Construction business	141,071	152,672
Equipment - others	100,557	79,194
Assets in progress	42,615	-
Other tangible assets	267	8,141
	301,909	287,162

As of 31 December 2022 and 2021, the detail of lease liabilities was as follows:

Lease liabilities	2022	2021
Current	141,236	116,197
Non-current	208,861	217,318
	350,097	333,515

As of 31 December 2022 and 2021, there were circa of 210,200 thousand euros and 254,200 thousand euros, respectively, of right of use assets whose underlying assets have been given as a guarantee to the respective creditors.

In the years ended 31 December 2022 and 2021, the impact in the consolidated income statement arising from the lease contracts was as follows:

	2022	2021
Depreciations of the year (Note 7):		
Land and buildings - to own use	3,410	2,901
Heavy equipment used in the Engineering and Construction business	51,352	46,399
Equipment - others	40,616	23,989
Other tangible assets	41	18
	95,418	73,307
Interest expenses (Note 9):		
Interest expenses - right of use assets	18,786	13,159
	18,786	13,159
Rents (Note 4):		
Short-term, low-value rentals, variable or associated with contracts without identifiable lease assets	122,188	97,454
	122,188	97,454

In the year ended 31 December 2022, the increases occurred in the right of use assets amounted to approximately 88,100 thousand euros and the disposals / decreases amounted to approximately 5,000 thousand euros.

In the year ended 31 December 2021, the increases occurred in the right of use assets amounted to approximately 63,000 thousand euros and the disposals / decreases amounted to approximately 6,000 thousand euros.

On the other hand, in the years ended 31 December 2022 and 2021, the impact of the revaluation to fair value of the right of use assets associated with the heavy equipment's used in the Engineering and Construction business amounted to -492 thousand euros and 31,100 thousand euros, respectively.

As of 31 December 2022 and 2021, the movement occurred in the lease liabilities was as follows:

	2022	2021
Opening balance	333,515	301,261
Transactions with impact in cash-flow:		
Amortizations and repayments of loans	(152,937)	(35,518)
	(152,937)	(35,518)
Transactions with no impact in cash-flow:		
Exchange differences	5,967	(191)
Contracting of new operations	157,818	69,138
Transfers and changes in the perimeter	5,734	(1,176)
Closing balance	350,097	333,515

18. Financial investments in associated companies

As of 31 December 2022 and 2021, the breakdown of the financial investments in associated companies was as follows:

	2022	2021
Concessionaria Autopista Cardel Poza Rica (Latin America - E&C segment)	38,097	36,799
Concessionaria Autopista Tuxpan-Tampico (Latin America - E&C segment)	16,474	16,768
APP Coatzacoalcos Villahermosa (Latin America - E&C segment)	16,157	13,659
APP Tamaulipas SAPI (Latin America - E&C segment)	14,675	12,466
Autopista Urbana Siervo de la Nación (Latin America - E&C segment)	13,226	31,699
Martifer (Others, eliminations and intragroup segment)	12,432	6,994
Concesionaria Alternativas Viales (Latin America - E&C segment)	9,491	-
Mota-Engil Tourism BV and subsidiaries (Latin America - E&C segment)	-	41,076
Concesionaria Cua SAPI (Latin America - E&C segment)	-	19,510
Others	12,218	8,377
	132,770	187,348

As of 31 December 2022 and 2021, the book value of the main financial investments in associated companies can be detailed as follows:

2022	Equity of the associated company before other equity instruments (*)	Other equity instruments (*)	Equity of the associated company	% held	Share of the equity of the associated company	Consolidation adjustments	Goodwill	Other equity instruments held by the Group (*)	Book value
Concessionaria Autopista Cardel Poza Rica (Latin America - E&C segment)	(32,795)	87,571	54,776	29%	(9,422)	(1,852)	-	49,371	38,097
Concessionaria Autopista Tuxpan-Tampico (Latin America - E&C segment)	(41,123)	58,894	17,771	26%	(10,632)	(2,614)	-	29,720	16,474
APP Coatzacoalcos Villahermosa (Latin America - E&C segment)	41,460	-	41,460	19%	8,035	7,971	152	-	16,157
APP Tamaulipas SAPI (Latin America - E&C segment)	15,073	15,986	31,059	24%	3,613	3,548	-	7,514	14,675
Martifer (Others, eliminations and intragroup segment)	10,861	0	10,861	15%	1,636	1,518	10,071	-	13,226
Autopista Urbana Siervo de la Nación (Latin America - E&C segment)	33,152	-	33,152	38%	12,432	-	-	-	12,432
Concesionaria Alternativas Viales (Latin America - E&C segment)	20,790	-	20,790	46%	9,491	-	-	-	9,491

(*) Supplementary or additional capital contributions

2021	Equity of the associated company before other equity instruments (*)	Other equity instruments (*)	Equity of the associated company	% held	Share of the equity of the associated company	Consolidation adjustments	Goodwill	Other equity instruments held by the Group (*)	Book value
Concessionaria Autopista Cardel Poza Rica (Latin America - E&C segment)	(15,309)	78,439	63,131	29%	(4,398)	(2,818)	-	44,015	36,799
Autopista Urbana Siervo de la Nación (Latin America - E&C segment)	(5,194)	78,486	73,292	17%	(909)	(2,316)	-	34,923	31,699
Concesionaria Cua SAPI (Latin America - E&C segment)	10,774	23,524	34,298	34%	3,663	-	-	15,847	19,510
Concessionaria Autopista Tuxpan-Tampico (Latin America - E&C segment)	(28,624)	53,072	24,448	26%	(7,400)	(2,614)	-	26,782	16,768

(1) excluding supplementary or capital contributions and considering the percentage held by the Group.

In the years ended 31 December 2022 and 2021, the movement occurred in financial investments in associated companies was as follows:

2022	Opening balance	Effect on profit and loss	Effect on reserves (1)	Transfers and changes in the perimeter	Other increases and decreases	Closing balance
Concesionaria Autopista Cardel Poza Rica (Latin America - E&C segment)	36,799	(3,532)	4,303	-	527	38,097
Concesionaria Autopista Tuxpan-Tampico (Latin America - E&C segment)	16,768	(2,397)	2,103	-	-	16,474
APP Coatzacoalcos Villahermosa (Latin America - E&C segment)	13,659	582	1,916	-	-	16,157
APP Tamaulipas SAPI (Latin America - E&C segment)	12,466	906	1,303	-	-	14,675
Autopista Urbana Siervo de la Nación (Latin America - E&C segment)	31,699	(6,268)	3,185	-	(15,390)	13,226
Martifer (Others, eliminations and intragroup segment)	6,994	5,438	-	-	-	12,432
Concesionaria Alternativas Viales (Latin America - E&C segment)	-	1,668	(4,061)	11,884	-	9,491
Mota-Engil Tourism BV and subsidiaries (Latin America - E&C segment)	41,076	15	251	(41,342)	-	-
Concesionaria Cua SAPI (Latin America - E&C segment)	19,510	-	2,007	(21,493)	(24)	-
Others	8,377	1,789	1,501	551	(0)	12,218
	187,348	(1,799)	12,508	(50,401)	(14,886)	132,770

2021	Opening balance	Effect on profit and loss	Effect on reserves (1)	Transfers and changes in the perimeter	Other increases and decreases	Closing balance
Mota-Engil Tourism BV and subsidiaries (Latin America - E&C segment)	9,401	451	(4,550)	35,043	730	41,076
Concessionária Autopista Cardel Poza Rica (Latin America - E&C segment)	28,553	(1,667)	1,363	-	8,550	36,799
Autopista Urbana Siervo de la Nación (Latin America - E&C segment)	31,903	(4,239)	3,401	-	634	31,699
Concesionaria Cua SAPI (Latin America - E&C segment)	-	(156)	(14)	3,832	15,847	19,510
Concessionária Autopista Tuxpan-Tampico (Latin America - E&C segment)	18,856	(3,705)	1,016	-	601	16,768
APP Coatzacoalcos Villahermosa (Latin America - E&C segment)	13,211	35	413	-	-	13,659
APP Tamaulipas SAPI (Latin America - E&C segment)	6,722	2,291	135	-	3,318	12,466
Martifer (Others, eliminations and intragroup segment)	-	6,994	-	-	-	6,994
Others	14,959	(1,519)	(3,205)	(2,431)	574	8,377
	123,606	(1,515)	(1,442)	36,445	30,254	187,348

(1) Includes, essentially, exchange differences and fair value changes of derivative financial instruments [5,702 thousand euros in the year ended 31 December 2021 associated with HAÇOR (4,504 thousand euros net of deferred taxes), of which 4,853 thousand euros resulting from recycling to the consolidated income statement (3,833 thousand euros net of deferred taxes)– Note 42].

In the year ended 31 December 2022, the main movements occurred under the caption “Transfers and changes in perimeter” were justified, essentially: (i) by the sale of the entire financial investment held in MOTA-ENGIL TOURISM BV and subsidiaries; (ii) the change in the consolidation method of CONCESIONARIA CUA SAPI following its classification as a non-current asset available for sale; and (iii) the consolidation of CONCESIONARIA ALTERNATIVA VIALLES, which, until 31 December 2021, was recorded under the caption “Other financial investments recorded at fair value through other comprehensive income”.

In the year ended 31 December 2021, the main movements occurred in the caption “Transfers and changes in the perimeter” were justified, essentially: (i) by the change in the consolidation method of MOTA-ENGIL TOURISM BV and subsidiaries, following the loss of control occurred in the year and (ii) by the change in the consolidation method of CONCESIONARIA CUA SAPI.

In the year ended 31 December 2022, the main movements occurred under the caption “Other increases and decreases” were justified, mainly, by the sale and subsequent acquisition of 20% and 17.2%, respectively, of AUTOPISTA URBANA SIERVO DE LA NACION.

In the year ended 31 December 2021, the main movements occurred under the caption "Other increases and decreases" were due, essentially, to increases of share capital and to increases / decreases of capital contributions in the companies CONCESIONARIA CUA SAPI, CONCESIONÁRIA AUTOPISTA CARDEL POZA RICA and APP TAMAULIPAS SAPI.

As of 31 December 2022 and 2021, the summarised information regarding the main financial investments in associated companies, extracted from their separate financial statements, can be analysed as follows:

2022	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Concesionária Autopista Cardel Poza Rica (Latin America - E&C segment)	29%	355,398	35,565	250	335,936	54,776	36,731	(15,658)
Concesionária Autopista Tuxpan-Tampico (Latin America - E&C segment)	26%	280,481	49,422	-	312,132	17,771	32,163	(9,272)
APP Coatzacoalcos Villahermosa (Latin America - E&C segment)	19%	68,305	44,127	68,475	2,497	41,460	19,320	3,863
APP Tamaulipas SAPI (Latin America - E&C segment)	24%	75,872	34,751	7,454	72,110	31,059	20,693	3,782
Autopista Urbana Siervo de la Nación (Latin America - E&C segment)	15%	676,407	44,892	99,383	611,054	10,861	15,653	(67,186)
Martifer (Others, eliminations and intragroup segment)	38%	n/d	n/d	n/d	n/d	n/d	n/d	n/d
Concesionaria Alternativas Viales (Latin America - E&C segment)	46%	138,156	45,637	132,672	30,331	20,790	49,858	(186)

2021	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Mota-Engil Tourism BV and subsidiaries (Latin America - E&C segment)	30%	155,393	79,170	98,547	71,262	64,754	17	25,089
Concesionária Autopista Cardel Poza Rica (Latin America - E&C segment)	29%	323,647	31,195	-	291,711	63,131	27,116	(2,439)
Autopista Urbana Siervo de la Nación (Latin America - E&C segment)	17%	601,616	70,557	85,072	513,810	73,292	103,683	(8,518)
Concesionaria Cua SAPI (Latin America - E&C segment)	34%	19,031	41,061	3,232	22,562	34,298	6,711	(458)
Concesionária Autopista Tuxpan-Tampico (Latin America - E&C segment)	26%	265,597	46,870	-	288,019	24,448	22,913	(7,588)
APP Coatzacoalcos Villahermosa (Latin America - E&C segment)	19%	69,470	38,614	4,311	70,141	33,633	21,107	931
APP Tamaulipas SAPI (Latin America - E&C segment)	24%	72,920	30,420	4,980	70,316	28,044	20,679	9,556
Martifer (Others, eliminations and intragroup segment)	38%	125,317	154,925	140,863	124,708	14,671	180,668	7,496

In the year ended 31 December 2015, the GROUP and a Mexican entity entered into an agreement for the disposal of two motorways concessionaires in Mexico (CONCESIONÁRIA AUTOPISTA CARDEL – POZA RICA AND CONCESIONÁRIA AUTOPISTA TUXPAN TAMPICO). Following that agreement, and its later amendments, the GROUP granted a call option to the counterparty that could be exercised 12 and 18 months after the opening of the respective motorways and the latter attributed to the GROUP a put option over those investments to be exercised in a two-year period after the date on which its call options expire. The exercise of those put options by the GROUP depend upon the level of revenue generated by the motorways and, if they are exercised, the GROUP will dispose the corresponding financial investments at their net book value on that date plus a variable amount determined taking in consideration the time elapsed between the signature date of the aforementioned agreement and the date of its completion. Additionally, in the year ended 31 December 2022, the GROUP received, from the Mexican entity referred above, the notification of the exercise of the purchase option over CONCESIONÁRIA AUTOPISTA TUXPAN TAMPICO, being the sale of this financial investment expected to occur during 2023.

Since those options have as underlying assets shares of non-listed entities and since there are no sufficient and trustworthy elements for determine its fair value it was not recorded nor disclosed in the accompanying consolidated financial statements.

On the other hand, as of 31 December 2022 and 2021, the GROUP recorded under the caption “Advances on sales of financial investments”, circa of 78,200 thousand euros and 56,500 thousand euros, respectively, associated with the transactions above referred (Note 33).

As of 31 December 2022 and 2021, the summarised information regarding the “Agrupamentos Complementares de Empresas – ACE” in which the GROUP holds a financial interest, extracted from their separate financial statements, can be analysed as follows:

2022	Country	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
MESOFER, ACE	Portugal	37%	11	4,534	-	4,546	-	18,365	-
METRO SANTOS SODRÉ, ACE	Portugal	70%	595	10,695	-	11,290	-	11,747	-
EXPI, ACE	Portugal	37%	-	411	45	754	(388)	302	230
SOMAGUE/MOTA-ENGIL - COTA 500, ACE	Portugal	36%	156	875	176	625	230	256	230

2021	Country	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
MESOFER, ACE	Portugal	37%	11	4,682	-	4,693	-	22,119	-
METRO SANTOS SODRÉ, ACE	Portugal	70%	244	12,038	-	12,282	-	6,041	-
MOTA-ENGIL/ACCIONA/ EDIVISA - OBRAS DO APROVEITAMENTO HIDROELÉCTRICO DE ALTO TÂMEGA, A.C.E.	Portugal	43%	-	5,849	1,868	5,111	(1,130)	-	(0)
PORTUSCALE, CONTRUTORAS DAS AUTO-ESTRADAS DO GRANDE PORTO, ACE	Portugal	40%	-	2,716	1,284	1,433	-	-	-

As of 31 December 2022 and 2021, there are no commitments, contingent liabilities (except the one referred in Note 40) and material restrictions regarding the distribution of funds by the companies / entities mentioned above.

The list of ACE in which the GROUP holds financial interests is exhibited in Appendix A to these Notes.

19. Financial investments in joint ventures

As of 31 December 2022 and 2021, the breakdown of the financial investments in joint ventures was as follows:

	2022	2021
Lineas Group (Capital segment)	86,140	71,687
Sistemas Electricos Metropolitanos (Latin America - E&C segment)	23,345	14,793
Operadora Maritima Matamoros (Latin America - E&C segment)	3,304	1,021
HL - Sociedade Gestora do Edifício (Capital segment)	-	5,014
Others	6,677	1,610
	119,465	94,126

In the years ended 31 December 2022 and 2021, the movement occurred in financial investments in joint ventures was as follows:

2022	Opening balance	Effect on profit and loss	Effect on reserves (1)	Transfers and changes in the perimeter	Other increases and decreases	Closing balance
Lineas Group (Capital segment)	71,687	(9,658)	24,111	-	-	86,140
Sistemas Electricos Metropolitanos (Latin America - E&C segment)	14,793	2,961	5,590	-	-	23,345
Operadora Maritima Matamoros (Latin America - E&C segment)	1,021	-	83	-	2,199	3,304
HL - Sociedade Gestora do Edifício (Capital segment)	5,014	493	2,996	(8,503)	-	-
Others	1,610	2,527	(755)	3,664	(369)	6,677
	94,126	(3,679)	32,026	(4,839)	1,830	119,465

2021	Opening balance	Effect on profit and loss	Effect on reserves (1)	Transfers and changes in the perimeter	Other increases and decreases	Closing balance
Lineas Group (Capital segment)	53,490	2,461	15,737	-	-	71,687
Sistemas Electricos Metropolitanos (Latin America - E&C segment)	13,287	1,065	441	-	-	14,793
HL - Sociedade Gestora do Edifício (Capital segment)	2,749	748	1,517	-	-	5,014
Operadora Maritima Matamoros (Latin America - E&C segment)	637	(2)	34	-	353	1,021
Automatriz (Africa - E&C segment)	459	187	217	-	(0)	863
Others	364	171	264	40	(91)	747
	70,986	4,630	18,210	40	262	94,126

(1) Includes essentially exchange differences and changes in the fair value of derivative financial instruments (29,357 thousand euros in the year ended 31 December 2022 associated with DOURO LITORAL and 1,920 thousand euros in the year ended 31 December 2021 associated with HL – SOCIEDADE GESTORA DO EDIFÍCIO).

As of 31 December 2022 and 2021, the LINEAS GROUP was engaged in the management of infrastructure concessions in Portugal and in Brazil, while SISTEMAS ELECTRICOS METROPOLITANOS was engaged in the operation of a landfill in Mexico City.

In the year ended 31 December of 2022, the effect on reserves in LINEAS GROUP was justified, essentially, by the appreciation of the derivative financial instrument of cash flow hedge held by DOURO INTERIOR.

In the year ended 31 December 2022, the GROUP fully sold its financial investment in HL – SOCIEDADE GESTORA DO EDIFÍCIO, generating a capital gain of 635 thousand euros.

As of 31 December 2022 and 2021, the summarised information regarding the main financial investments in joint ventures, extracted from their separate financial statements, can be analysed as follows:

2022	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Lineas Group (Capital segment)	60%	920,378	191,376	696,037	272,150	143,567	101,113	(16,097)
Sistemas Electricos Metropolitanos (Latin America - E&C segment)	26%	148,659	58,119	27,621	136,482	42,675	136,234	12,059
Operadora Maritima Matamoros (Latin America - E&C segment)	26%	-	4,419	-	-	4,419	-	-

2021	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Sistemas Eléctricos Metropolitanos (Latin America - E&C segment)	26%	70,182	19,093	5,714	56,075	27,487	74,501	4,569
HL - Sociedade Gestora do Edifício (Capital segment)	50%	3,700	81,248	59,396	15,524	10,028	4,345	1,497
Operadora Marítima Matamoros (Latin America - E&C segment)	26%	-	4,006	-	-	4,006	-	(10)
Automatriz (Africa - E&C segment)	34%	702	8,831	17	7,531	1,985	12,578	734

On the other hand, in the years ended 31 December 2022 and 2021, the GROUP developed several joint operations with partners, namely through consortiums (Note 1.3. d), which are listed in Appendix A to these Notes.

At 31 December 2022 and 2021, the summarised information regarding the main joint operations carried out by the GROUP, integrated in the accompanying consolidated financial statements in the proportion of assets, liabilities, expenses and income that are contractually attributable to the GROUP, extracted from their separate financial statements, was as follows:

2022	Country	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Consortio Ibagué-Honda-Cambao-Manizales	Colombia	46%	5,885	8,094	-	13,979	-	35,900	24,158
Consortio Mota-Engil Dominicana SAS/IEMCA	Dominican Republic	42%	-	479	-	779	(299)	1,530	23
Consortio Puentes de Loreto	Peru	34%	138	1,874	-	786	1,227	1,197	(2,159)
Consortio Conservación Vial Santa Rosa	Peru	50%	130	142	-	(5)	277	8	(72)

2021	Country	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Consortio Puentes de Loreto	Peru	34%	870	9,228	-	7,560	2,539	45,383	2,513
Consortio Ibagué-Honda-Cambao-Manizales	Colombia	46%	6,008	31,350	821	8,757	27,781	39,390	27,204
Consortio Línea Panamá Norte	Panamá	50%	1,452	24,347	181	23,893	1,725	20,725	1,611
Consortio Mota-Engil Dominicana SAS/IEMCA	Dominican Republic	42%	(0)	367	-	663	(296)	2,432	(72)
Consortio Conservación Vial Santa Rosa	Peru	50%	117	518	-	45	590	630	288

As of 31 December 2022 and 2021, there were no commitments, contingent liabilities and material restrictions regarding the distribution of funds by the companies / entities mentioned above.

20. Other financial investments

At 31 December 2022 and 2021, the breakdown of other financial investments was as follows:

	2022	2021
Other financial investments recorded at amortised cost		
Non-current		
Angolan sovereign bonds	75,481	174,296
Mozambican sovereign bonds	17,932	15,854
	93,413	190,150
Current		
Angolan sovereign bonds	31,071	31,112
Mozambican sovereign bonds	1,333	1,141
	32,404	32,253
	125,817	222,403
Other financial investments recorded at fair value through other comprehensive income		
BAI-Banco Angolano de Investimentos	40,000	36,300
STI	5,245	4,938
Autopista Urbano Tramo Oriente	3,768	3,674
Auto - Sueco Angola	2,724	2,724
Fundo de Investimento Invesurb	2,424	2,422
Concessionária Alternativa Vialles	-	7,355
Others	9,041	6,987
	63,201	64,400

Other financial investments recorded at amortised cost

As of 31 December 2022 and 2021, the Angolan and Mozambican sovereign bonds, held under a business model whose purpose is holding financial assets in order to collect its contractual cash flows, as well as, to ensure protection for the exchange risk and allow an adequate treasury management in local currency, exhibited the following characteristics:

2022	Amount (Nominal value)	Interest rate	Maturity according to the nominal value		
			1 year	1 - 3 years	> 3 years
Angolan sovereign bonds in Kwanzas	14,636	16% - 16,25%	14,636	-	-
Angolan sovereign bonds in Kwanzas indexed to USD	17,183	5%	17,183	-	-
Angolan sovereign bonds in USD	79,224	5%	-	79,224	-
Mozambican sovereign bonds in Metical	26,139	variable	-	5,216	20,923
	137,182		31,819	84,440	20,923
Difference between nominal value and amortised cost and accumulated impairment losses	(11,365)				
Carrying amount	125,817				

2021	Amount (Nominal value)	Interest rate	Maturity according to the nominal value		
			1 year	1 - 3 years	> 3 years
Angolan sovereign bonds in Kwanzas	61,066	12% - 16,5%	23,907	33,089	4,070
Angolan sovereign bonds in Kwanzas indexed to USD	81,841	5%	12,784	69,057	-
Angolan sovereign bonds in USD	74,607	5%	-	-	74,607
Mozambican sovereign bonds in Metical	24,607	variable	-	1,637	22,970
	242,121		36,691	103,783	101,647
Difference between nominal value and amortised cost and accumulated impairment losses	(19,718)				
Carrying amount	222,403				

The payment of interest and capital reimbursement of the bonds issued in Kwanza indexed to USD will be performed in that currency but indexed to the USD exchange rate in force on the settlement date.

As of 31 December 2022 and 2021, the GROUP held circa of 126 million euros and 222 million euros, respectively, of sovereign bonds of Angola and Mozambique, having these ones been given to the GROUP, and not acquired, in order to settle accounts receivable generated in the past with the construction and waste management services rendered to public entities in Angola and Mozambique. On the other hand, as of the present date, as a way of monitoring the credit risk of those bonds, the GROUP is monitoring the evolution of the credit rating of Angola (B- in 2022 and 2021) and of Mozambique (CCC + in 2022 and 2021).

In addition, as mentioned above, the purpose of the GROUP in holding those bonds is, essentially, to ensure an effective coverage of the exchange risk in Angola (since part of those bonds are denominated in USD or indexed to the USD); to hold financial assets eligible to be used as collateral in funding obtained / to be obtained in Angola, and, therefore, to manage its liquidity; and to obtain interests considering its attractive interest rates. Lastly, it is also important to highlight, that since the first receipt of bonds, in 2015, the interest and capital amortisations associated with those bonds were always settled timely and that, during the year of 2022, as a result of the offers received in the meantime and the decision to partially repay the bank debt held in Angola that was collateralized with those securities, the GROUP sold circa of 90 million euros of those titles (at values slightly above their book value) which, in case of need, can mitigate / overcome a potential liquidity gap. Nevertheless, the classification of these securities as held to maturity has not changed, since the future intention about their holding remains.

Other financial investments recorded at fair value through other comprehensive income

In previous years, the GROUP purchased a financial investment of 3% in BAI – Banco Angolano de Investimentos, S.A..

As of 31 December 2022, following its listing on the stock exchange in June 2022, the GROUP began to determine the fair value of that financial investment through the market price available on BODIVA, adjusted, given the scarce number of transactions and the very significant dispersion of prices, based on market multiples arising from transactions that took place in recent years in Angola and on the African continent (Price-to-Book Value and Price to Earnings), using 31 transactions that took place in markets with foreign capital restrictions (20 in the year of 2021). The price adjustment corresponded to the simple average of the two aforementioned multiples, each of them being also determined by the simple average between the maximum and minimum values of the observed transactions.

As a result of the above calculations, the GROUP, in 2022 and 2021, increased the fair value of the above-mentioned financial investment by 3,700 thousand euros and 5,504 thousand euros, respectively.

As of 31 December 2022, in case the average Price-to-Book Value and the Price to Earnings were higher or lower than 10%, the fair value of the financial investment in BAI would increase or decrease by 4,000 thousand euros (3,630 thousand euros at 31 December 2021), respectively.

Furthermore, for the remaining financial assets included in this caption (essentially shares in non-listed companies), the GROUP's Board of Directors considered that its acquisition cost, less, when applicable, the respective impairment losses identified, corresponded to the best estimate of its fair value as of 31 December 2022 and 2021.

Moreover, as of 31 December 2022 and 2021, a portion of the aforementioned securities, in the amount of approximately 49,300 thousand euros and of 203,000 thousand euros, respectively, were used as collaterals to bank loans and bank guarantees obtained in Africa.

In the years ended 31 December 2022 and 2021 the movement occurred in other financial investments was as follows:

	2022	
	At amortised cost	At fair value
Balance at 1 January 2022	222,403	64,400
Increases	2,270	93
Reimbursements	(41,890)	-
Changes in fair value	-	3,700
Sales	(90,303)	-
Transfers	-	(7,048)
Exchange differences and others	33,337	2,056
	125,817	63,201

	2021	
	At amortised cost	At fair value
Balance at 1 January 2021	199,003	42,675
Increases	24,061	10,280
Reimbursements	(35,989)	-
Changes in fair value	-	5,504
Impairment losses (Note 8)	6,453	-
Exchange differences and others	28,875	5,942
	222,403	64,400

In the year ended 31 December 2022, the GROUP sold circa of 90,000 thousand euros of Angolan sovereign bonds.

In the year ended 31 December 2022, the transfers occurred were justified, essentially, by the transfer of CONCESSIONÁRIA ALTERNATIVAS VIALLES to the caption "Financial investments in associated companies".

In the year ended 31 December 2021, the GROUP received approximately 24,000 thousand euros of sovereign bonds of Angola and Mozambique in order to settle some accounts receivable that it held with public entities in those countries.

In accordance with the general model for calculating impairment losses provided for in IFRS - 9 for financial assets, in the year ended 31 December 2020, the GROUP recorded approximately 8,000 thousand euros of estimated impairment losses for public debt securities that it held in its portfolio. However, in the year ended 31 December 2021, as a result of the improvement in the rating of the issuer of those securities, the GROUP reversed 6,453 thousand euros of impairment losses recorded in 2020.

In the years ended 31 December 2022 and 2021, the caption "Exchange differences and others – At amortised cost", related, mainly, to exchange differences generated by the appreciation of the Angolan kwanza.

21. Investment properties

The information regarding the GROUP's investment properties as of 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Capital	46,632	57,720
Africa - E&C	33,768	32,252
Latin America - E&C	19,459	18,828
Environment	3,102	3,103
Europe - E&C	510	510
	103,471	112,412

In the years ended 31 December 2022 and 2021 the movement occurred in investment properties can be analysed as follows:

	2022	2021
Opening balance	112,412	173,565
Increases	3,646	728
Changes in fair value (Note 6)	(3,622)	(2,367)
Disposals	-	(1,901)
Exchange differences	6,071	11,690
Changes in perimeter	-	(69,928)
Transfers and other movements	(15,036)	626
	103,471	112,412

The changes in fair value occurred in the years ended 31 December 2022 and 2021 were justified, essentially, by a plot of land in Angola, but such changes should be analysed together with the exchange differences caption.

The exchange differences generated in the year ended 31 December 2022 arose, essentially, from the lands held by the GROUP in Peru and Angola.

The exchange differences generated in the year ended 31 December 2021 arose, essentially, from the lands held by the GROUP in Mexico, Peru and Angola.

The changes in perimeter occurred in the year ended 31 December 2021 were justified, essentially, by the change in the consolidation method of MOTA-ENGIL TOURISM BV and its subsidiaries, following the loss of control occurred in that company in 2021 (Note 42).

In the year ended 31 December 2022, transfers and other movements were justified, essentially, by the change in the use given to the land of the subsidiary LOGZ, following the process of installing and operating a solar park on it, having it been reclassified to a tangible assets caption.

Investment properties, including those that are under construction, are recorded at their fair value determined annually with reference to the reporting date by independent and specialized appraisers.

The results generated by investment properties in the years ended 31 December 2022 and 2021 can be analysed as follows:

2022	Assets value	Rental income	Gains / losses due to changes in fair value (Note 6)	Impairment losses
In Portugal				
Building in Matosinhos	33,729	2,113	-	-
Building Mota Galiza	9,291	245	216	-
Others	7,223	-	-	-
	50,244	2,358	216	-
Outside Portugal				
Property in Luanda	30,204	-	(3,549)	-
Land in Peru	15,439	-	(437)	-
Others	7,583	-	147	-
	53,227	-	(3,839)	-
Total	103,471	2,358	(3,622)	-

2021	Assets value	Rental income	Gains / losses due to changes in fair value (Note 6)	Impairment losses
In Portugal				
Building in Matosinhos	33,371	1,417	(325)	-
Logz land	15,000	-	-	-
Building Mota Galiza	8,319	240	434	-
Others	4,833	6	-	-
	61,333	1,663	109	-
Outside Portugal				
Property in Luanda	29,190	-	(2,665)	-
Land in Peru	15,309	-	(86)	-
Others	6,581	-	275	-
	51,080	-	(2,476)	-
Total	112,412	1,663	(2,367)	-

In the years ended 31 December 2022 and 2021, the investment property located in Matosinhos was collateralizing loans obtained in the amount of approximately 14,500 thousand euros and 17,600 thousand euros, respectively.

The appraisals of investment properties were carried out in accordance with one of the following methods, used according to the specific situation of each property:

a) Market method

The criterion for market comparison is based on the value of transactions of similar real estate properties that can be compared to the property under examination obtained through market research in the area where the property is located.

b) Income method

This method consists in estimate the value of the property from the capitalisation of its net rent, discounted to the present time, using the discounted cash flows method.

The appraisals performed to the aforementioned properties were carried out by independent and specialised entities that, as regards real estate properties located in Portugal, are accredited by the Comissão dos Mercados dos Valores Mobiliários (CMVM).

For the main investment properties held by the GROUP, their fair value was determined taking in consideration the following relevant inputs:

- Vacancy rate;
- Land cost per square meter;
- Construction cost per square meter;
- Sale price per square meter;
- Rent per square meter; and
- Capitalisation / discount rate.

The most relevant information regarding the appraisals performed in 2022 and 2021 to the main investment properties held by the GROUP can be summarised as follows:

2022				Key assumptions			
Property	Company	Valuation method	Valuation	Sale price per square meter	Rent per square meter / month	Construction cost per square meter	Discount rate
Building in Matosinhos	MERE	Discounted cash flows	33,729	1,622.68	n.a.	542.80	11.9%
Property in Luanda	MEA	Market method	30,204	220.73	n.a.	n.a.	n.a.
Land in Peru	Promotora e Imobiliaria Santa Clara	Market method	15,439	146.27	n.a.	n.a.	n.a.
Building in Mota Galiza	MERE	Income method	9,291	n.a.	4.54	n.a.	7.1%

2021				Key assumptions			
Property	Company	Valuation method	Valuation	Sale price per square meter	Rent per square meter / month	Construction cost per square meter	Discount rate
Building in Matosinhos	MERE	Discounted cash flows	33,371	1,440.24	n.a.	487.88	9.6%
Property in Luanda	MEA	Market method	29,190	213.32	n.a.	n.a.	n.a.
Land in Peru	Promotora e Imobiliaria Santa Clara	Market method	15,309	145.03	n.a.	n.a.	n.a.
Building in Mota Galiza	MERE	Income method	8,319	n.a.	4.31	n.a.	6.9%

In the year ended 31 December 2021, the determination of the fair value of the Logz's land was determined through a sale proposal received.

The sensitivity of the results of the appraisals performed to the investment properties to the main key assumptions, namely to the discount rate, the sale price per square meter, the construction cost per square meter and the rents per square meter / month was as follows (impact on the fair value of the real estate properties):

2022				Sensitivity to key assumptions							
Property	Company	Valuation method	Discount rate		Sale price per square meter		Construction cost per square meter		Rent per square meter / month		
			0.5%	(0.5)%	5.0%	(5.0)%	5.0%	(5.0)%	5.0%	(5.0)%	
Building in Matosinhos	MERE	Discounted cash flows	(1,738)	1,830	8,224	(8,224)	(6,403)	6,403	n.a.	n.a.	
Property in Luanda	MEA	Market method	n.a.	n.a.	1,510	(1,510)	n.a.	n.a.	n.a.	n.a.	
Land in Peru	Promotora e Imobiliaria Santa Clara	Market method	n.a.	n.a.	772	(772)	n.a.	n.a.	n.a.	n.a.	
Building in Mota Galiza	MERE	Income method	(574)	660	n.a.	n.a.	n.a.	n.a.	437	(437)	

Property	Company	Valuation method	Sensitivity to key assumptions							
			Discount rate		Sale price per square meter		Construction cost per square meter		Rent per square meter / month	
			0.5%	(0.5)%	5.0%	(5.0)%	5.0%	(5.0)%	5.0%	(5.0)%
Building in Matosinhos	MERE	Discounted cash flows	(1,965)	2,080	8,344	(8,344)	(6,584)	6,584	n.a.	n.a.
Property in Luanda	MEA	Market method	n.a.	n.a.	1,460	(1,460)	n.a.	n.a.	n.a.	n.a.
Land in Peru	Promotora e Inmobiliaria Santa Clara	Market method	n.a.	n.a.	765	(765)	n.a.	n.a.	n.a.	n.a.
Building in Mota Galiza	MERE	Income method	(585)	676	n.a.	n.a.	n.a.	n.a.	432	(432)

If an increase occurs in the sale price per square meter, in the rent per square meter / month or a decrease occurs in the capitalization / discount rate, the fair value of the investment properties will increase. On the other hand, if a decrease occurs in the sale price per square meter, in the rent per square meter / month or an increase occurs in the capitalization / discount rate, the fair value of the investment properties will decrease.

Although the above referred appraisals were carried out based on market data and transactions (essentially released by real estate agencies), their reduced liquidity and the different characteristics of each real estate property do not allow to qualify the market as active. Therefore, the determination of the fair value of the GROUP'S investment properties falls under the level 3 of IFRS 13.

22. Inventories

The information regarding inventories as of 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Gross amount:		
Raw and subsidiary materials and consumables	214,182	120,232
Products and work in progress	94,484	75,860
Finished goods	10,270	10,266
Merchandise	76,517	82,900
Advances on purchases	154,170	23,264
	549,622	312,522
Inventories adjustments:		
Raw and subsidiary materials and consumables	(4,975)	(3,970)
Products and work in progress	(5,806)	(4,713)
Finished goods	(2,602)	(2,955)
Merchandise	(7,481)	(8,195)
	(20,865)	(19,834)
	528,757	292,688

As of 31 December 2022 and 2021, the balance of the caption "Raw and subsidiary materials and consumables" included, essentially, construction materials located in Africa (circa of 116,700 thousand euros and 84,500 thousand euros, respectively), in Mexico (circa of 52,000 thousand euros and 7,400 thousand euros, respectively), in Portugal (circa of 13,800 thousand euros and 16,600 thousand euros, respectively), and in Poland (circa of 9,600 thousand euros and 4,100 thousand euros, respectively).

As of 31 December 2022 and 2021, the balance of the caption "Products and work in progress" referred, essentially, to real estate projects under development in Poland and in Portugal.

As of 31 December 2022 and 2021, the balance of the caption "Merchandise" referred, essentially, to real estate projects located in Portugal which destiny is their sale.

In the year ended 31 December 2022, the increase occurred in the caption "Advances on purchases" was mainly explained by the Maya Train project in Mexico.

As of 31 December 2022 and 2021, the inventories caption included approximately 154,000 thousand euros and 121,000 thousand euros, respectively, associated with real estate projects.

As of 31 December 2022 and 2021, the portion of inventories expected to be realized in a period higher than 12 months amounts to approximately 221,000 thousand euros and 200,000 thousand euros, respectively.

As of 31 December 2022 and 2021, there were some real estate properties recorded under the caption of inventories that were collateralizing loans obtained in the amount of approximately 6,940 thousand euros and 21,800 thousand euros, respectively.

In the years ended 31 December 2022 and 2021 the movement occurred in the inventory's adjustments can be analysed as follows:

	2022	2021
Opening balance	19,834	25,714
Increases (Note 8)	462	1,308
Decreases (Note 8)	(229)	(7,567)
Utilizations	(1,416)	(511)
Transfers, exchange differences and changes in the perimeter	2,215	890
	20,865	19,834

The decreases in impairments recorded in the year ended 31 December 2021 were due, essentially, to an appraisal of a real estate property located in Portugal, whose result evidenced a significant improvement in its net realizable value.

In order to determine the net realizable value of the inventories, namely the real estate properties, the valuation methods used were the ones described in Note 16.

As of 31 December 2022 and 2021, the most relevant information regarding the appraisals performed to the main real estate properties (classified in inventories) held by the GROUP can be summarised as follows:

2022		Key assumptions					
Property	Company	Valuation method	Valuation	Construction cost per square meter	Sale price per square meter	Rent per square meter/month	Discount rate
Real estate project - Portugal - I	MERE	Discounted cash-flow method	38,095	646.21	3,821.36	n.a.	11.9%
Real estate project - Portugal - III	MERE Aurora	Discounted cash-flow method	20,744	1,088.99	4,997.83	n.a.	9.9%
Real estate project - Poland - VI	MECE	Discounted cash-flow method	15,738	n.a.	2,108.14	n.a.	10.5%
Real estate project - Poland - VII	MECE	Discounted cash-flow method	14,361	n.a.	1,818.72	n.a.	10.8%
Real estate project - Poland - I	MECE	Discounted cash-flow method	9,426	680.75	2,741.48	n.a.	10.0%
Real estate project - Poland - II	MECE	Discounted cash-flow method	7,659	662.44	2,756.11	n.a.	10.0%

2021				Key assumptions			
Property	Company	Valuation method	Valuation	Construction cost per square meter	Sale price per square meter	Rent per square meter/month	Discount rate
Real estate project - Portugal - I	MERE	Discounted cash-flow method	37,933	586.24	2,932.00	n.a.	9.8%
Real estate project - Poland - VII	MECE	Discounted cash-flow method	14,707	834.80	1,722.69	n.a.	4.7%
Real estate project - Poland - VI	MECE	Discounted cash-flow method	9,485	1,452.79	1,892.58	n.a.	5.4%
Real estate project - Portugal - II	MERE	Discounted cash-flow method	4,535	245.94	596.85	n.a.	8.1%
Real estate project - Poland - VIII	MECE	Discounted cash-flow method	3,024	4,761.44	5,054.97	n.a.	5.4%

The sensitivity of the results of the appraisals performed to the real estate properties above-mentioned to the main key assumptions, namely to the discount rate, the construction cost per square meter and the sale price per square meter was as follows (impact on the fair value of the real estate properties):

2022				Sensitivity to key assumptions					
Property	Company	Valuation method	Discount rate		Construction cost per square meter		Sale price per square meter		
			0.5%	(0.5)%	5.0%	(5.0)%	5.0%	(5.0)%	
Real estate project - Portugal - I	MERE	Discounted cash-flow method	(2,063)	2,189	(3,355)	3,355	5,368	(5,368)	
Real estate project - Portugal - III	MERE Aurora	Discounted cash-flow method	(423)	433	(1,966)	1,966	2,837	(2,837)	
Real estate project - Poland - VI	MECE	Discounted cash-flow method	(39)	39	n.a.	n.a.	808	(808)	
Real estate project - Poland - VII	MECE	Discounted cash-flow method	(94)	95	n.a.	n.a.	773	(773)	
Real estate project - Poland - I	MECE	Discounted cash-flow method	(134)	136	(404)	404	946	(946)	
Real estate project - Poland - II	MECE	Discounted cash-flow method	(143)	145	(410)	410	846	(846)	

2021				Sensitivity to key assumptions					
Property	Company	Valuation method	Discount rate		Construction cost per square meter		Sale price per square meter		
			0.5%	(0.5)%	5.0%	(5.0)%	5.0%	(5.0)%	
Real estate project - Portugal - I	MERE	Discounted cash-flow method	(2,147)	2,284	(3,646)	3,646	5,609	(5,609)	
Real estate project - Poland - VII	MECE	Discounted cash-flow method	(40)	40	(206)	206	823	(823)	
Real estate project - Poland - VI	MECE	Discounted cash-flow method	(69)	69	(287)	287	674	(674)	
Real estate project - Portugal - II	MERE	Discounted cash-flow method	(1,034)	1,137	(3,851)	3,851	4,059	(4,059)	
Real estate project - Poland - VIII	MECE	Discounted cash-flow method	(9)	9	(50)	50	201	(201)	

23. Customers and other debtors

The information regarding customers and other debtors as of 31 December 2022 and 2021 can be analysed as follows:

	Non-current		Current	
	2022	2021	2022	2021
Customers, current account				
Gross amount				
Europe - E&C	4,868	3,800	151,394	154,027
Environment	26,371	35,246	191,448	191,857
Africa - E&C	7,874	10,385	569,295	667,612
Latin America - E&C	18,100	-	289,632	207,942
Capital	875	920	23,202	25,471
Others, eliminations and intragroup	(318)	(195)	(99,901)	(213,665)
	57,770	50,157	1,125,069	1,033,245
Accumulated impairment losses	(22)	(40)	(204,405)	(199,760)
	57,748	50,116	920,664	833,485
Customers, notes receivables	-	-	14	14
Total customers	57,748	50,116	920,678	833,499
Associates and related companies				
Gross amount	80,647	89,962	11,231	4,823
Accumulated impairment losses	(2,078)	(2,010)	-	-
	78,569	87,951	11,231	4,823
Advances to suppliers	-	-	98,644	55,221
State and other public entities (except corporate income tax)	-	4	93,507	69,727
Other				
Gross amount				
Europe - E&C	2,898	2,788	213,884	247,400
Environment	3,226	5,787	17,037	18,527
Africa - E&C	24,263	34,737	212,279	144,878
Latin America - E&C	75,721	56,921	163,090	103,006
Capital	10,862	9,543	17,631	14,445
Others, eliminations and intragroup	-	-	(267,014)	(335,184)
	116,970	109,776	356,906	193,072
Accumulated impairment losses	(2,158)	(2,583)	(27,015)	(25,865)
	114,812	107,193	329,892	167,207
Other debtors	193,381	195,148	533,274	296,978
Total customers and other debtors	251,129	245,265	1,453,952	1,130,477

As of 31 December 2022 and 2021, the balance of the caption "Customers, current account - Gross amount - Environment" included, approximately, 35,700 thousand euros and 38,300 thousand euros, respectively (of which 26,200 thousand euros and 35,000 thousand euros classified as non-current, respectively), associated with a landfill exploration concession in Ivory Coast. This concession was granted by the State of Ivory Coast for a period of 7 years to CLEAN EBURNIE, which has an unconditional right to receive a monthly rent in return for the construction of the referred landfill.

In the year ended 31 December 2022, the increase in the caption "Customers, current account - Gross amount - Latin America - E&C" was essentially due to the increase of activity during the year, namely in Mexico.

In the year ended 31 December 2022, the increase in the caption "Advances to suppliers", was mainly justified by the Tren Maya project in Mexico.

As of 31 December 2022 and 2021, the balance of the caption "Associates and related companies" referred, essentially, to loans granted to the GROUP associated companies located in Mexico.

As of 31 December 2022, the balance of the caption "Other - Gross amount - Africa - E&C - Non-current" referred, essentially, to an account receivable from MOTA - ENGIL CONSTRUCTION SOUTH AFRICA, which, following its disposal process in 2019, saw its reimbursement plan modified (5 equal annual instalments in South African Rands in an amount equivalent to 17 million euros at the exchange rate of 2019). Additionally, since that account receivable does not bear interest, the GROUP recorded in the year 2019 a loss of circa of 23,000 thousand euros to deal with the time value of money effect.

As of 31 December 2022 and 2021, 24,100 thousand euros and 35,000 thousand euros, respectively, from that account receivable, were classified as non-current, and 24,500 thousand euros and 14,000 thousand euros, respectively, were classified as current.

In the year ended 31 December 2022, the increase in the caption “Other – Gross amount - Africa – E&C - Current) was mainly due to the increase of activity during the year, namely in Angola, Guinea and Nigeria.

As of 31 December 2022 and 2021, the balance of the caption “Other - Gross amount - Latin America – E&C - Non-current” referred, essentially, to accounts receivables associated with the disposal of the tourism business in Mexico, for which a reimbursement plan has been defined with semi-annual payments over the next 5 years.

In the years ended 31 December 2022 and 2021, the movement occurred in the accumulated impairment losses of customers and other debtors can be analysed as follows:

	2022	2021
Customers and other debtors:		
Opening balance	230,258	258,907
Increases (Note 8)	10,543	28,233
Decreases (Nota 8)	(9,972)	(14,651)
Utilizations	(120)	(30,052)
Transfers, exchange differences and changes in the perimeter	4,969	(12,178)
	235,678	230,259

In the year ended 31 December 2021, the utilizations of accumulated impairment losses were justified, essentially, by MOTA-ENGIL AMBIENTE E SERVIÇOS and was associated with credits resulting from the acquisition of TERTIR SUBGROUP.

As of 31 December 2022 and 2021, expected credit impairment losses were recorded for accounts receivables, which were determined taking in consideration a provision matrix based on the credit history of the debtors of the GROUP over the last five years, adjusted by specific factors attributable to the debtors, as well as, by the forecasted macroeconomic conditions for the future. Furthermore, on those dates, adjustments to accounts receivable were also recorded for impairment losses incurred when there was objective evidence that the GROUP would not collect the full amounts to which it was entitled pursuant to the original terms of the established contracts. The adjustments are determined considering the age of the accounts receivable, the risk profile of the debtor, as well as its economic-financial condition. On the other hand, for the accounts receivable whose expected time of collection exceeds one year, the GROUP proceeded to the financial discount of those balances to its present value (considering an additional term between one and two years to recover the credit) and discount rates E&C between 8% and 24% in the Africa – E&C segment (7% and 20% in the year of 2021) and 11.1% in the Latin America - E&C segment only in the year of 2021).

The exposure of the GROUP to credit risk is attributable, mostly, to the accounts receivable generated by its operating activity.

It is the GROUP’s Board of Directors belief that the amount at which those assets are recorded in the consolidated statement of financial position is similar to its fair value.

The GROUP does not charge any interest when the collection terms established with their customers are fulfilled (usually less than 1 year). Once those terms are not accomplished, interest are charged, as contractually established or in accordance with the applicable law in force in each situation.

24. Contract assets

The information regarding contract assets by operating segment as of 31 December 2022 and 2021 can be analysed as follows:

	2022		2021	
	Non-current	Current	Non-current	Current
Africa - E&C	-	321,731	-	379,095
Environment	-	24,059	-	14,725
Latin America - E&C	1,030	230,016	-	239,674
Capital	3,431	671	-	10,434
Europe - E&C	678	23,054	-	49,166
Others, eliminations and intragroup	-	(9,862)	-	142
	5,139	589,669	-	693,236

The movement occurred in the years ended 31 December 2022 and 2021 in the contract assets and liabilities, can be analysed as follows:

Balance at 1 January 2022	343,521
Revenue recognized in the year associated with liabilities recorded in previous years	136,882
Advances received in the year, net of revenue recognized in the same year	(712,793)
Transfers to customers and other debtors	(563,458)
Increases due to the accomplishment of new performance obligations not yet invoiced	402,618
Changes to the estimates performed in previous years	35,806
Exchange differences, changes in the perimeter and others	21,686
Balance at 31 December 2022	(335,738)
Contract assets	594,808
Contract liabilities - Deferred income (Note 34)	(930,546)
	(335,738)
Balance at 1 January 2021	385,168
Revenue recognized in the year associated with liabilities recorded in previous years	173,393
Advances received in the year, net of revenue recognized in the same year	(223,475)
Transfers to customers and other debtors	(558,645)
Increases due to the accomplishment of new performance obligations not yet invoiced	580,895
Changes to the estimates performed in previous years	(8,705)
Exchange differences, changes in the perimeter and others	(5,110)
Balance at 31 December 2021	343,521
Contract assets	693,236
Contract liabilities - Deferred income (Note 34)	(349,715)
	343,521

In the year ended 31 December 2022, the changes to the estimates performed in previous years were justified, essentially, on the negative side, by the market of Brazil and, on the positive side, by the markets of Angola and Mexico.

In the year ended 31 December 2021, the changes to the estimates performed in previous years were justified, essentially, on the negative side, by the markets of Mexico, Uganda and Brazil, on the positive side, by the markets of Angola and Peru.

25. Other assets

The information regarding other assets as of 31 December 2022 and 2021 can be analysed as follows:

	Non-current		Current	
	2022	2021	2022	2021
Accrued income				
Interest receivable	-	-	4,890	3,699
Other accrued income	-	3,244	1,645	-
	-	3,244	6,535	3,699
Deferred costs				
Insurance	629	372	33,859	13,809
Costs associated with the fulfilment of a contract	10,778	15,872	13,418	12,955
Other deferred costs (Others)	29,335	16,314	25,261	41,697
	40,742	32,558	72,538	68,461
	40,742	35,802	79,073	72,160

As of 31 December 2022 and 2021, the caption “Costs associated with the fulfilment of a contract - Current” included, essentially, deferred costs associated with the mobilisation / demobilisation of equipment’s and construction sites in ongoing engineering and construction projects being performed by the GROUP.

As of 31 December 2022 and 2021, the caption “Costs associated with the fulfilment of a contract – Non-current” included, essentially, the amount incurred by the GROUP with the acquisition of 50% of an engineering and construction project.

As of 31 December 2022 and 2021, the caption “Other deferred costs (Others)” corresponded, essentially, to tariff deviations to recover, generated by EGF SUBGROUP concessionaires.

26. Corporate income tax

The information regarding the corporate income tax by operating segment as of 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Africa - E&C	20,565	16,947
Latin America - E&C	10,565	10,554
Environment	5,936	3,192
Europe - E&C	926	422
Capital	864	476
Others, eliminations and intragroup	165	6
	39,021	31,598

27. Cash and other financial applications

The information regarding the captions “Cash and cash equivalents with recourse – “Demand deposits” and “Other financial applications” as of 31 December 2022 and 2021 can be analysed as follows:

	Demand deposits		Other financial applications		Total	
	2022	2021	2022	2021	2022	2021
Other treasury applications	766	2,203	-	-	766	2,203
Bank deposits and cash in hand						
Bank deposits	600,044	341,499	78,577	58,765	678,621	400,264
Cash in hand	2,526	3,094	-	-	2,526	3,094
	603,336	346,796	78,577	58,765	681,913	405,561

The information regarding the caption “Cash and cash equivalents without recourse - Demand deposits” as of 31 December 2022 and 2021 can be analysed as follows:

	Demand deposits	
	2022	2021
Bank deposits and cash in hand		
Bank deposits	93,051	37,069
Cash in hand	317	20
	93,368	37,088

The amounts of “Cash and cash equivalents without recourse - Demand deposits” are related, essentially, with the EGF SUBGROUP companies.

As of 31 December 2022 and 2021, in order to prepare the consolidated statement of cash flows, the balance of the caption “Cash and cash equivalents” presented the following breakdown:

	Total	
	2022	2021
With recourse	603,336	346,796
Without recourse	93,368	37,088
	696,705	383,884

As of 31 December 2022 and 2021, there were 78,577 thousand euros and 58,765 thousand euros, respectively, recorded under the caption of “Other financial applications” not immediately available since they have been given as a guarantee or are held captive under financing contracts established with third parties.

As of 31 December 2022 and 2021, the amounts included under the captions “Cash and cash equivalents with recourse – demand deposits”, “Cash and cash equivalents without recourse – Demand deposits” and “Other financial applications” presented the following geographic source:

	2022	2021
Mexico	217,808	170,159
Nigeria	183,576	55,697
Portugal	182,972	35,521
Angola	44,096	32,967
Peru	43,130	25,025
Ivory Coast	24,364	24,556
Zimbabwe	21,527	24,427
Brazil	11,534	20,806
Poland	6,182	13,164
Mozambique	4,064	3,535
Netherlands	3,524	0
Others	32,504	36,792
	775,282	442,649

28. Non-current assets and liabilities held for sale

The information regarding non-current assets and liabilities held for sale as of 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Assets associated to Concessionária Cua (Latin America - E&C segment)	85,053	-
Assets associated with the industrial waste business (Environment segment)	50,717	-
Assets associated with the operations in Ireland and in the United Kingdom (Europe - E&C segment)	-	49,981
Assets of Takargo (Capital segment)	-	31,114
Others	7,389	7,285
Non-current assets held for sale	143,159	88,380

	2022	2021
Liabilities associated to Concessionária Cua (Latin America - E&C segment)	52,177	-
Liabilities associated with the industrial waste business (Environment segment)	21,060	-
Liabilities associated with the operations in Ireland and in the United Kingdom (Europe - E&C segment)	-	49,082
Liabilities of Takargo (Capital segment)	-	24,299
Non-current liabilities held for sale	73,237	73,380

In the year ended 31 December 2022, due to the ongoing partial sale of CONCESSIONÁRIA CUA (with loss of control), the GROUP classified the assets and liabilities associated with that highway concessionaire in Mexico as held for sale.

Likewise, in the year ended 31 December 2022, following an ongoing sale operation established with the minority shareholder of SUMA GROUP, the GROUP classified the assets and liabilities associated with its industrial waste business as held for sale.

As of 31 December 2022, the breakdown of non-current assets and liabilities held for sale associated with CONCESSIONÁRIA CUA and the industrial waste business was as follows:

Concessionária Cua	2022
Assets	
Non-current	
Intangible assets	62,250
Tangible assets	5
Deferred tax assets	514
	62,770
Current	
Inventories	2,845
Customers and other debtors	6,006
Other current assets	7,327
Cash and cash equivalents with recourse – Demand deposits	6,105
	22,283
Total Assets	85,053
Liabilities	
Non-current	
Lease liabilities	3,666
Suppliers and sundry creditors	712
	4,378
Current	
Loans with recourse	36,464
Suppliers and sundry creditors	11,329
Other current liabilities	5
	47,798
Total Liabilities	52,177

Industrial waste business	2022
Assets	
Non-current	
Goodwill	918
Intangible assets	29
Tangible assets	21,235
Right of use assets	2,770
Financial investments in associated companies	59
	25,011
Current	
Inventories	494
Customers and other debtors	8,704
Other current assets	456
Cash and cash equivalents with recourse – Demand deposits	16,052
	25,706
Total Assets	50,717
Liabilities	
Non-current	
Loans with recourse	417
Lease liabilities	1,317
Provisions	7,575
Deferred tax liabilities	152
	9,461
Current	
Loans with recourse	210
Lease liabilities	702
Suppliers and sundry creditors	7,711
Other current liabilities	2,976
	11,600
Total Liabilities	21,060

In the year ended 31 December 2022, the contribution of CONCESSIONÁRIA CUA and the industrial waste business to the GROUP's income statement was as follows:

Concessionária Cua	2022
Sales and services rendered	30,451
Third-party supplies and services	(4,032)
Wages and salaries	(177)
Other operating income / (expenses)	(22,429)
Amortizations and depreciations	(2)
Financial income and gains	7,466
Financial costs and losses	(11,609)
Income before taxes	(333)
Income tax	100
Net profit of the year	(233)

Industrial waste business	2022
Sales and services rendered	39,776
Cost of goods sold, mat. cons. and changes in production	(9,618)
Third-party supplies and services	(11,435)
Wages and salaries	(5,984)
Other operating income / (expenses)	(1,631)
Amortizations and depreciations	(2,156)
Provisions and impairment losses	(749)
Financial income and gains	177
Financial costs and losses	(106)
Income before taxes	8,273
Income tax	(1,946)
Net profit of the year	6,326

In the year ended 31 December 2022, the GROUP completed the sale of its operations in Ireland and in the United Kingdom (February 2022), as well as in TAKARGO (June 2022). As a result of the aforementioned operations, the GROUP generated capital gains of approximately 5,100 thousand euros and 800 thousand euros, respectively (Notes 11 and 42)

As of 31 December 2021, the detail of the non-current assets and liabilities held for sale associated with the Ireland and United Kingdom operations, as well as TAKARGO was as follows:

Ireland and United Kingdom	2021
Assets	
Non-current	
Intangible assets	6
Tangible assets	1,707
Right of use assets	387
Customers and other debtors	75
Deferred tax assets	1,108
	3,283
Current	
Customers and other debtors	16,379
Other current assets	22,987
Cash and cash equivalents with recourse – Demand deposits	7,332
	46,698
Total Assets	49,981
Liabilities	
Non-current	
Lease liabilities	117
Suppliers and sundry creditors	16
	133
Current	
Loans with recourse	466
Lease liabilities	221
Suppliers and sundry creditors	7,721
Other current liabilities	40,540
	48,948
Total Liabilities	49,082

Takargo	2021
Assets	
Non-current	
Intangible assets	447
Tangible assets	11,189
Right of use assets	13,071
Financial investments in associated companies	51
	24,757
Current	
Customers and other debtors	4,441
Other current assets	1,569
Cash and cash equivalents with recourse – Demand deposits	347
	6,357
Total Assets	31,114
Liabilities	
Non-current	
Lease liabilities	12,465
Provisions	980
	13,445
Current	
Loans with recourse	2,851
Lease liabilities	982
Suppliers and sundry creditors	6,185
Other current liabilities	836
	10,853
Total Liabilities	24,299

In the year ended 31 December 2021, the contribution of the operations in Ireland and in the United Kingdom and of TAKARGO to the income statement of the GROUP was as follows:

Ireland and United Kingdom	2021
Sales and services rendered	50,513
Cost of goods sold, mat. cons. and changes in production	(9,816)
Third-party supplies and services	(29,390)
Wages and salaries	(9,061)
Other operating income / (expenses)	(823)
Amortizations and depreciations	(763)
Financial income and gains	30
Financial costs and losses	(141)
Income before taxes	548
Income tax	49
Net profit of the year	598

Takargo	2021
Sales and services rendered	17,338
Third-party supplies and services	(11,554)
Wages and salaries	(3,543)
Other operating income / (expenses)	(287)
Amortizations and depreciations	(1,788)
Financial costs and losses	(877)
Income before taxes	(711)
Income tax	(122)
Net profit of the year	(833)

29. Share capital and reserves

Share capital

The share capital of MOTA-ENGIL SGPS, as of 31 December 2022 and 2021, fully subscribed and paid up, amounted to 306,775,950 euros and was represented by 306,775,950 shares with a nominal value of 1 euro each.

On the 28th of May of 2021, MOTA-ENGIL SGPS proceeded with an increase in the share capital with the issuance of 69,270,809 new ordinary and nominative shares, with a nominal value of 1 euro each and a unit subscription price of 1.50 euros, exhibiting a share premium of 0.50 euros per new share.

In the years ended 31 December 2022 and 2021, MOTA-ENGIL SGPS fulfilled the capital requirements set out in the Portuguese commercial law, namely the ones provided for in article 35 of the Portuguese Commercial Companies Code.

Own shares

In the years ended 31 December 2022 and 2021, the GROUP did not acquire nor dispose own shares.

As of 31 December 2022 and 2021 the GROUP held 6,091,581 own shares with an average cost per share of 1.68 euros amounting to a total of 10,232 thousand euros.

Share premiums

Share premiums correspond to premiums arising from the issuance or increases of share capital. Pursuant to the Portuguese commercial legislation, the amounts included under this caption follow the regime established for the "Legal reserves", that is, the amounts are not distributable, except in the event of liquidation, but they may be used to absorb losses after all other reserves have been depleted and for incorporation in the share capital.

In the year ended 31 December 2021, the movement in the share premiums caption was as follows:

Beginning balance	92,584
Share premium generated by the share capital increase performed in 2021	34,635
Set-up costs associated with the increase in share capital	(1,186)
Ending balance	126,034

Fair value reserve – Financial investments

The "Fair value reserve – Financial investments" reflects the changes in the fair value of financial assets recorded at fair value through other comprehensive income and cannot be distributed or used to absorb losses.

Fair value reserve – Fixed assets

The "Fair value reserve – Fixed assets" cannot be distributed to shareholders unless it has been fully amortized or if the respective revalued assets have been disposed of.

Fair value reserve – Derivatives

The “Fair value reserve – Derivatives” reflects the changes in the fair value of cash flow hedge derivative financial instruments which are considered effective and cannot be distributed to shareholders or used to absorb losses.

Currency translation reserve

The “Currency translation reserve” reflects the exchange differences arising from the translation of financial statements of affiliates expressed in a currency other than euro and cannot be distributed to shareholders or used to absorb losses.

In the year ended 31 December 2022, the movements in this caption were due, essentially, to the appreciation of the Angolan Kwanza, of the Mozambican Metical, of the Mexican Peso, as well as the depreciation of the Malawian Kwacha and the Colombian Peso.

In the year ended 31 December 2021, the movements in this caption were due, essentially, to the appreciation of the Angolan Kwanza, of the Mozambican Metical, as well as the depreciation of the Zimbabwe Dollar.

The effects of applying IAS 29 to Zimbabwe's operations (Note 46), as well as the accumulated exchange rate effect of applying this standard in previous years (Zimbabwe until 2019 and Angola until 2018) are not considered in this caption, but rather in the caption “Other reserves and retained earnings”.

Legal reserves

The Portuguese commercial legislation establishes that at least 5% of the annual net profit, if positive, must be assigned to the legal reserve until it represents at least 20% of the share capital. This reserve is not distributable, except in the event of liquidation, but may be used to absorb losses after all other reserves have been depleted and for incorporation in the share capital.

Under the terms of the Portuguese commercial legislation, the amount of distributable reserves is determined in accordance with the separate financial statements of MOTA-ENGIL SGPS, prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union.

Distributions

As approved in the General Shareholders Meeting held on 6 May of 2022, the net income of the year ended 31 December 2021 was applied as follows:

- To legal reserve, 5% of net profit for the year, in the amount of 2,117,049 euros and 1 cent;
- For distribution to shareholders, in a first phase, 5,175 cents per share, captive of taxes, in the global amount of 15,875,655 euros and 41 cents;
- For distribution to shareholders, in a second phase, 1,725 cents per share, captive of taxes, in the global amount of 5,291,885 euros and 14 cents, if the consolidated net income attributable to the GROUP verified at the end of the first half of 2022 was greater than 50% of the consolidated net profit attributable to the GROUP verified in 2021, that is, greater than 10,820.5 thousand euros (which occurred); and
- For free reserves, the remainder, in the amount of 24,438,275 euros and 74 cents.

Additionally, it should be noted that of the amount of dividends distributed, 21,168 thousand euros, 421 thousand euros refer to own shares held by the GROUP.

As approved in the General Shareholders Meeting held on the 30 June of 2021, the net negative result of the year ended 31 December 2020 was fully applied to retained earnings.

Capital management policy

The capital structure of MOTA-ENGIL GROUP, determined by the proportion between its equity and its net debt, is managed in order to ensure the continuity and the development of its operating activities, the maximization of the return of its shareholders and the optimisation of its financing costs.

MOTA-ENGIL GROUP periodically monitors its capital structure, identifying risks, opportunities and the necessary adjustment measures in order to achieve the above referred targets.

As of 31 December 2022 and 2021, MOTA-ENGIL GROUP presented an accounting gearing of 56% and 38%, respectively.

Gearing = total equity / net debt, with net debt corresponding to the algebraic sum of the following captions of the consolidated statement of financial position: loans with recourse; loans without recourse; cash and cash equivalents with recourse - demand deposits; cash and cash equivalents without recourse - demand deposits, other financial applications and other financial investments recorded at amortised cost.

Proposals for the application of the net profit of the year and distribution of corporate assets

The standalone Management Report of 2022 presents the following proposals:

“The Board of Directors proposes to the annual general meeting:

- That the negative net result in the amount of 17,430,287 euros and 24 cents, be transferred to the “Retained earnings” account; and
- That corporate assets be distributed to shareholders, namely the distribution of part of the amount accounted for in the “Free reserves” account, in the global amount of 30,748,153 euros and 47 cents, thus corresponding to the value of 10,023 cents per share, captive of taxes.

This global amount will exclude the amount of the distribution that would be applicable to the shares that, on the date of the distribution of the corporate assets, are held by the COMPANY itself or by its dependent companies, which must continue to be allocated to the “Free reserves” account.”

30. Loans

The amounts regarding loans with recourse as of 31 December 2022 and 2021 can be analysed as follows:

	Current (until 1 year)	between 1 and 2 years	between 2 and 5 years	more than 5 years	Non-current	Total
2022						
Non-convertible bond loans	124,170	85,904	198,927	-	284,831	409,001
Amounts owe to credit institutions:						
Bank loans	426,811	278,972	267,324	12,034	558,330	985,140
Overdraft facilities	61,685	-	-	-	-	61,685
Revolving facilities	37,263	-	-	-	-	37,263
Other loans obtained:						
Commercial paper issues	126,935	-	-	-	-	126,935
Others	55	-	-	-	-	55
	776,918	364,876	466,251	12,034	843,161	1,620,079
2021						
Non-convertible bond loans	84,869	126,066	205,950	-	332,017	416,885
Amounts owe to credit institutions:						
Bank loans	342,384	223,310	456,161	5,463	684,935	1,027,318
Overdraft facilities	32,800	-	-	-	-	32,800
Revolving facilities	16,761	-	-	-	-	16,761
Other loans obtained:						
Commercial paper issues	116,956	4,367	4,902	-	9,269	126,225
Others	263	-	-	-	-	263
	594,032	353,744	667,013	5,463	1,026,221	1,620,253

Although the commercial paper issues are due in one year or less, they are generally covered by medium and long-term programmes which ensure their automatic renewal over time. Under these circumstances, and since the GROUP’s Board of Directors has the unilateral right to pursue the use of those programmes while they are in force, it recorded, if applicable, those commercial paper issues as due in the medium and long term.

As of 31 December 2022 and 2021, there were financing operations with commitments of maintenance of some covenants related with gearing ratios (total equity / total assets) and debt ratios (net debt / EBITDA), based on the consolidated financial statements of the GROUP and of its sub holdings, whose conditions were negotiated in accordance with normal market practices.

As at 31 December 2022 and 2021, there were no breaches of the aforementioned covenants.

The amounts regarding loans without recourse as of 31 December 2022 and 2021 can be analysed as follows:

	Current (until 1 year)	between 1 and 2 years	between 2 and 5 years	more than 5 years	Non-current	Total
2022						
Amounts owe to credit institutions:						
Bank loans	15,139	54,626	58,633	73,470	186,729	201,868
Revolving facilities	7,782	-	-	-	-	7,782
Other loans obtained:						
Commercial paper issues	7,300	2,500	1,216	-	3,716	11,016
	30,220	57,126	59,849	73,470	190,445	220,665
2021						
Amounts owe to credit institutions:						
Bank loans	13,992	18,474	83,194	23,846	125,514	139,506
Overdraft facilities	265	-	-	-	-	265
Revolving facilities	16,802	-	-	-	-	16,802
Other loans obtained:						
Commercial paper issues	7,100	2,900	3,689	-	6,589	13,689
	38,159	21,374	86,883	23,846	132,103	170,261

As of 31 December 2022 and 2021, the amounts of loans without recourse were associated to the companies of the EGF SUBGROUP and to the company used to finance its acquisition (SUMA TRATAMENTO).

Additionally, as of 31 December 2022 and 2021, the average maturity of the loans (with and without recourse) was 2.3 and 2.3 years, respectively.

As of 31 December 2022 and 2021, the movement occurred in loans was as follows:

2022	Non-convertible bond loans	Bank loans	Overdrafts facilities	Revolving facilities	Commercial paper issues	Other loans	Total
Opening balance	416,885	1,166,825	33,065	33,563	139,914	263	1,790,515
Transactions with impact in cash-flow:							
Loans receipts	70,000	633,423	72,486	131,116	415,250	-	1,322,274
Amortizations and repayments of loans	(77,657)	(634,295)	(43,837)	(119,892)	(417,272)	-	(1,292,953)
	(7,657)	(873)	28,650	11,223	(2,022)	-	29,322
Transactions with no impact in cash-flow:							
Exchange differences	(58)	24,625	278	1	-	-	24,845
Recognition of amortized cost	(193)	(923)	-	-	31	-	(1,085)
Changes in the perimeter and transfers	23	(2,646)	(307)	256	28	(208)	(2,853)
Closing balance	409,001	1,187,008	61,685	45,044	137,952	55	1,840,744

2021	Non-convertible bond loans	Bank loans	Overdrafts facilities	Revolving facilities	Commercial paper issues	Other loans	Total
Opening balance	359,016	1,182,397	120,288	76,202	152,971	414	1,891,287
Transactions with impact in cash-flow:							
Loans receipts	145,000	652,770	29,555	225,560	330,331	-	1,383,216
Amortizations and repayments of loans	(86,278)	(681,620)	(117,311)	(269,329)	(343,421)	(151)	(1,498,109)
	58,722	(28,849)	(87,755)	(43,769)	(13,090)	(151)	(114,893)
Transactions with no impact in cash-flow:							
Exchange differences	-	15,628	532	2,130	-	-	18,290
Recognition of amortized cost	(852)	(1,606)	-	-	34	-	(2,425)
Changes in the perimeter and transfers	-	(744)	-	(1,000)	-	-	(1,744)
Closing balance	416,885	1,166,825	33,065	33,563	139,914	263	1,790,515

As of 31 December 2022 and 2021, the main bond loans and commercial paper programmes (over 20.000 thousand euros) issued by the GROUP in force on those dates were as follows:

Type / Issuer	Date of issue	Date of reimbursement	Indexation	Reimbursement conditions	Current nominal amount	Maturity
Bond loans:						
Mota-Engil SGPS	Oct-19	Oct-24	Fixed rate 4.375%	i)	168,000	
Mota-Engil SGPS	Dec-21	Dec-26	Fixed rate 4.25%	ii)	132,000	
Mota-Engil SGPS	Oct-22	Oct-27	Fixed rate 5.75%	iii)	70,000	
Mota-Engil SGPS	Jan-18	Jan-23	Fixed rate 4%	iii)	29,650	
Mota-Engil SGPS	Jun-19	Jun-23	Rate determined by agreement between the issuer and the placement entities		36,358	3 to 397 days
Mota-Engil SGPS	Aug-22	Aug-2	Euribor of the period + 4%		24,419	Direct placement: from 7 days to 6 months
Mota-Engil SGPS	Dec-13	Dec-27	Maximum rate indicated by the issuer		21,749	7 to 397 days
Mota-Engil SGPS	Aug-19	Feb-23	Rate determined by agreement between the issuer and the placement entities		20,365	7 to 181 days

i) Half-yearly interest with repayment in two installments: 50% in 30/10/23 and 50% in 30/10/24;

ii) Half-yearly interest with repayment in two installments: 50% in 02/12/25 and 50% in 02/12/26;

iii) Half-yearly interest with a single repayment upon the term of the contract.

Type / Issuer	Date of issue	Date of reimbursement	Indexation	Reimbursement conditions	Current nominal amount	Maturity
Bond loans:						
Mota-Engil SGPS	Oct-19	Oct-24	Fixed rate 4.375%	i)	168,000	
Mota-Engil SGPS	Dec-21	Dec-26	Fixed rate 4.25%	ii)	132,000	
Mota-Engil SGPS	Nov-18	Nov-22	Fixed rate 4.5%	iii)	70,911	
Mota-Engil SGPS	Jan-18	Jan-23	Fixed rate 4%	iii)	29,650	
Mota-Engil SGPS	Jun-19	Dec-22	Rate determined by agreement between the issuer and the placement entities		31,903	3 to 397 days
Mota-Engil SGPS	Aug-19	Feb-22	Euribor of the period + 2.75%		28,699	7 to 181 days
Mota-Engil Europa	Dec-15	Jun-22	Euribor of the period + 4.70%		20,000	Direct placement: from 7 days to 6 months

i) Half-yearly interest with repayment in two installments: 50% in 30/10/23 and 50% in 30/10/24;

ii) Half-yearly interest with repayment in two installments: 50% in 02/12/25 and 50% in 02/12/26;

iii) Half-yearly interest with a single repayment upon the term of the contract.

As of 31 December 2022, the loans obtained through other financing contracts over 30,000 thousand euros can be analysed as follows:

2022						
Issuer	Date of issue	Date of reimbursement	Indexation	Reimbursement conditions	Current nominal amount	
Other operations:						
Mota-Engil, SGPS	Aug-19	Feb-26	Euribor 6M + 2.5%	Annual amortization	97,604	
Mota-Engil México	Apr-21	Feb-24	TIIE + 2.5%	Monthly amortization	64,056	
Mota-Engil, SGPS	Mar-20	Sep-26	Euribor 6M + 3%	Half-yearly amortization	46,433	
Mota-Engil Engenharia e Construção África	Dec-21	Dec-25	Euribor 6M + 5.5%	Quarterly amortization	45,000	
Mota-Engil Engenharia e Construção África	Apr-19	Mar-24	Euribor 3M with differentiated Euribor (between 5.75% and 6.5%)	Half-yearly amortization	42,589	
Mota-Engil Engenharia e Construção África	Aug-21	Aug-26	SOFR + 6%	Quarterly amortization	36,721	
Mota-Engil Engenharia e Construção África	Dec-19	Dec-24	Euribor 3M + 6.75%	Quarterly amortization	32,500	
Mota-Engil Nigéria	Sep-22	Sep-23	15.5%	Total amortization in the end of the period	30,023	
Mota-Engil Engenharia e Construção África	Dec-22	Dec-26	Euribor 6M + 6.45%	Quarterly amortization	30,000	

31. Other financial liabilities

The information regarding the other financial liabilities as of 31 December 2022 and 2021 can be analysed as follows:

	Non-current		Current	
	2022	2021	2022	2021
Factoring	-	-	146,235	229,170
Payment management operations	13,630	-	60,186	111,101
	13,630	-	206,422	340,271

The caption "Payment management operations" includes the balances related with confirming operations and other similar ones.

As of 31 December 2022 and 2021, the movement occurred in other financial liabilities was as follows:

2022	Factoring	Payment management operations	Total
Opening balance	229,170	111,101	340,271
Transactions with impact in cash:			
Loans receipts	310,284	107,820	418,104
Amortizations	(393,324)	(158,875)	(552,199)
	(83,040)	(51,055)	(134,095)
Transactions without impact in cash:			
Transfers and exchange differences	105	13,770	13,875
Closing balance	146,235	73,816	220,051

2021	Factoring	Payment management operations	Total
Opening balance	224,233	-	224,233
Transactions with impact in cash:			
Loans receipts	266,717	134,206	400,923
Amortizations	(261,780)	(55,858)	(317,638)
	4,937	78,348	83,285
Transactions without impact in cash:			
Transfers and exchange differences	-	32,752	32,752
Closing balance	229,170	111,101	340,271

32. Derivative financial instruments

The information regarding the derivative financial instruments entered into by the GROUP as of 31 December 2022 and 2021 can be analysed as follows:

Cash-flows hedges							Fair value	
Affiliates	Type	Counterpart	Begin	Notional	Contracted rates	Term	2022	2021
Mota-Engil, SGPS	Limit Swap Floor	Société Generale	Nov-19	55,781	Swap Euribor 6M for fixed rate 0.128%	Aug/24	2,126	-
Mota-Engil, SGPS	Swap	Bank of China	Apr-20	39,600	Swap 6M -0.5% if Euribor 6M > 0.5%, otherwise 0	Mar/25	1,875	149
Mota-Engil, SGPS	Swap	Bank of China	Jun-18	22,930	Swap 6M -0.4% if Euribor 6M > 0.4%, otherwise 0	Dec/22	-	1
Mota-Engil Engenharia e Construção África	Swap	CAIXA BI	Jun-18	3,333	Swap Euribor 6M for fixed rate 0.54%	Dec/23	58	-
							4,058	150
Mota-Engil, SGPS	Limit Swap Floor	Société Generale	Nov-19	55,781	Swap Euribor 6M for fixed rate 0.128%	Aug/24	-	(35)
Mota-Engil México	Swap	Banobras	Jun-21	44,594	Swap TIIE 28 days for fixed rate 10.42%	Jul/22	(1,160)	-
Mota-Engil, SGPS	Swap	Banobras	Jun-18	37,591	Swap TIIE 28 days for fixed rate 5.2625%	Oct/22	-	(130)
Mota-Engil Engenharia e Construção África	Swap	JP Morgan	Jun-18	3,250	Swap Euribor 3M for fixed rate -0.03%	Dec/23	-	(4)
Mota-Engil Latin America BV	Swap	CAIXA BI	Mar-18	3,333	Swap Euribor 6M for fixed rate 0.54%	Dec/23	-	(41)
Mota-Engil México	Swap	CAIXA BI	Sep-22	2,500	Swap Euribor 6M for fixed rate -0.381%	Jul/23	(46)	(48)
							(1,206)	(258)
Total non-current assets							4,000	149
Total current assets							58	1
Total non-current liabilities							-	(123)
Total current liabilities							(1,206)	(135)
							2,852	(108)

The determination of the fair value of the derivative financial instruments entered into by the GROUP was carried out by the respective counterparties, which are considered to be respectable / independent financial entities of recognised merit. The valuation models employed were based on the discounted cash flow method, using par rates of swaps, listed on the interbank market and available on Reuters and Bloomberg pages for the relevant periods, being calculated the respective forward rates and discount factors which were used to discount the fixed cash flows (fixed leg) and variable cash flows (floating leg). The sum of the two legs determines the net present value (NPV). Regarding options, the Black-Scholes model and the volatility data available on Reuters and Bloomberg pages were used.

Following the above-mentioned, the fair value of the derivative financial instruments entered into by the GROUP was determined based on valuation techniques whose main inputs can be observed in the market, and so it can be included in level 2 of IFRS 13.

33. Suppliers and sundry creditors

The information regarding suppliers and sundry creditors as of 31 December 2022 and 2021 can be analysed as follows:

	Non-current		Current	
	2022	2021	2022	2021
Suppliers				
Europe - E&C	5,634	17,974	172,529	161,229
Environment	-	-	70,866	58,884
Africa - E&C	946	6,235	353,109	292,116
Latin America - E&C	0	446	196,296	149,788
Capital	25	116	50,597	51,058
Others, eliminations and intragroup	-	(217)	(114,355)	(126,448)
	6,606	24,555	729,044	586,627
Suppliers of fixed assets	-	-	77,622	32,260
Associates and other shareholders	12	37,220	56,983	19,879
Advances on sales of financial investments	-	-	78,185	56,499
State and other public entities (except corporate income tax)	-	-	169,721	106,393
Other creditors	10,024	7,150	174,313	103,858
	10,036	44,371	556,824	318,888
	16,642	68,925	1,285,867	905,516

As of 31 December 2022 and 2021, the caption “Associates and other shareholders” included essentially balances owed to GROUP partners, namely in Mexico and in Ivory Coast.

As of 31 December 2022 and 2021, the caption “Advances on sales of financial investments” included the amounts of approximately 78,200 thousand euros and 56,500 thousand euros, respectively, associated with the future sale of two motorway concessionaries in Mexico (Note 18).

Lastly, the GROUP's Board of Directors is convinced that the amount at which the aforementioned financial liabilities are recorded in the consolidated statement of financial position is similar to its fair value.

34. Contract liabilities

The information regarding contract liabilities by operating segment as of 31 December 2022 and 2021 can be analysed as follows:

	2022		2021	
	Non-current	Current	Non-current	Current
Africa - E&C	50,582	271,571	40,931	102,255
Environment	-	22,628	5,038	38,168
Latin America - E&C	241,635	269,694	-	140,086
Capital	-	20,246	-	10,566
Europe - E&C	2,206	51,697	430	12,242
Others	-	287	-	-
	294,423	636,123	46,399	303,317

In the year ended 31 December 2022, the increase occurred in the caption “Contract liabilities” was mainly due to a set of advances received at year end in Mexico.

35. Other liabilities

The information regarding other non-current liabilities as of 31 December 2022 and 2021 can be analysed as follows:

Other non-current liabilities	2022	2021
Investment grants	137,666	148,847
Work in progress not invoiced by suppliers	-	5,357
Others	3,702	15,325
	141,368	169,529

As of 31 December 2022 and 2021, the caption “Investment grants” referred, essentially, to the companies of EGF SUBGROUP.

The information regarding other current liabilities as of 31 December 2022 and 2021 can be analysed as follows:

Other current liabilities	2022	2021
Accrued costs		
Holiday pay and holiday bonus	52,230	43,364
Interest payable	24,543	26,780
Work in progress not invoiced by suppliers	501,793	470,361
Other accrued costs	22,204	26,145
	600,770	566,649
Deferred income		
Investment grants	16,582	14,900
Other deferred income	15,830	15,341
	32,412	30,241
	633,181	596,891

As of 31 December 2022, the caption “Work in progress not invoiced by suppliers” presented the following breakdown by business segment: 269,465 thousand euros in the Latin America - E&C segment (145,825 thousand euros in 2021), 183,165 thousand euros in the Africa - E&C segment (234,755 thousand euros in 2021) and 31,510 thousand euros in the Europe – E&C segment (65,776 thousand euros in 2021).

As of 31 December 2022 and 2021, the caption “Other deferred income” included the amounts of 4,000 thousand euros and 3,000 thousand euros, respectively, related to interest in arrears charged to customers which was deferred until the moment of their receipt and 10,500 thousand euros and 9,900 thousand euros, respectively, related to the tariff deviations arising from the companies of the EGF SUBGROUP.

The main information regarding the investment grants awarded to the GROUP is as follows:

Beneficiary company	Asset value	Grants recognition		
		Deferred income	Income recognised in 2022	Income recognised in 2021
Algar (a)	76,188	7,085	1,224	1,160
Amarsul (a)	67,735	15,406	1,807	1,821
Correia & Correia	3,158	-	12	12
Emerge	1,331	671	-	-
Enviroil II	4,187	-	106	106
Ersuc (a)	161,449	21,713	3,160	3,173
Resiestrela (a)	32,156	9,092	620	695
Resinorte (a)	130,510	37,131	2,950	2,730
Resulima (a)	38,925	22,727	1,931	193
Suldouro (a)	46,430	8,326	1,115	958
Valnor (a)	47,444	9,836	715	733
Valorlis (a)	34,739	7,979	380	471
Valorminho (a)	6,007	1,734	240	242
Valorsul (a)	188,675	12,546	2,440	2,606
Triu	1,139	-	0	2
		154,248	16,700	14,902

(a) These investment grants are related with the companies of the EGF SUBGROUP and their maturity is similar to the useful life of the respective assets, as described in the accounting policy disclosed in Note 1.4. a)

36. Corporate income tax

The information regarding corporate income tax by operating segment as of 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Africa - E&C	16,060	14,440
Latin America - E&C	14,885	5,669
Environment	630	2,670
Capital	391	-
Europe - E&C	272	2,616
Others, eliminations and intragroup	-	229
	32,238	25,623

37. Provisions

The information regarding provisions as of 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Provisions for investments accounted by the equity method	1,281	1,048
	1,281	1,048
Sundry provisions		
Provisions for construction warranties	44,602	39,121
Liabilities arising from defined benefit pension plans (Note 39)	20,486	22,157
Legal proceedings	17,911	16,250
Sealing, monitoring of landfills and environment restoration	6,146	8,044
Other contingencies	52,130	37,610
	141,275	123,182
	142,556	124,230

Provisions for construction warranties arise from the construction contracts carried out by the GROUP and refer, essentially, to MOTA-ENGIL ANGOLA, TO MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO, to MOTA-ENGIL CENTRAL EUROPE POLAND and to the MOZAMBIKAN BRANCH OF MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO AFRICA'S.

Provisions for legal proceedings included, as of 31 December 2022 and 2021, 11,108 thousand euros and 10,334 thousand euros, respectively, related to the agreement established with INDECOPI.

Provisions for the sealing, monitoring of landfills and environmental restoration refer, essentially, to the companies of the SUMA SUBGROUP and to CLEAN EBURNIE, having the reduction occurred in the year ended 31 December 2022 be justified, essentially, by the consideration of some companies of SUMA SUBGROUP as available for sale.

Provisions for other contingencies include the estimated costs with several contingencies of legal, tax and judicial nature.

The information regarding the movement occurred in provisions in the years ended 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Provisions for investments accounted under the equity method		
Opening balance	1,048	575
Increases	446	316
Decreases	-	(35)
Transfers, exchange differences and changes in the perimeter	(213)	192
	1,281	1,048
Sundry provisions		
Opening balance	123,182	103,023
Increases (Note 8)	33,503	15,618
Decreases (Note 8)	(17,302)	(880)
Utilizations	(2,494)	(451)
Transfers, exchange differences and changes in the perimeter	4,387	5,872
	141,275	123,182

As of 31 December 2022 and 2021, except for the provisions recorded for the sealing, monitoring of landfills and environmental restoration, for the liabilities arising from defined benefit pension plans and for the provision associated with INDECOPI, the date of use of the remaining provisions cannot be estimated for and, therefore, those provisions were not recorded at its present value.

Likewise, except for the provision associated with INDECOPI, due to the uncertainty regarding the moment on which the above-mentioned provisions will be converted into liabilities, it was not possible to disclose the expected moments for the respective future outflows of resources, and so, those provisions have been classified as non-current.

As of 31 December 2022 and 2021, the dates on which the provision associated with INDECOPI will be used are as follows:

	2022	2021
September 30, 2022	-	1,462
September 30, 2023	2,314	2,193
September 30, 2024	3,085	2,924
September 30, 2025	3,856	3,655
September 30, 2026	3,856	3,655
	13,111	13,889
Difference to present value	(2,003)	(3,555)
Provision present value	11,108	10,334

38. Non-controlling interests

As of 31 December 2022 and 2021, the companies controlled by the Group which present the most significant non-controlling interests were as follows:

2022	Percentage of detention held by non-controlling interests	Net profit attributable to non-controlling interests	Accumulated non-controlling interests	Main shareholders
Mota-Engil Angola	33.00%	5,046	82,211	Project Management Solutions (23%)
Suma	38.50%	(1,682)	38,398	Urbaser (38.5%)
				Municipality of Lisboa (20.00%)
				Municipality of Loures (11.51%)
				Municipality of Amadora (5.16%)
Valorsul	68.67%	1,345	34,435	Municipality of Vila Franca de Xira (4.61%)
				Municipality of Odivelas (0.54%)
				Other municipalities (5.25%); (a)
Mota-Engil México	49.00%	23,268	20,500	Prodi (49%)
FSE Suministradora Fénix	48.99%	2,112	16,562	Ashkora Capital (48.99%)
Generadora Fénix	53.59%	1,713	13,067	Ashkora Capital (44.59%) LF del Centro S.C. (9%)
				China Communications Construction Company (35%)
Consortio Lamat	70.00%	8,145	10,600	Prodi (28%)
				Gavil Ingeniería (5%)
				Grupo Cosh (1%)
				Eyasa (1%)
				Municipality of Mealhada (8.34%)
				Municipality of Coimbra (6.93%)
				Municipality of Oliveira de Azeméis (3.09%)
				Municipality of Figueira da Foz (2.80%)
Ersuc	42.54%	1,211	10,573	Municipality of Águeda (2.05%)
				Municipality of Cantanhede (1.67%)
				Municipality of Anadia (1.35%)
				Municipality of Estarreja (1.23%)
				Other municipalities (15.08%)
Vista Waste	35.69%	3,816	10,655	Vista Energy (41%) Mota-Engil Angola (10%); (a)
Others		(9,223)	72,550	
		35,750	309,552	

(a) This company is also, directly or indirectly, held by SUMA (entity held by MOTA-ENGIL GROUP in 61.5% and by URBASER GROUP in 38.5%).

2021	Percentage of detention held by non-controlling interests	Net profit attributable to non-controlling interests	Accumulated non-controlling interests	Main shareholders
Mota-Engil Angola	49.00%	2,556	82,679	Sonangol (20%) Rosenberg (29%)
Valorsul	68.67%	2,417	33,090	Municipality of Lisboa (20.00%) Municipality of Loures (11.51%) Municipality of Amadora (5.16%) Municipality of Vila Franca de Xira (4.61%) Municipality of Odivelas (0.54%) Other municipalities (5.25%); (a)
Suma	38.5%	1,389	29,163	Urbaser (38.5%)
Vista Waste	43.86%	3,074	23,850	Vista Energy (41%) Mota-Engil Angola (10%); (a)
Mota-Engil México	49.00%	3,004	17,005	Prodi (49%)
Generadora Fénix	53.59%	3,895	12,815	Ashkora Capital (44.59%) LF del Centro S.C. (9%)
FSE Suministradora Fénix	48.99%	3,700	12,851	Ashkora Capital (48.99%)
Amarsul	49.00%	3,017	4,056	Municipality of Almada (12%) Municipality of Seixal (9%) Municipality of Setúbal (8%) Municipality of Barreiro (7%) Municipality of Moita (5%) Other municipalities (9%)
Consorcio GDL Túnel	78.12%	2,961	742	SACYR Construccion Mexico (42%) Constructora Real Occidente (15%) Grupo Promotor de Desarrollo e Infraestructura (21.12%)
Others		13,125	80,617	
		39,138	296,870	

(a) This company is also, directly or indirectly, held by SUMA (entity held by MOTA-ENGIL GROUP in 61.5% and by URBASER GROUP in 38.5%).

As of 31 December 2022 and 2021, the amounts included under the caption “Others – Accumulated non-controlling interests” refer, essentially, to SUMA TRATAMENTO, to the remaining subsidiaries of EGF SUBGROUP (in 2022 and 2021), to the remaining subsidiaries of SUMA (in 2022 and 2021), to AZPAU (in 2022), to MOTA-ENGIL NIGÉRIA (in 2022), and to EMPRESA CONSTRUTORA BRASIL (in 2021).

As of 31 December 2022 and 2021, and in the years ended on those dates, the summarised financial information (contributions) of the major subsidiaries controlled by the GROUP with non-controlling interests was as follows:

2022	Mota-Engil Angola	Suma	Valorsul	Mota-Engil México	FSE Suministradora Fénix	Generadora Fénix	Consórcio Lamat	Ersuc	Vista Waste
Financial Position									
Current assets	300,518	169,301	42,406	752,464	46,804	18,437	80,666	19,303	31,600
Non-current assets	234,312	31,977	86,736	381,814	1,176	102,582	11,415	72,636	18,708
Current liabilities	281,945	62,574	39,447	734,637	12,304	78,148	63,382	25,126	16,900
Non-current liabilities	65,310	38,970	39,548	363,051	1,872	16,516	13,645	50,759	3,556
Equity attributable to shareholders	105,364	61,336	15,712	16,090	17,242	13,288	4,453	5,481	19,196
Non-controlling interests	82,211	38,398	34,435	20,500	16,562	13,067	10,600	10,573	10,655
	187,575	99,734	50,147	36,590	33,805	26,355	15,053	16,054	29,851
Income Statement									
Income	249,308	57,402	92,977	705,229	127,400	57,267	534,719	44,427	34,516
Expenses	234,017	61,771	91,017	657,743	123,089	55,445	523,153	42,588	23,827
Net profit	15,291	(4,369)	1,959	47,486	4,311	1,822	11,567	1,838	10,689
attributable to:									
shareholders	10,245	(2,687)	614	24,218	2,199	109	3,421	628	6,874
non-controlling interests	5,046	(1,682)	1,345	23,268	2,112	1,713	8,145	1,211	3,816

2021	Mota-Engil Angola	Valorsul	Suma	Vista Waste	Mota-Engil México	Generadora Fénix	FSE Suministradora Fénix	Amarsul	Consorcio GDL Túnel
Financial Position									
Current assets	131,488	34,321	153,744	12,552	130,102	8,180	40,921	6,707	9,246
Non-current assets	247,024	89,503	30,629	55,479	316,902	66,945	1,004	54,407	26
Current liabilities	258,314	26,375	59,402	9,924	300,312	25,757	10,718	24,077	8,322
Non-current liabilities	82,582	49,261	49,223	3,722	117,294	16,497	4,977	31,226	-
Equity attributable to shareholders	53,646	15,098	46,586	30,534	12,393	11,876	13,379	1,754	208
Non-controlling interests	82,679	33,090	29,163	23,850	17,005	12,815	12,851	4,056	742
	136,325	48,188	75,749	54,384	29,398	24,691	26,230	5,811	950
Income Statement									
Income	94,469	69,410	58,699	16,652	189,063	46,513	103,550	33,068	11,920
Expenses	89,253	65,890	55,092	9,643	182,932	42,494	95,997	28,747	8,130
Net profit	5,216	3,520	3,607	7,009	6,132	4,019	7,552	4,321	3,790
attributable to:									
shareholders	2,660	1,103	2,218	3,935	3,127	124	3,852	1,305	829
non-controlling interests	2,556	2,417	1,389	3,074	3,004	3,895	3,700	3,017	2,961

In the years ended 31 December 2022 and 2021 the movement occurred in non-controlling interests can be analysed as follows:

	2022
Balance at 31 December 2021	296,870
Net profit attributable to non-controlling interests	35,750
Items of other comprehensive income that may be reclassified to the income statement:	
Exchange differences arising from the translation of financial statements expressed in foreign currencies	44,319
Changes, net of tax, in the tangible asset's revaluation surplus	(3,887)
Other comprehensive income	334
Dividend distribution (a)	(10,235)
Changes in the consolidation perimeter and in the non-controlling interests (b)	(58,689)
Others	5,091
	309,552

(a) Of which circa of (4,200) thousand euros are related to MOTA-ENGIL MÉXICO, circa of (2,500) thousand euros are related to VISTA WASTE and circa of (2,300) thousand euros are related to FÉNIX.
(b) Of which circa of (20,100) thousand euros related to the sale of the tourism business in Mexico and circa of (27,300) thousand euros related to the acquisition and sale of MOTA-ENGIL ANGOLA (Note 42).

	2021
Balance at 31 December 2020	234,646
Net profit attributable to non-controlling interests	39,138
Items of other comprehensive income that may be reclassified to the income statement:	
Exchange differences arising from the translation of financial statements expressed in foreign currencies	28,775
Changes, net of tax, in the tangible asset's revaluation surplus	3,050
Other comprehensive income	(64)
Dividend distribution (a)	(19,171)
Share capital Increases / decreases	(3,641)
Changes in the consolidation perimeter and in the non-controlling interests (b)	15,042
Others	(905)
	296,870

(a) Of which circa of (9,300) thousand euros are related to CONSTRUTORA GRAND CANAL, circa of (4,700) thousand euros are related to FÉNIX and circa of (4,500) thousand euros are related to the consortiums of Colombia.

(b) Of which circa of 10,180 thousand euros are related to the partial disposal of the tourism business in Mexico, circa of (8,700) thousand euros are related to the change in percentage held in the energy business in Mexico and circa of 10,100 thousand euros are related to the change in the consolidation method of CONSTRUTORA GRAND CANAL, from the equity method to the full consolidation method.

As of 31 December 2022 and 2021, there were no protective agreements or rights established with minority shareholders that limit the use or realization of the assets listed above by the GROUP.

39. Pension plans with defined benefits

As of 31 December 2022 and 2021, the GROUP assumed responsibilities related to pension plans with defined benefits towards some former employees and towards current and former founding shareholders directors. These last ones are beneficiaries of a pension plan with defined benefits which broadly allow them to receive a pension equivalent to 80% of their salary on their retirement date (or 80% of the salary of the Chairman of the Board of Directors or of another director of the GROUP if higher).

As of 31 December 2022 and 2021, the information regarding the responsibilities with the pensioners and with the founding shareholders directors, as well as, the respective coverage, can be analysed as follows:

	2022	2021
Responsibilities to pensioners	10,083	12,733
Responsibilities to founding shareholders directors	10,403	9,424
Provisions	20,486	22,157
% of coverage	100%	100%

The information regarding the movement occurred in the liabilities with pension plans in the years ended as of 31 December 2022 and 2021 can be analysed as follows:

	2022	2021
Liabilities at beginning of the year	22,157	18,000
Benefits paid	(1,024)	(590)
Current service cost	236	425
Interest cost	196	134
Actuarial Losses / (Gains)	(1,079)	4,188
Liabilities at year end	20,486	22,157

In the year ended 31 December 2022, the actuarial deviations that occurred were justified, essentially, by the increase in the discount rate and by the reduction of the expected retirement age of the beneficiaries.

In the year ended 31 December 2021, the actuarial deviations that occurred were justified, essentially, by the increase in the wages by more than what was estimated, by the anticipation of the expected retirement date of two former directors and by the increase in the discount rate.

In the years ended 31 December 2022 and 2021, the amounts recognised in the consolidated income statement regarding pension plans with defined benefits amounted to 432 thousand euros and 559 thousand euros, respectively. In addition, in those years, gross of deferred tax, were recognized in the statement of other comprehensive income the amounts of 1,079 thousand euros and -4,188 thousand euros, respectively, referring to the actuarial and financial deviations verified.

As of 31 December 2022 and 2021, the actuarial valuations prepared to quantify the responsibilities with the pension plans were prepared by an independent actuary expert accredited by the Supervisory Authority for Insurance and Pension Funds (Autoridade de Supervisão de Seguros e Fundos de Pensões - ASF) and assumed the following assumptions:

	2022	2021
Mortality table	TV 73/77	TV 73/77
Invalidity table	EKV80	EKV80
Discount rate	3.00%	0.90%
Expected salary increase rate	1.0%	1.0%
Pensions discount rate	3.00%	0.90%
Pensions growth rate	0%/1,5%	0%/1,5%
Number of payments of the benefit	12/13/14	12/13/14

The liabilities arising from pension plans with defined benefits were determined in accordance with the Projected Unit Credit Method, based on the most suitable actuarial and financial assumptions for the established plan.

The discount rate used in the determination of the liabilities was established by reference to market rates of bonds issued by companies with low risk and with a duration similar to the one of the settlements of the liabilities.

Based on the actuarial valuation carried out at 31 December 2022, the best estimate for the pensions to be paid in 2023 arise to 254 thousand euros.

The pension plans with defined benefits expose the GROUP to the following risks:

- Interest rate risk – the present value of the liabilities is determined using a discount rate established with reference to the interest rates of bonds denominated in euros with high quality in terms of credit risk; if the discount rate decreases, liabilities increase.
- Longevity risk – the present value of the liabilities is determined assuming the best estimate of the expected date of death of the participants before and after the retirement date. An increase in the life expectancy of the participants will increase the liabilities with retirement plans.
- Salary / pension risk - the present value of the liabilities is determined assuming the estimated future salaries / pensions of the participants. Therefore, an increase in the participants' salaries / pensions will increase the liabilities with retirement plans.

As of 31 December 2022 and 2021, if the salaries growth rate increased 0.5%, the present value of the liabilities would increase circa of 51 thousand euros and 236 thousand euros, respectively.

As of 31 December 2022 and 2021, if the discount rate was higher or lower 0.5%, the present value of the liabilities would decrease and increased by 788 and 843 thousand euros and by 1,087 and 1,175 thousand euros, respectively.

As of 31 December 2022, the duration of the liabilities amounted to 9 years.

40. Contingent Assets and Liabilities

As of 31 December 2022 and 2021, the guarantees provided by the GROUP to third parties in the form of bank guarantees and surety insurances, namely to customers whose construction contracts are undertaken by several GROUP companies, detailed by currency, are as follows:

	2022	2021
Czech Crown	5,716	5,636
US Dollar	562,587	334,890
Cape Verdean Escudo	231	231
Euros	395,768	360,566
Malawian Kwacha	12,040	16,195
Angolan Kwanza	138,761	57,153
Mozambican Metical	9,279	5,777
Peruvian Nuevo Sol	33,791	33,752
Colombian Peso	172,263	185,544
Mexican Peso	1,261,129	271,893
Brazilian Real	112,647	132,583
Polish Zloty	143,008	145,023
Others	196,945	173,556
	3,044,164	1,722,799

As of 31 December 2022 and 2021, the detail of the guarantees provided by GROUP company is as follows:

	2022	2021
Mota Engil México	866,388	33,484
Consorcio Lamat Tramo 1 SAPI	387,978	196,804
Mota-Engil Nigéria	284,677	-
Mota-Engil Engenharia e Construção	217,152	180,652
Mota-Engil Central Europe Polónia	142,703	146,276
Mota-Engil Angola	137,575	57,407
Mota-Engil Engenharia e Construção África	116,595	136,755
Mota-Engil Peru	100,622	89,156
Mota Engil Engenharia Colombia Branch/Mota Engil Colombia	87,792	98,746
Empresa Construtora Brasil	81,551	77,817
Suma/EGF Group	32,172	36,274
Mota Engil Engenharia Mozambique Branch	24,131	21,778
Mota Engil Engenharia Malawi Branch	24,046	33,048
MEEC África - Ivory Coast Branch	21,136	39,247
Mota-Engil ATIV	20,303	12,072
Other	499,345	526,526
	3,044,164	1,722,799

As of 31 December 2022 and 2021, the amount of guarantees provided by the GROUP to the Portuguese tax authorities associated with tax proceedings amounted to 84,657 thousand euros (84,657 thousand euros in 2021), ascending the corresponding open tax lawsuits to circa of 86,000 thousand euros (97,000 thousand euros in 2021). Additionally, as of 31 December 2022, considering only the lawsuits above 500 thousand euros, there were open tax lawsuits from other countries, amounting to approximately 12,000 thousand euros (6,500 thousand euros in 2021). Nevertheless, the GROUP proceeded with the judicial challenge of the respective additional assessments, being the understanding of its Board of Directors, based on the opinion of its legal / tax advisors, that the referred legal challenges will be precedent, reason why no provisions were recorded in the accompanying consolidated financial statements.

On the other hand, as of 31 December 2022, the GROUP was involved in several legal proceedings, both as defendant and claimant, which, considering only the proceedings over 500 thousand euros, arose to approximately 126,000 thousand euros in the quality of defendant (141,000 thousand euros in 2021). In this regard, it should be highlighted that, as of 31 December 2022, out of the amount above-mentioned: (i) 36,600 thousand euros are concentrated in one proceeding in Portugal which goes on for more than ten years and (ii) that circa of 68,200 thousand euros corresponded to a 2021 proceeding related to the dispute held with a client regarding the responsibility from suspending / not concluding a construction project.

Regarding the first of those proceedings, the fact that the counterpart did not manage to prove in court over the last 16 years any facts or rights concerning its claim (for which it claims lost profits of circa of 36,000 thousand euros) supports the belief of the Board of Directors that the outcome of that proceeding will be favourable to the GROUP.

Regarding the second of those proceedings, it is important to highlight that it is now under trial in an arbitration court in Portugal, and the responsible ACE for the execution of the project, in which the GROUP was part of, also requested a damage compensation for the suspension of the project in an amount of 27,000 thousand euros, for which a decision is expected in the second semester of 2023.

Nevertheless, considering the technical and legal advice obtained, mainly concerning the legal characterisation of the resolution act of the contract and the corresponding consequences, it is the understanding of the GROUP's Board of Directors that from the outcome of this proceeding, at least, material losses will not arise reason why no provisions were recorded.

On the other hand, from 2018, two former employees of MOTA-ENGIL GROUP are being investigated by the Peruvian Public Ministry following its alleged involvement in a set of practices, performed between 2011 and 2014, by some construction companies operating in Peru that would not be fully compliant with the legislation in force. Additionally, following that investigation, MOTA-ENGIL PERU was involved in that process, having, acting in its interest, adhered to a self-pledge regime of assets amounting to circa of 300 thousand euros. Furthermore, in 2022, the GROUP completed the accession procedures to the Special Volunteer Regime provided for in Law No. 30737, which allows it to activate the mechanisms that the referred law establishes to limit the amount of the potential liability that may be imposed in the event of a conviction (maximum of 3,500 thousand euros at the exchange rate of 31 December 2022). However, at the date of this report, due to the fact that the aforementioned process is still in its preparatory investigation stage (which was prolonged until June 23, 2023), any potential contingencies associated with the evolution of that investigation are not currently possible to measure and quantify.

41. Related parties

As of 31 December 2022 and 2021, as well as, in the years ended on those dates, the balances and transactions maintained with related parties, corresponding to associates and joint ventures (recorded under the equity method), as well as, with the GROUP' shareholders with a holding interest higher than 20% and with other companies / entities held by those shareholders were as follows:

2022	Accounts receivable	Accounts payable	Loans granted	Loans obtained
Associated companies	124,326	36,964	79,124	49,571
Joint ventures	8,849	9,632	3,072	-
Shareholders and companies with common shareholders to the Group	25,954	1,045	-	-

2021	Accounts receivable	Accounts payable	Loans granted	Loans obtained
Associated companies	123,404	35,557	82,483	21,898
Joint ventures	15,351	7,228	2,234	5,354
Shareholders and companies with common shareholders to the Group	7,529	199	-	-

2022	Sales and services rendered	Cost of goods sold, mat. cons. Subcontractors and other operational costs	Interest income	Interest expense
Associated companies	204,153	7,951	4,046	2,371
Joint ventures	507	276	-	-
Shareholders and companies with common shareholders to the Group	1,192	54,081	-	-

2021	Sales and services rendered	Cost of goods sold, mat. cons. Subcontractors and other operational costs	Interest income	Interest expense
Associated companies	161,830	5,875	6,255	1,511
Joint ventures	2,063	1,208	-	-
Shareholders and companies with common shareholders to the Group	682	2,223	-	-

As of 31 December 2022 and 2021, the list of associates and joint ventures are presented in Appendix A.

As of 31 December 2022 and 2021, MOTA-ENGIL SGPS was directly held by MGP in 38.41% and by EPOCH CAPITAL INVESTMENTS BV (EPOCH) in 32.41%. On those dates, no other shareholder held more than 10% of the share capital of the Company. On the other hand, as of 31 December 2022 and 2021, MGP was held 100% by FM which in turn was owned 100% by the individual shareholders indicated below. Lastly, on those dates, EPOCH was held 59% by CHINA COMMUNICATIONS CONSTRUCTION GROUP, which holding position is attributed to the People's Republic of China.

António Manuel Queirós Vasconcelos da Mota (also a director of Mota-Engil SGPS)

Maria Manuela Queirós Vasconcelos Mota dos Santos (also a director of Mota-Engil SGPS until 30 June 2021)

Maria Paula Queirós Vasconcelos Mota de Meireles (also a director of Mota-Engil SGPS)

Maria Teresa Queirós Vasconcelos Mota Neves da Costa (also a director of Mota-Engil SGPS until 30 June 2021)

On the other hand, at 31 December 2022 and 2021, the following entities / individuals were included in the category "Shareholders and companies with common shareholders to the GROUP":

- (i) Entities, individuals and their immediate family members who are direct or indirect shareholders of MOTA-ENGIL SGPS;
- (ii) Key management personnel and their immediate family members of MOTA-ENGIL SGPS;
- (iii) The entities referred to in (i) where they hold interests or management positions;

As of 31 December 2022 and 2021, the directors of MOTA-ENGIL SGPS considered as key management personnel were as follows:

Ana Paula Chaves e Sá Ribeiro
António Bernardo A. da Gama Lobo Xavier (1)
António Manuel da Silva Vila Cova (1)
António Manuel Queirós Vasconcelos da Mota
Arnaldo José Nunes da Costa Figueiredo (1)
Carlos António Vasconcelos Mota dos Santos
Di Xiao (2)
Eduardo João Frade Sobral Pimentel (1)
Emídio José Bebiano e Moura da Costa Pinheiro (3)
Francisco Manuel Seixas da Costa
Gonçalo Nuno Gomes de Andrade Moura Martins
Helena Sofia Salgado Cerveira Pinto
Isabel Maria Pereira Anibal Vaz (2)
Ismael Antunes Hernandez Gaspar (1)
Jinhcgun Wang (2)
João Pedro dos Santos Dinis Parreira (1)
Jorge Paulo Sacadura Almeida Coelho (4)
José Pedro Matos Marques Sampaio de Freitas (1)
Leong Vai Tac (5)
Luís Filipe Cardoso da Silva (1)
Luís Valente de Oliveira (1)
Manuel António da Fonseca Vasconcelos da Mota
Maria Manuela Queirós Vasconcelos Mota dos Santos (1)
Maria Paula Queirós Vasconcelos Mota de Meireles
Maria Teresa Queirós Vasconcelos Mota Neves da Costa (1)
Ping Ping (2)
Tian Feng (2)
Xiangrong Wang (2)

(1) Stopped practicing in June 30, 2021.

(2) Began practicing in June 30, 2021.

(3) Appointed by co-optation as a member of the Board of Directors on February 12, 2020, having stopped practicing in June 30, 2021.

(4) Stopped practicing in April 7, 2021.

(5) Began practicing in May 6, 2022

The remunerations attributed to the members of the Board of Directors during the years ended 31 December 2022 and 2021 arose to 4,493 thousand euros (of which 3,095 thousand euros as fixed remuneration, 403 thousand euros as other remuneration, 670 thousand euros as variable remuneration and 325 thousand euros as attendance fees) and 5,067 thousand euros (of which 3,444 thousand euros as fixed remuneration, 1,315 thousand euros as other remuneration, 0 thousand euros as variable remuneration and 308 thousand euros as attendance fees), respectively.

The above-mentioned remunerations were determined by the Remuneration Committee, taking in consideration the individual performance of each director and the evolution of this type of labour market.

The following current and former founding shareholders directors are also beneficiaries of a pension plan with defined benefits:

- António Manuel Queirós Vasconcelos da Mota
- Maria Manuela Queirós Vasconcelos Mota dos Santos (stop practicing in June 30, 2021)
- Maria Paula Queirós Vasconcelos Mota de Meireles
- Maria Teresa Queirós Vasconcelos Mota Neves da Costa (stop practicing in June 30, 2021)

As of 31 December 2022 and 2021, information regarding the above-mentioned pension plan is disclosed in Note 39, being the liability of the GROUP towards the above-mentioned directors of 10,403 thousand euros and 9,424 thousand euros, respectively.

In the years ended 31 December 2022 and 2021, there were no transactions with directors of MOTA-ENGIL SGPS neither outstanding balances with them at the end of those years.

Accordingly, as mentioned above, there were no transactions with related parties that exceeded the threshold of 2.5% of the consolidated assets as established in Law No. 50/2020.

42. Consolidation perimeter

As of 31 December 2022, the companies / entities included in the accompanying consolidated financial statements, respective consolidation methods, head quarters, consolidation percentages, activities, incorporation dates and acquisition dates are presented in Appendix A.

In the years ended 31 December 2022 and 2021, the changes occurred in the consolidation perimeter were as follows:

Participation increases

2022:

Business unit - Africa - E&C	
Akwangola, S.A. (company already controlled)	
Automatriz, S.A. (company already with significant influence)	
Icer – Indústria de Cerâmica, Lda. (company already with significant influence)	
Martinox, S.A. (company already controlled)	
Mebisa - Minerais e Britagens, S.A. (company already with significant influence)	
MEIM Morila SARL (company already controlled)	
Mota-Engil Angola, S.A. (company already controlled)	
Novicer - Cerâmicas de Angola, (SU) Limitada. (company already controlled)	
Prefal – Préfabricados de Luanda, Lda. (company already controlled)	
Rentaco Angola - Equipamentos e Transportes, (SU) Limitada. (company already controlled)	
Tracevia Angola - Sinalização, Segurança e Gestão de Tráfego, Lda. (company already controlled)	
Vista Energy Environment & Services, S.A. (company already controlled)	
Vista Multi Services, Lda. (company already controlled)	
Vista Power, Lda. (company already with significant influence)	
Business unit - Environment	
Vista Waste Management, Lda. (company already controlled)	
Business unit - Latin America - E&C	
AZPAU Entretenimiento, SAPI de C.V. (currently controlled company, previously company with significant influence)	
Concesionaria Cua SAPI de C.V. (currently controlled company, previously company with significant influence)	
Concesionaria Urbana Arco Oriente S.A. de C.V. (currently controlled company, previously company with significant influence)	
Constructora Cuapiaxtla - Cuacnopalan, S.A. de C.V. (currently controlled company, previously company with significant influence)	
Constructora Cuapiaxtla - Cuacnopalan II, S.A. de C.V. (currently controlled company, previously company with significant influence)	
Constructora Tampico Ciudad Victoria, SAPI de C.V. (currently controlled company, previously company with significant influence)	
Grupo Constructor y Desarrollador de Puebla, S.A. de C.V. (currently controlled company, previously company with significant influence)	
Lineas Mexico, B.V. (currently controlled company, previously company with significant influence)	
Business unit - Capital	
Áreagolfe - Gestão, Construção e Manutenção de Campos de Golfe, S.A. (company already controlled)	
Lusoponte - Concessionária para a Travessia do Tejo, S.A. (company already with significant influence)	
Mota-Engil Ativ - Gestão e Manutenção de Ativos, S.A. (company already controlled)	
VBT - Projectos e Obras de Arquitectura Paisagística, Lda. (company already controlled)	
Vibeiras – Sociedade Comercial de Plantas, S.A. (company already controlled)	

In the year ended 31 December 2022, the GROUP proceeded with the acquisition and disposal, respectively, of 20% and 4% of the share capital of MOTA-ENGIL ANGOLA (entity already controlled) and its respective affiliated companies.

The effects of the above transaction on the accompanying consolidated financial statements are summarized as follows:

		Mota-Engil Angola
Book value of non-controlling interests acquired	(I)	27,270
Acquisition price (settled through an offset with accounts receivables)	(II)	16,284
Positive impact in total equity attributable to the Group	(I) - (II)	10,986

On the other hand, also in the year ended 31 December 2022, the GROUP became owner of 100% of the share capital of ex-MANVIA (company already controlled) and ex-VIBEIRAS (company already controlled) – now merged into MOTA-ENGIL – ATIV. As a result of this transaction, the non-controlling interests and the equity attributable to the GROUP decreased by 678 thousand euros and 1,066 thousand euros, respectively.

2021:

Business unit - Environment

ECOSS Ambiental Serviços de Limpeza Urbana - SPE Ltda. (company already with significant influence) (a)

Geres Participações, S.A. (company already controlled) (a)

Suma Brasil - Serviços Urbanos e Meio Ambiente, S.A. (company already controlled) (a)

Business unit - Latin America - E&C

Consortio Mota-Engil TR (currently controlled company, previously joint control)

Constructora Gran Canal SAPI de C.V. (company already controlled, previously company with significant influence)

FSE Comercializadora Fenix, SAPI de C.V. (company already controlled)

FSE Suministradora Fenix, SAPI de C.V. (company already controlled)

Generadora Fenix (company already controlled)

Mota-Engil Energia, S.A. de C.V. (company already controlled)

Mota-Engil Energy Holding Mexico, SAPI de C.V. (company already controlled)

Mota-Engil Energy B.V. (company already controlled)

Operadora APP Coatzacoalcos Villahermosa SAPI de C.V. (company already controlled)

In the year ended 31 December 2021 SUMA (company held by the GROUP in 61.5%) acquired from EMPRESA CONSTRUTORA DO BRASIL (company held by the GROUP in 50%) the entities above marked with an (a). Following that transaction, no material effects occurred in the attached consolidated financial statements.

Furthermore, as a result of the remaining transactions referred above, there were no material effects in the attached consolidated financial statements of 2022 and 2021.

Companies consolidated through the full consolidation method or by the equity method for the first time in the year

2022:

Business unit - Africa - E&C

Luso Global Mining Angola - Prestação de Serviços e Indústria Extractiva, Lda.

Mota-Engil Côte D'Ivoire Mining, SARL

Business unit - Latin America - E&C

Concesionaria Alternativas Viales SAS

Vías Y Comunicaciones Cua, SAPI de C.V.

Business unit - Capital

Mota-Engil Concessões, S.A.

2021:

Business unit - Africa - E&C

Luso Global Mining Cameroon, S.A.

Mota-Engil Nigeria Limited

Mota-Engil Trading (Beijing) Co. Ltd.

Mota-Engil Uganda Limited

Business unit - Environment

CTR Santa Luzia Tratamento e Disposição de Resíduos Ltda.

Business unit - Latin America - E&C

Comercializadora Costa Canuva

Consortio Hospitalario Chavin

Consortio Línea Panama Norte

Promotora de Autopistas del Oriente S.A. de CV

Incorporation of companies

2022:

Business unit - África - E&C

Mota-Engil Guinée SARLU

Sociedade Mineira do Moquita, Limitada

Wouri Resources, S.A.

Business unit - Latin America - E&C

CMRO Nayarit SAPI de C.V.

Rovella Carranza S.A. - Mota-Engil México S.A.P.I. de C.V.

Business unit - Capital

Colhub - Coliving Beato, Lda.

D.I. Investimentos, S.A.

Mota-Engil Capital II, S.A.

Mota-Engil Next, SGPS, S.A.

Mota-Engil Real Estate Ajuda, Sociedade Unipessoal, Lda.

Mota-Engil Real Estate Alverca, Sociedade Unipessoal, Lda.

Mota-Engil Real Estate Aurora, Sociedade Unipessoal, Lda.

Mota-Engil Real Estate Freixieiro, Sociedade Unipessoal, Lda.

Mota-Engil Real Estate Grijó, Sociedade Unipessoal, Lda.

Mota-Engil Real Estate Moagem, Sociedade Unipessoal, Lda.

2021:

Business unit - África - E&C

Infraconnect Eighteen Kenya Limited

Infraconnect Fifteen Kenya Limited

KARP Joint Venture

Meecake Holdco Limited

MEIM Morila SARL

Mota-Engil Mali SARL

Mota-Engil Kenya - Road Construction, Operation and Maintenance, Sociedade Unipessoal Lda.

Business unit - Environment

Mais ITAPEVI - SPE S/A

Business unit - Latin America - E&C

AZPAU Entretenimiento, SAPI de C.V.

Colombia ME S.A.S.

Concesiones e Infraestructuras Andina

Consortio Planeta Rica

Constructora Conexión Oriente, S.A. de CV

Constructora Cuapixtla - Cuacnopalan, S.A. de CV

Constructora Cuapixtla - Cuacnopalan II, S.A. de CV

Minería Y Engenharia Andina

Business unit - Capital

Mamaland - Produção Agroflorestal, Lda.

MERESOL I – Real Estate, Lda.

MERESOL II – Real Estate, Lda.

Merger of companies and corporate reorganisations

2022:

Business unit - Capital

Áreagolfe - Gestão, Construção e Manutenção de Campos de Golfe, S.A. (in Mota-Engil Ativ - Gestão e Manutenção de Ativos, S.A.)

Vibeiras – Sociedade Comercial de Plantas, S.A. (in Mota-Engil Ativ - Gestão e Manutenção de Ativos, S.A.)

2021:

Business unit - Latin America - E&C

Global Technical Services Latam BV (in Mota-Engil Latin America B.V.)

Business unit - Capital

Manvia II Conduatas, Lda. (in the current Mota-Engil Ativ - Gestão e Manutenção de Ativos, S.A.)

Exit of companies

2022:

Business unit - Africa - E&C

Meeecake Holdco Limited (sold)

Mota-Engil Kenya - Road Construction, Operation and Maintenance, Sociedade Unipessoal Lda. (sold)

Business unit - Environment

InvestAmbiente - Recolha de Resíduos e Gestão de Sistemas de Saneamento Básico, S.A. (liquidated)

Nova Beira - Gestão de Resíduos, S.A. (liquidated)

Business unit - Latin America - E&C

Comercializadora Costa Canuva (sold)

Consortio ME Colombia (liquidated)

Consórcio Vial el Descanso-Langui (liquidated)

Consórcio Vial Sur del Peru (liquidated)

Consórcio Vial Valle Sagrado (liquidated)

Fideicomiso el Capomo (sold)

Fideicomiso Fairmont Costa Canuva (sold)

Mota-Engil Tourism, B.V. (sold)

Mota-Engil Turismo Holding, S.A.P.I. de C.V. (sold)

Mota-Engil Turismo, S.A. de C.V. (sold)

Translei Consórcio Cusco-Quillabanba (liquidated)

Business unit - Capital

Belém Grid - Promoção imobiliária e de Animação Turística, S.A. (liquidated)

HL - Sociedade Gestora do Edifício, S.A. (sold)

Ibercargo Rail, S.A. (sold)

Öböl XI. Ingtatlanhasznosítási Beruházó És Szolgáltató Korlátolt Felelősségű Társaság Kft. (liquidated)

Proempar - Promoção e Gestão de Parques Empresariais e Tecnológicos, S.A. (liquidated)

Takargo - Transportes de Mercadorias, S.A. (sold)

Business unit - Europe - E&C

Glan Agua, Ltd (sold)
Glan Agua (UK), Ltd (sold)
Mota-Engil International Construction (UK) Ltd (sold)
Mota-Engil Ireland Construction Limited (sold)
Mota-Engil Ireland Services Ltd. (sold)
Streamgrest Limited (sold)

In the year ended 31 December 2022, the GROUP proceeded with the disposal of the operations in Ireland and in the United Kingdom, of its tourism business in Mexico, as well as of TAKARKO and HL. The results generated with these transactions can be summarized as follows:

		Ireland and United Kingdom	Tourism	Takargo	HL
Book value of the net assets sold	(I)	(998)	24,150	(369)	8,503
Swap recycling	(II)	-	-	-	2,862
Exchange differences recycling	(III)	315	(3,656)	-	-
Sale price (received in cash - Note 43)	(IV)	4,400	9,647	417	12,000
Sale price (still to be received)	(V)	-	6,431	-	-
Gain recognised (recorded in Gain / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies - Note 11)	(IV) + (V) - (I) - (II) - (III)	5,083	(4,416)	785	635

2021:

Business unit - Capital

Bay-Park Korlátolt Felelősségű Társaság Kft. (liquidated)
Concessionária Perote Xalapa (sold)
Gesar - Gestão de Águas Residuais do Algarve (liquidated)
Haçor, Conc. Edifício do Hospital da Ilha Terceira, S.A. (sold)
Operadora Perote Xalapa (sold)
Project Development 6 Sp. Z.o.o. (sold)

In the year ended 31 December 2021, the GROUP proceeded with the disposal of the financial investment it held in HAÇOR. The result generated with that transaction can be summarized as follows:

		Haçor
Book value of the net assets sold	(I)	3,139
Swap recycling	(II)	3,833
Sale price (received in cash - Note 43)	(III)	8,776
Gain recognised (recorded in Gain / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies - Note 11)	(III) - (I) - (II)	1,804

As a result of the sale of the other companies above-mentioned, besides the capital gains disclosed in Note 11, no material impacts were generated in the attached consolidated financial statements.

Participation decreases

2022:

Business unit - Africa - E&C

Infraconnect Eighteen Kenya Limited (previously controlled company, currently significant influence)
Infraconnect Fifteen Kenya Limited (previously controlled company, currently significant influence)

Business unit - Environment

Mais ITAPEVI - SPE S/A (previously controlled company, currently significant influence)

Business unit - Latin America - E&C

Autopista Urbana Siervo de la Nacion, SAPI de C.V. (company already with significant influence)

In the year ended 31 December 2022, the GROUP proceeded with the disposal and acquisition, respectively, of 20% and 17.2% of the share capital of AUTOPISTA URBANA SIERVO DE LA NACION (company where it held and holds significant influence).

The effects generated by the above-mentioned transaction in the attached consolidated financial statements can be summarized as follows:

		Autopista Urbana Siervo de la Nación
Book value of the net assets sold	(I)	8,530
Amount received (settled through an offset with accounts payables)	(II)	28,693
Gain recognised (recorded in Gain / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies - Note 11)	(III) - (I)	20,163
Book value of the net assets acquired	(III)	19,914
Amount paid (through the conversion of supplementary capital in share capital)	(IV)	30,051
Goodwill recorded in the transaction	(IV) - (III)	10,136

2021:

Business unit - Latin America - E&C

Flame Investments, B.V.

Fideicomiso el Capomo

Fideicomiso Fairmont Costa Canuva

Mota-Engil Turismo Holding, S.A.P.I. de C.V.

Mota-Engil Turismo, S.A. de C.V.

Holding and related activities

Sunviauto Internacional, SGPS, S.A.

In December 2021, through the disposal of 30% of the share capital of MOTA-ENGIL TOURISM BV and 30% of the share capital of MOTA-ENGIL TURISMO HOLDING (a MOTA-ENGIL TOURISM BV subsidiary) to third parties, the GROUP lost the control it had over those entities, which have as main activity the real estate and tourism development business in Mexico. Following the above-mentioned transactions, the GROUP kept a direct holding position of 35% in MOTA-ENGIL TOURISM BV (around 18% indirectly), having as a result a significant influence over this entity.

The result generated with the above-mentioned transactions (disposal and revaluation of the 18% stake held) can be summarized as follows:

	At the disposal date	Adjustments to fair value	Total	2021
Net assets sold:				
Tangible assets	4,291	-	4,291	3,804
Investment properties	67,703	-	67,703	69,928
Deferred tax assets	3,416	-	3,416	3,506
Customers and other debtors and other assets	13,300	-	13,300	8,154
Inventories	64,815	-	64,815	9,312
Cash and cash equivalents	135	-	135	187
Loans	(101)	-	(101)	-
Suppliers and sundry creditors and other liabilities	(115,950)	-	(115,950)	(68,037)
Deferred tax liabilities	(18,495)	-	(18,495)	(19,146)
Non controlling interests	(10,262)	-	(10,262)	-
Total net assets sold	8,852	-	8,852	7,707
Percentage sold - 30%		[I]	2,656	
Sale price:		[II]	29,927	
Received in cash in 2021			2,211	
Nominal value to receive up to 2025			33,164	
Financial update effect			(5,448)	
		[III] = [II] - [I]	27,272	
Revaluation of previously held interests following the loss of control		[IV]	19,081	
Exchange differences recycling		[V]	(21)	
Gain recorded in the consolidated income statement - Note 11		[VI] = [III] + [IV] + [V]	46,331	
Net cash flow from the sale (Note 43)				
Amounts received			2,211	
Cash and cash equivalents from the sale			(135)	
			2,076	

On the other hand, in accordance with the established contractual terms, the portion of the sale price not settled up to December 31, 2021 will be paid in 7 biannual instalments until June 30, 2025. Therefore, in order to determine the present value of the account receivable associated with this transaction, a discount rate of 8.5% was considered.

As of 31 December 2021 (before the change in the consolidation method – from the full consolidation method to the equity method), the contribution of the tourism business in Mexico to the consolidated income statement was as follows:

	Until November 2021	12 months
Sales and services rendered	17	17
Third-party supplies and services	(3,541)	(1,215)
Wages and salaries	(1,073)	(1,293)
Other operating income / (expenses)	(355)	(1,708)
Amortisation and Provisions	5,281	-
Financial gains and losses	(3,307)	5,622
Income before taxes	(2,979)	1,422
Income tax	828	(2,266)
Net profit of the year	(2,151)	(843)

Changes in the consolidation method

2022:

Change from proportional consolidation method to the full consolidation method - Latin America - E&C

Consortio Línea Panama Norte

2021:

Change from the full consolidation method to equity method - Latin America - E&C

Concesionaria Cua SAPI de C.V.

As a result of the transactions above referred, no material effects were generated in the attached consolidated financial statements.

In addition, as of 31 December 2022, the main situations in which there is dissimilarity between the percentage of share capital held by the GROUP and the consolidation method adopted are listed below:

Company	% used in the consolidation	Method	Rationale
Empresa Construtora do Brasil	50.00%	Full consolidation method	Although not holding the majority of the capital, the Group holds the majority of the voting rights through a shareholder's agreement.
Resilei	50.00%	Full consolidation method	Although not holding the majority of the capital, the Group holds the majority of the voting rights because the Group's representative, the President of the Board of Directors of the subsidiary, holds quality vote in case of a draw in relevant decisions.
Consórcio GDL Túnel	42.90%	Full consolidation method	Although not holding the majority of the capital, the Group, through a shareholders agreement established with other shareholder of the subsidiary, holds the majority of the voting rights.
Consórcio GDL Viaducto	42.90%	Full consolidation method	Although not holding the majority of the capital, the Group, through a shareholders agreement established with other shareholder of the subsidiary, holds the majority of the voting rights.
Construtora Grand Canal	2.04%	Full consolidation method	Although holding the majority of the voting rights, through a shareholders agreement established with other shareholders, the Group only holds a residual part of the economic rights.
Mota-Engil Uganda Limited	60.00%	Full consolidation method	Although not holding the majority of the capital, the Group, through a shareholders agreement established with the other shareholder of the subsidiary, held the majority of the economic and voting rights.

Lastly, in the year ended 31 December 2022, except for two immaterial companies / entities located in Latin America, one with no activity and the other with low activity, all other companies / entities were consolidated taking into consideration their financial statements reported at 31 December 2022.

43. Appendix to the Consolidated Statement of Cash-Flows

In the years ended 31 December 2022 and 2021, the amounts paid related with the acquisition of financial investments can be detailed as follow:

	2022	2021
Effect arising from the reclassification of the industrial waste business of Suma Group to "non-current assets held for sale"	11,536	-
Loans to Freixo Magnun (Capital segment)	3,000	-
Capital contributions in Operadora Marítima Matamoros (Latin America - E&C segment)	2,206	-
Loans to Shoreline Natural Resources (Africa - E&C segment)	1,034	-
Capital contributions and share capital increases at Concesionaria Cua, Concessionária Autopista Cardel, APP Tamaulipas, Autopista Urbana Siervo de la Nación, Concessionária Autopista Tuxpan-Tampico and AZPAU (Latin America - E&C segment)	-	29,316
Acquisition of AMGP Agricultura (Africa - E&C segment)	-	8,370
Loans and capital calls to MERESOL I and MERESOL II (Capital segment)	-	2,130
Others	1,122	1,009
	18,898	40,825

In the years ended 31 December 2022 and 2021, the amounts received related with the disposal / reimbursement of financial investments can be detailed as follows:

	2022	2021
Reimbursement / disposal of Angola sovereign bonds (Africa - E&C segment)	132,193	35,989
Disposal of HL (Capital segment)	12,000	-
Disposal of Mota-Engil Tourism BV (Latin America - E&C segment)	9,647	-
Disposal of the operations in Ireland and in the United Kingdom (Europa - E&C segment)	4,400	-
Disposal of Takargo (Capital segment)	417	-
Disposal of Haçor (Capital segment)	-	8,776
Partial disposal of Mota-Engil Tourism BV (Latin America - E&C segment)	-	2,076
Loan reimbursement from Wvb Project Company VBA (Latin America - E&C segment)	-	1,586
Others	400	896
	159,056	49,323

In the years ended 31 December 2022 and 2021, the amounts paid related with dividends can be detailed as follows:

	2022	2021
Shareholders of Mota-Engil SGPS	20,747	-
Shareholders of Mota-Engil México	4,275	-
Shareholders of Consórcio GDL Viaducto	2,078	-
Shareholders of Constructora Gran Canal	-	9,259
Shareholders of Generadora Fenix	-	4,474
Shareholders of EGF's subsidiaries	-	251
Others	51	99
	27,151	14,084

In the years ended 31 December 2022 and 2021, the amounts received related with dividends can be detailed as follows:

	2022	2021
BAI	4,179	543
Others	1,206	773
	5,385	1,316

44. Business segments

The GROUP uses its internal organisation for management purposes as the basis for its reporting of information by business segments.

As of 1 January 2022, the GROUP is organized according to the following business segments: (Africa – E&C, Environment, Latin America – E&C, Capital and Europe – E&C). Additionally, amounts relating to MOTA-ENGIL, SGPS and other instrumental companies were included under the caption “Others, eliminations and intragroup”, which also includes amounts relating to transactions and balances maintained between the companies in the different business segments.

The Africa - E&C business unit includes the engineering and construction activity (including the provision of industrial engineering services) conducted by the GROUP, essentially in Angola, Mozambique, Malawi, Ivory Coast, Rwanda, Uganda, South Africa, Guinea Conakry, Mali, Nigeria and Kenya.

The Environment business unit is divided into the following sub-segments: (i) Treatment and recovery of waste (whose vehicle is EGF); (ii) Collection of urban waste (whose activity is mainly carried out by SUMA); (iii) Industrial (whose main activity is the collection and treatment of used oils) and (iv) International (with a presence essentially in Angola, Ivory Coast and Brazil).

The Latin America - E&C business unit includes the engineering and construction activities carried out by the GROUP, essentially in Mexico, Peru, Brazil and Colombia. In addition, it also includes the power generation and commercialisation business in Mexico and the concession management and operation business in Mexico and Colombia.

The Capital business unit is divided into the following sub-segments: (i) Services (which includes essentially the operation and maintenance services currently provided by MOTA-ENGIL ATIV (ex-VIBEIRAS and MANVIA); (ii) Real Estate; (iii) Concessions (operating in Portugal and Mozambique), (iv) Tourism (operating in Portugal) and (v) Energy (operating in Portugal).

The Europe - E&C business unit essentially includes the engineering and construction activity carried out by the GROUP in Portugal and Poland and, until January 2022, in Ireland and in the United Kingdom.

These segments were used taking in consideration the fact that they are GROUP units that carry out activities where income and expenses can be identified separately, in relation to which separate financial information is produced, being their operating results reviewed by management and serving as a basis for decision-making.

Until December 31 2021, the GROUP was organized according to the following business segments: Europe (subdivided into Engineering and Construction and Environment and Services), Africa and Latin America. On the other hand, the segment currently called Capital was mostly included under the caption “Others, eliminations and intragroup”.

Therefore, the main changes occurred in the GROUP's business segments can be summarized as follows:

(i) the Environment segment turn to be autonomous, ceasing to be part of the old segment of Europe, with the companies from Africa and Latin America that develop their activity in that area having been transferred to it;

(ii) the Capital segment turn to be autonomous, ceasing to be part of the old “Others, eliminations and intragroup” segment, with some real estate companies, some concessionaires and some companies in the infrastructure operation and maintenance area having been transferred to it.

At the company level, the main changes occurred in the business segments can be summarized as follows:

- (i) Transfer of VISTA WASTE, CLEAN EBURNIE and ECO EBURNIE from the former Africa segment to the current Environment segment;
- (ii) Transfer of SUMA BRASIL from the former Latin America segment to the current Environment segment;
- (iii) Transfer of VIBEIRAS from the former Europe - E&C subsegment to the current Capital segment;
- (iv) Transfer of some Polish real estate companies from the former Europe - E&C subsegment to the current Capital segment;
- (v) Transfer of ESTRADAS DO ZAMBEZE and OPERADORA ESTRADAS DO ZAMBEZE from the former Africa segment to the current Capital segment.

The accounting policies used in the preparation of the financial information by segments were the same as those described in Note 1.4..

The consolidated income statement by business segment can be analysed as follows:

2022	Europe - E&C	Environment	Africa - E&C	Latin America - E&C	Capital	Other, eliminations and intra-group	Mota-Engil Group
Sales and services rendered (a)	509,734	556,249	1,183,017	1,521,367	105,029	(71,138)	3,804,258
Cost of goods sold, mat. cons. and changes in production (b)	(108,290)	(45,984)	(362,555)	(400,442)	(9,623)	1,729	(925,164)
Gross margin (c) = (a) + (b)	401,444	510,265	820,463	1,120,925	95,406	(69,408)	2,879,094
Third-party supplies and services (d)	(267,577)	(239,443)	(447,794)	(770,680)	(64,200)	83,864	(1,705,829)
Wages and salaries (e)	(94,971)	(157,235)	(183,843)	(190,066)	(31,514)	(20,322)	(677,951)
Other operating income / (expenses) (f)	1,295	17,228	36,198	(14,693)	4,053	1,308	45,389
EBITDA (g) = (c) + (d) + (e) + (f)	40,192	130,815	225,024	145,486	3,745	(4,558)	540,704
Amortizations and depreciations (h)	(18,329)	(83,092)	(114,384)	(57,498)	(4,437)	(917)	(278,656)
Provisions and impairment losses (i)	(2,948)	(6,537)	(8,006)	(10,237)	4,895	4,000	(18,834)
[of which, Impairment for non-current assets]	(1,198)	-	126	(92)	-	1,122	(42)
EBIT (j) = (g) + (h) + (i)	18,915	41,186	102,633	77,752	4,203	(1,475)	243,214
Financial income and gains	7,544	12,937	205,344	226,984	1,763	(8,403)	446,170
Financial costs and losses	(26,149)	(30,103)	(254,250)	(265,320)	(3,376)	(21,159)	(600,357)
Gains/(losses) in associates and joint ventures	(232)	692	898	(3,063)	(9,209)	5,436	(5,478)
Gains/(losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies	5,083	8	-	15,520	1,423	(0)	22,034
Net monetary position	-	-	10,550	-	-	-	10,550
Income before taxes	5,161	24,720	65,175	51,874	(5,195)	(25,600)	116,134

2021	Europe - E&C	Environment	Africa - E&C	Latin America - E&C	Capital	Other, eliminations and intra-group	Mota-Engil Group
Sales and services rendered (a)	606,972	442,999	824,044	620,027	141,866	(44,131)	2,591,776
Cost of goods sold, mat. cons. and changes in production (b)	(143,773)	(34,322)	(256,814)	(181,329)	(36,032)	28,389	(623,880)
Gross margin (c) = (a) + (b)	463,200	408,676	567,230	438,698	105,834	(15,743)	1,967,896
Third-party supplies and services (d)	(315,433)	(170,874)	(249,038)	(225,691)	(64,099)	42,065	(983,069)
Wages and salaries (e)	(106,554)	(136,985)	(131,198)	(141,535)	(31,504)	(15,810)	(563,586)
Other operating income / (expenses) (f)	942	19,958	(13,624)	18,972	(1,268)	(34,588)	(9,609)
EBITDA (g) = (c) + (d) + (e) + (f)	42,155	120,775	173,371	90,444	8,963	(24,075)	411,632
Amortizations and depreciations (h)	(20,187)	(72,701)	(91,804)	(22,300)	(6,728)	3,456	(210,264)
Provisions and impairment losses (i)	(1,741)	(1,138)	(4,219)	(4,197)	(2,410)	(3,171)	(16,875)
[of which, Impairment for non-current assets]	914	-	(6,413)	313	-	-	(5,186)
EBIT (j) = (g) + (h) + (i)	20,227	46,936	77,348	63,947	(175)	(23,790)	184,493
Financial income and gains	8,031	13,739	96,972	25,801	1,449	(5,259)	140,733
Financial costs and losses	(23,398)	(25,924)	(120,077)	(63,899)	(4,347)	(29,433)	(267,078)
Gains/(losses) in associates and joint ventures	(74)	(929)	35	(6,236)	4,771	5,546	3,114
Gains/(losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies	5	(57)	-	46,681	1,861	724	49,213
Net monetary position	-	-	11,124	-	-	-	11,124
Income before taxes	4,791	33,793	54,278	66,294	3,560	(41,116)	121,600

In the years ended 31 December 2022 and 2021, the caption "Sales and services rendered - Other, eliminations and intragroup" can be analysed as follows:

Sales and services rendered	2022	2021
Eliminations and intragroup	(105,386)	(74,808)
Others (Companies not included in the five segments above referred)	34,248	30,676
	(71,138)	(44,131)

As of 31 December 2022 and 2021, intragroup sales and services rendered can be analysed as follows:

Intragroup - sales and services rendered	2022	2021
Africa - E&C	(16,055)	(5,264)
Environment	(668)	(716)
Latin America - E&C	(4,317)	2,811
Capital	(11,621)	(9,778)
Europe - E&C	(32,036)	(29,600)
Others	(40,688)	(32,261)
	(105,386)	(74,808)

In the years ended 31 December 2022 and 2021, the intragroup sales and services rendered were carried out at prices similar to those practised for sales and services rendered to external customers.

As of 31 December 2022 and 2021, the consolidated financial position by business segment can be analysed as follows:

Currency	2022		2021	
	Assets	Liabilities	Assets	Liabilities
Africa - E&C	2,475,302	1,982,059	2,225,544	1,804,826
Environment	1,150,302	947,694	1,162,066	934,078
Latin America - E&C	2,329,608	1,868,770	1,658,557	1,194,187
Capital	455,464	276,004	580,839	274,443
Europe - E&C	935,461	782,075	995,266	857,815
Others	(948,238)	10,615	(1,216,457)	(91,732)
	6,397,899	5,867,216	5,405,816	4,973,617

As of 31 December 2022 and 2021, the investment and the financial investments in associated companies and joint ventures by business segment can be analysed as follows:

	Investment (a)		Investments in associated and joint ventures companies	
	2022	2021	2022	2021
Africa - E&C	174,806	96,518	9,718	3,997
Environment	75,901	48,918	3,316	3,013
Latin America - E&C	72,248	42,389	126,703	178,178
Capital	9,240	2,474	86,157	73,736
Europe - E&C	17,325	22,459	-	-
Others	1,125	556	26,341	22,550
Mota-Engil Group	350,644	213,314	252,235	281,474

(a) Net increase (increases-disposals) occurred in the intangible, tangible and right of use assets' captions, excluding the ones assign to the concessionaries business in Mexico (Note 15).

As of 31 December 2022 and 2021 and in the years ended on those dates, the non-current assets and sales and services rendered by country can be analysed as follows:

2022	Non-current assets	Sales and services rendered
Portugal	1,190,973	813,354
Mexico	535,665	1,170,011
Angola	284,826	367,099
Mozambique	173,157	203,379
Peru	100,665	190,140
Ivory Coast	93,389	159,409
Mali	60,034	33,903
Poland	58,379	150,995
Guine	37,841	125,175
Netherlands	37,674	3,122
Malawi	34,761	43,277
Nigeria	27,354	151,251
Rest of the world	121,806	393,145
	2,756,525	3,804,258

2021	Non-current assets	Sales and services rendered
Portugal	1,141,126	780,901
Mexico	419,831	396,745
Angola	360,021	192,137
Mozambique	159,173	182,907
Peru	87,924	102,906
Ivory Coast	86,734	97,770
Poland	62,342	224,751
Guinea	48,645	93,831
Malawi	41,738	55,265
Brazil	36,442	108,146
Mali	6,162	3,798
Nigeria	617	55,303
Rest of the world	171,619	297,318
	2,622,374	2,591,776

45. Financial instruments

Financial instruments, in accordance with the accounting policies described in Note 1.4 i), were classified as follows:

	2022	2021
Financial assets		
Financial assets recorded at amortised cost		
Cash and cash equivalents / Other financial applications	775,282	442,649
Customers - current	920,678	833,499
Other debtors - others - current	329,892	167,207
Customers - non-current	57,748	50,116
Other debtors - others - non-current	114,812	107,193
Associates and related companies - current	11,231	4,823
Associates and related companies - non-current	78,569	87,951
State and other public entities (except corporate income tax)	93,507	69,731
Other financial investments recorded at amortised cost - current	32,404	32,253
Other financial investments recorded at amortised cost - non-current	93,413	190,150
	2,507,536	1,985,574
Other financial investments recorded at fair value through other comprehensive income	63,201	64,400
Derivative financial instruments	4,058	150
Carrying amount of financial assets	2,574,795	2,050,124

	2022	2021
Financial liabilities		
Derivative financial instruments	1,206	258
	1,206	258
Financial liabilities recorded at amortised cost		
Loans with and without recourse - current	807,139	632,191
Loans with and without recourse - non-current	1,033,606	1,158,323
Other financial liabilities - current	206,422	340,271
Other financial liabilities - non-current	13,630	-
Suppliers and sundry creditors - current	1,285,867	905,516
Suppliers and sundry creditors - non-current	16,642	68,925
	3,363,304	3,105,227
Financial liabilities outside the scope of IFRS - 9		
Lease liabilities - current	141,236	116,197
Lease liabilities - non-current	208,861	217,318
	350,097	333,515
Carrying amount of financial liabilities	3,714,608	3,439,000

The impacts on the consolidated statement of comprehensive income arising from the above-mentioned financial instruments can be summarised as follows:

	2022			2021		
	Income statement		Other comprehensive income	Income statement		Other comprehensive income
	Financial expenses (Note 9)	Financial income (Note 9)	Fair value reserve	Financial expenses (Note 9)	Financial income (Note 9)	Fair value reserve
Financial assets						
At amortised cost	-	67,837	-	-	50,917	-
At fair value	-	5,169	(259)	-	969	5,504
	-	73,006	(259)	-	51,887	5,504
Financial liabilities						
At fair value	-	-	3,989	-	-	493
At amortised cost	184,002	-	-	137,877	-	-
	184,002	-	3,989	137,877	-	493

MOTA-ENIL GROUP is exposed to a variety of financial risks with special focus given to the interest rate, exchange rate, liquidity and credit risks.

The risk management process is an integral part of the internal control system which consists of the development of management policies and procedures with a view to ensuring the creation of value, protection of its assets, compliance of laws and regulations, and a controlled environment that ensures the fulfilment of the GROUP's ethical principles and the reliability of the information reported.

Therefore, risk management at the MOTA-ENGIL GROUP and its subsidiaries, is based on a process intended to be evolutionary regarding the constant identification and monitoring of exposure to the different types of risks inherent to its business, considering the various regions and geographies in which it operates, with the promotion of study and implementation of strategies for the mitigation of the main risks.

The overall risk management of the MOTA-ENGIL GROUP is the responsibility of the Executive Committee of MOTA-ENGIL SGPS and of the Management and Supervisory Boards of the companies integrating the GROUP. At the level of the Executive Committee, the Corporate Risk area of responsibility is assigned to an executive director.

The MOTA-ENGIL GROUP, due to its geographical diversification, operating in 3 continents and 22 countries, is exposed to a variety of financial risks. The GROUP's financial risk management policy aims at reducing impacts and adverse effects deriving from the uncertainty that characterizes the financial markets. This uncertainty, reflected in various ways, demands special attention and concrete and effective management measures.

The financial risk management activity is coordinated by the Corporate Finance area, who coordinates and monitors the treasury and debt portfolio management, with the aid and support of the Corporate Management Control area, and is carried out according to the guidelines approved by the Board of Directors, with the consultative interventions of the Internal Audit and Risk Committee, without ever ceasing to be the responsibility of the boards of directors of each of the business units of the GROUP.

The GROUP's position as to the management of financial risks is cautious and conservative, using, when advisable, hedge instruments, always considering that these are related to the normal and current activity of the COMPANY, never taking positions in derivatives or other financial instruments of a speculative nature.

The different types of financial risk are inter-related and the different management measures are aimed at ensuring the pursuance of the same goal, that is, the protection of its assets and the reduction of cash-flow volatility and expected profitability.

Interest rate risk

The interest rate risk management policy aims at optimizing the cost of debt and obtaining a reduced level of volatility in financial charges, that is, it intends to control and mitigate the risk of losses deriving from variations in the interest rate that serves as index for the GROUP's financial debt, mainly denominated in Euros. It should be noted that the strategy of allocation of debt to local markets, close to cash flow generation, has contributed to a diversification of currency in terms of debt.

As a result of the current economic situation, in December, as occurred at other times during 2022, the three key ECB interest rates increased 50 basis points, which had an impact on the debt service of the MOTA-ENGIL GROUP, contracted at a variable rate, as well as in obtaining new financing or refinancing, since the future cost may be higher than in the past.

Additionally, the ECB may decide to further increase its key interest rates, in order to achieve the target of reaching 2% of inflation in the medium term, since it remains at a high level and is estimated to remain above that target for some time to come.

This way, the GROUP continues to analyze and timely assess the contracting of hedging instruments that assure future changes in interest rates.

In the years ended 31 December 2022 and 2021, the sensitivity of the financial results of the GROUP to changes in the interest rate index used in the loans obtained can be analysed as follows:

	Estimated Impact	
	2022	2021
Change in the interest expenses due to a 1 p.p. change in the interest rate applied to the average gross debt of the year (excluding leasing, factoring and payment management operations)	18,156	18,435
Fixed-rate coverage	(8,280)	(8,174)
Interest-rate derivative financial instruments coverage	(2,062)	(2,519)
Sensitivity of the financial results to interest rate changes	7,814	7,741

The average interest rates supported in the main loans obtained by the GROUP in the years ended 31 December 2022 and 2021 were as follows:

	2022		2021	
	Average rates (%)	Rates range (%)	Average rates (%)	Rates range (%)
Non-convertible bond loans	4.99	[3.17; 8.1]	4.75	[2.63; 8.1]
Amounts owed to credit institutions:				
Bank loans	5.93	[0.69; 36.07]	5.80	[0.19; 60.1]
Overdraft facilities	9.23	[2.5; 23]	6.32	[1.87; 23]
Revolving facilities	5.12	[2; 19.5]	4.92	[2; 25.8]
Commercial paper issues	4.68	[2; 7.71]	3.06	[1.5; 6.05]

As of 31 December 2022 and 2021, 46% and 42% of gross debt (corresponding to loans with and without recourse), including the effect of derivative financial instruments, was contracted at a variable interest rate and its average cost arise to 5.39% and 5.12%, respectively.

As of 31 December 2022 and 2021, the detail of the financial instruments of the GROUP in accordance with the type of interest rate established is as follows:

2022	Fixed rate	Variable rate	Not subject to interest rate	Total
Financial assets				
Financial assets recorded at amortised cost				
Cash and cash equivalents / Other financial applications	332,216	-	443,065	775,282
Customers	35,001	-	943,426	978,427
Other debtors - others	44,467	66,517	333,720	444,704
Associated and related companies	8,608	69,913	11,280	89,800
State and other public entities (except corporate income tax)	-	-	93,507	93,507
Other financial investments recorded at amortised cost	106,552	19,265	-	125,817
	526,844	155,695	1,824,998	2,507,536
Other financial investments recorded at fair value through other comprehensive income	-	-	63,201	63,201
Derivative financial instruments	4,058	-	-	4,058
Carrying amount of financial assets	530,902	155,695	1,888,199	2,574,795
Financial liabilities				
Financial liabilities recorded at amortised cost				
Loans with and without recourse	842,333	998,411	-	1,840,744
Other financial liabilities	4,962	215,089	-	220,051
Suppliers and sundry creditors	78,185	-	1,224,324	1,302,509
Derivative financial instruments	1,206	-	-	1,206
	926,686	1,213,501	1,224,324	3,364,511
Financial liabilities outside the scope of IFRS - 9				
Lease liabilities	156,326	193,771	-	350,097
Carrying amount of financial liabilities	1,083,012	1,407,272	1,224,324	3,714,608
2021/				
Financial assets				
Financial assets recorded at amortised cost				
Cash and cash equivalents / Other financial applications	183,402	-	259,247	442,649
Customers	38,287	-	845,329	883,616
Other debtors - others	-	-	274,400	274,400
Associated and related companies	5,260	77,041	10,472	92,774
State and other public entities (except corporate income tax)	-	-	69,731	69,731
Other financial investments recorded at amortised cost	205,408	16,995	-	222,403
	432,358	94,036	1,459,180	1,985,574
Other financial investments recorded at fair value through other comprehensive income	-	-	64,400	64,400
Derivative financial instruments	150	-	-	150
Carrying amount of financial assets	432,508	94,036	1,523,580	2,050,124

2021	Fixed rate	Variable rate	Not subject to interest rate	Total
Financial liabilities				
Financial liabilities recorded at amortised cost				
Loans with and without recourse	1,007,027	783,488	-	1,790,514
Other financial liabilities	174,220	166,052	-	340,271
Suppliers and sundry creditors	56,499	-	917,942	974,441
Derivative financial instruments	258	-	-	258
	1,238,003	949,539	917,942	3,105,485
Financial liabilities outside the scope of IFRS - 9				
Lease liabilities	191,304	142,211	-	333,515
Carrying amount of financial liabilities	1,429,307	1,091,750	917,942	3,439,000

Exchange rate risk

MOTA-ENGIL GROUP operationalises its business on an international level through various companies in different jurisdictions and is therefore exposed to exchange rate risk.

It should be noted that regarding the analysis of the exchange rate risk, there is a continuous and systematic monitoring of the variations to which the GROUP is subjected. This monitoring is performed by the Corporate Finance and Business Control areas, consolidating and reporting information from all companies operating in different geographies, in terms of cash flows, balances and debt.

The GROUP's exposure to exchange rate risk results mainly from the presence of several of its subsidiaries in different markets, namely in Africa, Central Europe and Latin America, which bring new challenges with the exposure to new currencies and new economic and financial realities.

The exchange rate risk management policy aims at reducing the volatility in investments and operations expressed in foreign currency (other than Euro), contributing to a smaller sensitivity to the exchange rate fluctuations.

The risk of exchange rate in the MOTA-ENGIL GROUP is summarized in two ways:

- Transaction risk - risk associated with cash flows and the values of the financial instruments recorded in the statement of financial position, in which changes to exchange rates have an impact on the results and on the cash flows
- Translation risk - risk associated with fluctuations in the value of equity invested in foreign GROUP companies, due to exchange rate changes

In terms of exchange rate risk management, it is sought, where possible or advisable, natural hedges to manage exposure by means of financial debt denominated in foreign currency in which the values at risk are expressed. Whenever such is not possible or advisable, the contracting or performance of operations based on derivative is promoted, structured aiming at reducing their cost, namely for covering risks in future exchange transactions, with a large level of certainty as to the amount and date of performance.

On the other hand, and mainly in the African markets, a significant part of the contracts executed by the GROUP are denominated in Euro or US Dollar, and the exchange rate is, whenever possible, indexed to the contract value recorded in national currency with the purpose to eliminate any volatility risk with value loss.

As of 31 December 2022 and 2021, the assets and liabilities of the GROUP expressed in accordance with the functional currency of the country in which each affiliate operates, were as follows:

In the years ended 31 December 2022 and 2021, the sensitivity of the net profit and the equity of the GROUP to exchange rate changes in the major currencies on which it is exposed can be analysed as follows:

2022	Net profit	Equity
Estimated impact of the appreciation by 1%:		
of US Dollar (USD) to Euro (EUR)	170	90
of Malawian Kwacha (MWK) to Euro (EUR)	(262)	340
of Angolan Kwanza (AOK) to Euro (EUR)	269	1,628
of Mozambican Metical (MZM) to Euro (EUR)	213	1,424
of Peruvian Novo Sol (PEN) to Euro (EUR)	46	471
of Mexican Peso (MXN) to Euro (EUR)	200	619
of Brazilian Real (BRL) to Euro (EUR)	(101)	(26)
of Polish Zloty (PLN) to Euro (EUR)	19	393

2021	Net profit	Equity
Estimated impact of the appreciation by 1%:		
of US Dollar (USD) to Euro (EUR)	18	(223)
of Malawian Kwacha (MWK) to Euro (EUR)	(63)	387
of Angolan Kwanza (AOK) to Euro (EUR)	83	1,286
of Mozambican Metical (MZM) to Euro (EUR)	216	1,134
of Peruvian Novo Sol (PEN) to Euro (EUR)	18	411
of Mexican Peso (MXN) to Euro (EUR)	52	554
of Brazilian Real (BRL) to Euro (EUR)	(26)	(11)
of Polish Zloty (PLN) to Euro (EUR)	82	365

Regarding the above-mentioned analysis, the impact of +1% exchange rate change was taken into consideration in the translation of the financial statements of the affiliates with a functional currency different from Euro to Euro in the net profit and in the equity of the GROUP.

As of 31 December 2022 and 2021, the loans obtained by the GROUP were denominated in the following currencies:

	Non-convertible bond loans	Amounts owed to credit institutions	Commercial paper issues	Other loans	Total
2022					
US Dollar	-	70,829	-	-	70,829
Euros	409,001	876,355	137,952	55	1,423,362
CFA Franc	-	17,611	-	-	17,611
Angolan Kwanza	-	24,124	-	-	24,124
Peruvian Nuevo Sol	-	2,406	-	-	2,406
Mexican Peso	-	168,035	-	-	168,035
Brazilian Real	-	60,200	-	-	60,200
Polish Zloty	-	19,218	-	-	19,218
Others	-	54,959	-	-	54,959
	409,001	1,293,737	137,952	55	1,840,744
2021					
US Dollar	-	52,894	-	-	52,894
Euros	413,622	981,080	139,914	225	1,534,842
CFA Franc	-	16,547	-	-	16,547
Angolan Kwanza	-	57,710	-	-	57,710
Peruvian Nuevo Sol	-	2,138	-	-	2,138
Mexican Peso	-	65,700	-	-	65,700
Brazilian Real	-	30,699	-	37	30,737
Polish Zloty	3,263	14,862	-	-	18,126
Others	-	11,820	-	-	11,820
	416,885	1,233,452	139,914	263	1,790,515

Liquidity risk

Liquidity risk management involves the maintenance of an adequate level of cash, as well as, negotiating credit limits that ensure the funds needed to meet commitments when they become due.

The MOTA-ENGIL GROUP'S policy of managing liquidity risk seeks to guarantee that there are funds available (balances and financial revenue flows) at every moment in the GROUP and its subsidiaries, sufficient for them to meet, in a timely manner, all the financial obligations assumed (financial expenditure flows).

Obtaining high levels of financial flexibility, fundamental for managing this risk, has been achieved by using the following management measures:

- Establishment of partnerships with financial entities, ensuring their financial support to the GROUP with a medium and long-term vision, regardless of the context that may condition business;
- Contracting and maintaining short-term exceeding credit lines, created as liquidity reserves, available for use at any moment;
- Performing an accurate financial planning by company by creating and periodically reviewing treasury budgets, allowing an anticipated forecast of future treasury excess and deficit;
- Financing of medium and long-term investments, adapting debt maturity and payment plan deriving from financing to the ability to generate cash flows in each project or company;
- Starting the negotiation process for refinancing of medium- and long-term loans due for that year with at least one year of antecedence regarding relevant maturity;
- Procurement of medium-term and long-term financing so as to reduce its dependence on more volatile short-term funds, creating, this way, some immunisation against circumstantial factors of the financial markets;
- Scaling financial debt maturity throughout time, seeking to extend average maturity of the debt to make it coincide with the level of permanence of some long-term assets held by the GROUP;
- Search for new financing sources and new financiers with the purpose of:
 - Geographical diversification – capturing resources in the different markets here the GROUP operates;
 - Diversification of debt instruments – capture of funds from alternative sources, strengthening the strategic objective of obtaining a greater banking disintermediation.

As of 31 December 2022 and 2021, the liquidity position of the GROUP (including capital and interests) is detailed as follows:

	2022				Total
	< 1 year	Between 1 and 2 years	More than 2 years	Undetermined	
Financial assets					
Financial assets recorded at amortised cost					
Cash and cash equivalents / Other financial applications	775,282	-	-	-	775,282
Customers	924,840	44,499	18,311	-	987,650
Other debtors - others	339,409	119,758	19,782	-	478,948
Associates and related companies	17,912	84,414	-	-	102,326
State and other public entities (except corporate income tax)	93,507	-	-	-	93,507
Other financial investments recorded at amortised cost	39,194	79,742	20,160	-	139,096
Financial assets recorded at fair value					
Other financial investments recorded at fair value through other comprehensive income	-	-	-	63,201	63,201
Derivative financial instruments	58	-	4,000	-	4,058
Total financial assets within the scope of IFRS - 9	2,190,201	328,413	62,253	63,201	2,644,069
Other non financial assets					
Inventories	528,757	-	-	-	528,757
Contract assets	589,669	5,139	-	-	594,808
Other current and non-current assets	79,073	40,742	-	-	119,815
Corporate income tax	39,021	-	-	-	39,021
Non-current assets held for sale	143,159	-	-	-	143,159
Total non financial assets	1,379,679	45,881	-	-	1,425,560
Total assets	3,569,879	374,294	62,253	63,201	4,069,628
Financial liabilities recorded at amortised cost					
Loans with and without recourse	906,355	477,713	622,812	-	2,006,880
Other financial liabilities	216,995	14,284	-	-	231,279
Suppliers and sundry creditors	1,295,250	8,699	7,943	-	1,311,891
Financial liabilities					
Derivative financial instruments	1,206	-	-	-	1,206
Total financial liabilities within the scope of IFRS - 9	2,419,806	500,697	630,755	-	3,551,257
Financial liabilities outside the scope of IFRS - 9					
Lease liabilities	154,661	91,792	126,518	-	372,971
Total financial liabilities	154,661	91,792	126,518	-	372,971
Other non financial liabilities					
Contract liabilities	636,123	294,423	-	-	930,546
Other current and non-current liabilities	633,181	141,368	-	-	774,549
Corporate income tax	32,238	-	-	-	32,238
Non-current liabilities held for sale	73,237	-	-	-	73,237
Total non financial liabilities	1,374,780	435,791	-	-	1,810,571
Total liabilities	3,949,246	1,028,280	757,272	-	5,734,799
Liquidity Gap	(379,367)	(653,986)	(695,019)	63,201	(1,665,170)

	2021				Total
	< 1 year	Between 1 and 2 years	More than 2 years	Undetermined	
Financial assets					
Financial assets recorded at amortised cost					
Cash and cash equivalents / Other financial applications	442,649	-	-	-	442,649
Customers	838,052	32,102	24,204	-	894,358
Other debtors - others	167,207	107,193	-	-	274,400
Associates and related companies	13,509	96,187	-	-	109,696
State and other public entities (except corporate income tax)	69,727	4	-	-	69,731
Other financial investments recorded at amortised cost	49,100	96,093	114,334	-	259,527
Financial assets recorded at fair value					
Other financial investments recorded at fair value through other comprehensive income	-	-	-	64,400	64,400
Derivative financial instruments	1	-	149	-	150
Total financial assets within the scope of IFRS - 9	1,580,245	331,579	138,688	64,400	2,114,912
Other non financial assets					
Inventories	292,688	-	-	-	292,688
Contract assets	693,236	-	-	-	693,236
Other current and non-current assets	72,160	35,802	-	-	107,962
Corporate income tax	31,598	-	-	-	31,598
Non-current assets held for sale	88,380	-	-	-	88,380
Total non financial assets	1,178,063	35,802	-	-	1,213,865
Total assets	2,758,308	367,381	138,688	64,400	3,328,778
Financial liabilities recorded at amortised cost					
Loans with and without recourse	723,507	434,192	795,189	-	1,952,888
Other financial liabilities	353,295	-	-	-	353,295
Suppliers and sundry creditors	912,296	59,347	9,578	-	981,221
Financial liabilities					
Derivative financial instruments	135	123	-	-	258
Total financial liabilities within the scope of IFRS - 9	1,989,232	493,663	804,767	-	3,287,662
Financial liabilities outside the scope of IFRS - 9					
Lease liabilities	127,795	82,989	143,368	-	354,152
Total financial liabilities	2,117,028	576,652	948,134	-	3,641,814
Other non financial liabilities					
Contract liabilities	303,317	46,399	-	-	349,715
Other current and non-current liabilities	596,891	169,529	-	-	766,420
Corporate income tax	25,623	-	-	-	25,623
Non-current liabilities held for sale	73,380	-	-	-	73,380
Total non financial liabilities	999,211	215,928	-	-	1,215,139
Total liabilities	3,116,239	792,579	948,134	-	4,856,953
Liquidity Gap	(268,535)	(425,198)	(809,447)	64,400	(1,438,779)

In accordance with the liquidity management policy defined by the GROUP, and in order to mitigate the liquidity gap presented above, at 31 December 2022, the GROUP maintained unused credit lines of circa of 326 million euros (294 million euros at 31 December 2021). Furthermore, after 31 December 2022, the GROUP has already refinanced or is in the process of refinancing circa of 453 million euros of bank debt (circa of 232 million euros at 31 December 2021).

Credit risk

The credit risk management policy seeks to guarantee that the GROUP's affiliates promote the effective collection and receipt of their credits over third parties within the terms established and / or negotiated for the purpose.

The mitigation of this risk is achieved preventively, before the exposure to risk, through the use of entities that provide information and credit risk profiles that allow a substantiated decision to grant credit.

Subsequently, after the credit is granted, the GROUP promotes the maintenance of credit and collection control structures implemented at the level of each market, and in some more particular cases, it is promoted the use of credit insurance with reputable specialized insurance companies. These measures contribute to the maintenance of credits over customers within levels not likely to affect the financial health of the GROUP's affiliates.

In addition, the significant development of the GROUP's activity in Africa and Latin America was in part promoted by the development of a close business strategy, focused on a large and growing number of customers, spread across various business areas and geographic poles, which allowed to mitigate the risk.

Furthermore, it should be noted that some of the largest projects that the GROUP has in progress are promoted by some of the largest private conglomerates in the world, which gives additional security in terms of financial strength and credit coverage.

The growing number of infrastructure projects in the Africa and Latin America regions, supported by multi-lateral entities acting as project financiers that promote the economic and social development in areas such as Environment, Energy and Logistics, ensures additional comfort in terms of credit risk.

Lastly, despite the trend strengthened in recent years towards the development of larger projects, the GROUP has significantly widespread commercial relationships, often relying in these projects on the receipt of advances that allow a significant reduction in credit risk.

As of 31 December 2022 and 2021, the GROUP's exposure to credit risk was as follows:

	2022	2021
Financial assets		
Financial assets recorded at amortised cost		
Cash and cash equivalents / Other financial applications	775,282	442,649
Customers - current	920,678	833,499
Other debtors - others - current	329,892	167,207
Customers - non-current	57,748	50,116
Other debtors - others - non-current	114,812	107,193
Associates and related companies - current	11,231	4,823
Associates and related companies - non-current	78,569	87,951
State and other public entities (except corporate income tax)	93,507	69,731
Other financial investments recorded at amortised cost - current	32,404	32,253
Other financial investments recorded at amortised cost - non-current	93,413	190,150
	2,507,536	1,985,574
Derivative financial instruments	4,058	150
Financial assets outside the scope of IFRS - 9		
Contract assets	594,808	693,236
	594,808	693,236
Carrying amount of financial assets	3,106,402	2,678,960

As of 31 December 2022 and 2021, the quality of the GROUP's credit risk was as follows:

2022	Customers and other debtors - others	Cash and cash equivalents
Aaa; Aa1; Aa2; Aa3	-	32
Aa1; Aa2; Aa3	-	16,894
A1; A2; A3	6,514	106,401
Baa1; Baa2; Baa3	135,449	126,328
Ba1; Ba2; Ba3	34,135	155,462
B1; B2; B3	481,188	263,432
Caa1; Caa2; Caa3	67,962	685
Without rating or information	931,481	106,048
Total	1,656,729	775,282

2021	Customers and other debtors - others	Cash and cash equivalents
Aaa; Aa1; Aa2; Aa3	-	5
Aa1; Aa2; Aa3	-	14,097
A1; A2; A3	-	27,654
Baa1; Baa2; Baa3	78,057	137,140
Ba1; Ba2; Ba3	17,251	35,887
B1; B2; B3	295,258	37,159
Caa1; Caa2; Caa3	5,335	5,868
Without rating or information	762,116	184,840
Total	1,158,016	442,649

As of 31 December 2022 and 2021, the aging of the accounts receivable associated with customers and other debtors – others, which were not impaired, was as follows:

Aging in the balance sheet - Customers and other debtors - others	2022	2021
Overdue amounts		
] 0 ; 3] months	244,956	248,813
] 3 ; 12] months	216,731	131,249
] 1 ; 3] years	186,297	226,734
Over 3 years	114,563	119,000
	762,547	725,795
Non overdue amounts	660,583	432,221
Total	1,423,130	1,158,016

As of 31 December 2022 and 2021, the GROUP's exposure to current balances older than one year, net of accumulated impairment losses and credit balances maintained with the respective third parties, resulted, essentially, from confirmed debts of public organisms (State and public institutions of Angola, Mozambique and Malawi), of balances receivable from GROUP partners, namely from the ones of MOTA-ENGIL ANGOLA and MOTA-ENGIL MÉXICO and accounts receivables from associated companies.

The GROUP's credit risk arises essentially from: i) the risk of recovery of the monetary items delivered to the custody of third parties, and ii) the risk of recovery of the credit granted to entities outside the GROUP. The credit risk is assessed in its initial recognition and throughout time, in order to monitor its evolution.

A significant part of the accounts receivable from customers and other debtors is widespread among a high number of entities which contributes to the reduction of the credit risk concentration. Generally, a significant portion of the GROUP's customers have not a credit rating attributed.

For financial assets other than those recorded under the captions “Customers and other debtors” and “Contract assets”, the GROUP considers the probability of default at the initial recognition of the asset and depending upon the occurrence of a significant increase in the credit risk on each reporting period.

In order to assess whether there was a significant increase in the credit risk, the GROUP takes in consideration, among others, the following indicators:

- Internal credit risk;
- External credit risk (if available);
- Current or expectable adverse changes regarding the debtor's operating results;
- Significant increase in the credit risk of other financial instruments issued by the debtor;
- Significant changes in the fair value of the collaterals received or in the quality of third parties' guarantees; and
- Significant changes in the performance and in the expectable behaviour of the debtor, including changes in the debtor's payment conditions regarding the group to which it belongs, as well as others that affect its operating results.

With regard to public debt securities held by the GROUP, recorded under the captions “Other financial investments recorded at amortized cost”, it is assumed that there is a significant increase in credit risk (and the determination of impairment for all contractual cash flows of the assets until the maturity date) if the debtor's external rating falls by 3 notch's (calculated taking into account the ratings assigned by at least two of the three main rating agencies - Moody's, Standard & Poor's and Fitch) and provided that the final rating is below the Caa2 or CCC level. In general, the impairment loss determined results from the application of the following formula: exposure to risk X probability of default X loss given default.

In the year ended 31 December 2020, as a result of the deterioration of the credit rating of Angola, and consequently the increase in the probability of default in the next 12 months, the GROUP recorded estimated impairment losses for the public debt securities it held in portfolio. For the purpose of determining those impairment losses, the GROUP used the values of probability of default in the next 12 months (for entities rated CCC) and loss given default (for entities located on the African continent) included in a report produced by Moody's in the second half of the year.

In the year ended 31 December 2021, as a result of the improvement in the credit rating of Angola and, as a consequence, the decrease in the probability of default, the GROUP reverted impairment losses in the amount of circa of 6,453 thousand euros (Note 20).

On the other hand, regardless of the analysis above, and regarding the remaining cases, a significant increase in the credit risk is presumed if a debtor delays its payments for more than 90 days counted from the payment date established in the respective contract.

For financial assets recorded under the captions “Customers and other debtors” and “Contract assets”, the GROUP applies the simplified approach in order to determine and record the expected credit losses required by IFRS 9 (Note 1.4 i)).

In the years ended 31 December 2022 and 2021, the main information used to determine the expected impairment losses (average rates) was as follows:

Aging	2022		2021	
	Private customers	Public customers	Private customers	Public customers
Non overdue amounts	3.22%	0.00%	1.01%	0.00%
Overdue amounts				
] 0 ; 3] months	7.35%	0.00%	4.36%	0.00%
] 3 ; 6] months	9.66%	0.00%	7.47%	0.00%
] 6 ; 12] months	14.85%	0.00%	12.51%	0.00%
] 1 ; 2] years	22.63%	0.00%	20.96%	0.00%
] 2 ; 3] years	18.00%	0.00%	13.74%	0.00%
Over 3 years	23.81%	0.00%	26.99%	0.00%
Forward looking ratios	95.86%	100.00%	97.97%	100.00%

Fair value

As of 31 December 2022 and 2021, the GROUP's financial instruments recorded at fair value were as follows:

	2022				Total	Fair value hierarchy
	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Fair value through other comprehensive income designated at initial recognition		
Financial assets						
Assets recorded at amortised cost						
Cash and cash equivalents / Other financial applications	775,282	-	-	-	775,282	
Customers - current	920,678	-	-	-	920,678	
Other debtors - others - current	329,892	-	-	-	329,892	
Customers - non-current	57,748	-	-	-	57,748	
Other debtors - others - non-current	114,812	-	-	-	114,812	
Associated and related companies - current	11,231	-	-	-	11,231	
Associated and related companies - non-current	78,569	-	-	-	78,569	
State and other public entities (except corporate income tax)	93,507	-	-	-	93,507	
Other financial investments recorded at amortised cost - current	32,404	-	-	-	32,404	
Other financial investments recorded at amortised cost - non-current	93,413	-	-	-	93,413	
Other financial investments recorded at fair value through other comprehensive income	-	-	-	63,201	63,201	Level 3
Derivative financial instruments	-	-	4,058	-	4,058	Level 2
Carrying amount of financial assets	2,507,536	-	4,058	63,201	2,574,795	

	2022			Total	Fair value hierarchy
	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income		
Financial liabilities					
Derivative financial instruments	-	-	1,206	1,206	Level 2
Financial liabilities recorded at amortised cost					
Loans with and without recourse - current	807,139	-	-	807,139	
Loans with and without recourse - non-current	1,033,606	-	-	1,033,606	
Other financial liabilities - current	206,422	-	-	206,422	
Other financial liabilities - non-current	13,630	-	-	13,630	
Suppliers and sundry creditors - current	1,281,567	4,300	-	1,285,867	
Suppliers and sundry creditors - non-current	16,642	-	-	16,642	
Financial liabilities outside the scope of IFRS - 9					
Lease liabilities - current	141,236	-	-	141,236	
Lease liabilities - non-current	208,861	-	-	208,861	
Carrying amount of financial liabilities	3,709,101	4,300	1,206	3,714,608	

	2021				Total	Fair value hierarchy
	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Fair value through other comprehensive income designated at initial recognition		
Financial assets						
Assets recorded at amortised cost						
Cash and cash equivalents / Other financial applications	442,649	-	-	-	442,649	
Customers - current	833,499	-	-	-	833,499	
Other debtors - others - current	167,207	-	-	-	167,207	
Customers - non-current	50,116	-	-	-	50,116	
Other debtors - others - non-current	107,193	-	-	-	107,193	
Associated and related companies - current	4,823	-	-	-	4,823	
Associated and related companies - non-current	87,951	-	-	-	87,951	
State and other public entities (except corporate income tax)	69,731	-	-	-	69,731	
Other financial investments recorded at amortised cost - current	32,253	-	-	-	32,253	
Other financial investments recorded at amortised cost - non-current	190,150	-	-	-	190,150	
Other financial investments recorded at fair value through other comprehensive income	-	-	-	64,400	64,400	Level 3
Derivative financial instruments	-	-	150	-	150	Level 2
Carrying amount of financial assets	1,985,574	-	150	64,400	2,050,124	

	2021			Total	Fair value hierarchy
	Amortised cost	Fair value through other comprehensive income			
Financial liabilities					
Derivative financial instruments	-	-	258	258	Level 2
Financial liabilities recorded at amortised cost					
Loans with and without recourse - current	632,191	-	-	632,191	
Loans with and without recourse - non-current	1,158,323	-	-	1,158,323	
Other financial liabilities - current	340,271	-	-	340,271	
Suppliers and sundry creditors - current	905,516	-	-	905,516	
Suppliers and sundry creditors - non-current	68,925	-	-	68,925	
Financial liabilities outside the scope of IFRS - 9					
Lease liabilities - current	116,197	-	-	116,197	
Lease liabilities - non-current	217,318	-	-	217,318	
Carrying amount of financial liabilities	3,438,742	-	258	3,439,000	

46. Impact of Hyperinflation

In the years ended 31 December 2022 and 2021, the Zimbabwe economy was considered a hyperinflationary one.

Therefore, the Zimbabwe branch of MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO ÁFRICA, whose functional currency was the Zimbabwe Dollar, carried out the restatement of its financial statements to the current measuring unit.

As of 31 December 2022 and 2021 and in the years ended on those dates, the impact of considering the Zimbabwe economy as a hyperinflationary one on the accompanying consolidated financial statements can be summarized as follows:

2022	Before the application of IAS 29	Impact of IAS 29	After the application of IAS 29
Sales and services rendered	3,804,258	-	3,804,258
Cost of goods sold, mat. cons. and changes in production	(925,164)	-	(925,164)
Third-party supplies and services	(1,705,829)	-	(1,705,829)
Wages and salaries	(677,951)	-	(677,951)
Other operating income / (expenses)	45,389	-	45,389
Amortizations and depreciations	(278,656)	-	(278,656)
Impairment losses	(2,632)	-	(2,632)
Provisions	(16,202)	-	(16,202)
Financial income and gains	446,170	-	446,170
Financial costs and losses	(600,357)	-	(600,357)
Gains / (losses) in associates and joint ventures	(5,478)	-	(5,478)
Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies	22,034	-	22,034
Net monetary position	-	10,550	10,550
Income before taxes	105,584	10,550	116,134
Income tax	(39,655)	-	(39,655)
Consolidated net profit of the year	65,929	10,550	76,479
Attributable:			
to non-controlling interests	35,750	-	35,750
to the Group	30,179	10,550	40,729

2022	Before the application of IAS 29	Impact of IAS 29	After the application of IAS 29
Assets			
Total non-current assets	2,756,525	-	2,756,525
Total current assets	3,641,374	-	3,641,374
Total assets	6,397,899	-	6,397,899
Liabilities			
Total non-current liabilities	2,050,567	-	2,050,567
Total current liabilities	3,816,649	-	3,816,649
Total Liabilities	5,867,216	-	5,867,216
Shareholders' equity			
Share capital	306,776	-	306,776
Own shares	(10,232)	-	(10,232)
Reserves, retained earnings and share premiums	(105,593)	(10,550)	(116,143)
Consolidated net profit of the year	30,179	10,550	40,729
Own funds attributable to the Group	221,130	-	221,130
Non-controlling interests	309,552	-	309,552
Total shareholders' equity	530,683	-	530,683
Total shareholders' equity and liabilities	6,397,899	-	6,397,899

2021	Before the application of IAS 29	Impact of IAS 29	After the application of IAS 29
Sales and services rendered	2,591,776	-	2,591,776
Cost of goods sold, mat. cons. and changes in production	(623,880)	-	(623,880)
Third-party supplies and services	(983,069)	-	(983,069)
Wages and salaries	(563,586)	-	(563,586)
Other operating income / (expenses)	(9,609)	-	(9,609)
Amortizations and depreciations	(210,259)	(5)	(210,264)
Impairment losses	(2,137)	-	(2,137)
Provisions	(14,738)	-	(14,738)
Financial income and gains	140,733	-	140,733
Financial costs and losses	(267,078)	-	(267,078)
Gains / (losses) in associates and joint ventures	3,114	-	3,114
Gains / (losses) on the acquisition and disposal of subsidiaries, joint ventures and associated companies	49,213	-	49,213
Net monetary position	-	11,124	11,124
Income before taxes	110,482	11,119	121,600
Income tax	(58,365)	4	(58,361)
Consolidated net profit of the year	52,116	11,123	63,239
Attributable:			
to non-controlling interests	39,138	-	39,138
to the Group	12,979	11,123	24,101

2021	Before the application of IAS 29	Impact of IAS 29	After the application of IAS 29
Assets			
Total non-current assets	2,622,367	6	2,622,374
Total current assets	2,783,443	-	2,783,443
Total assets	5,405,810	6	5,405,816
Liabilities			
Total non-current liabilities	1,980,095	2	1,980,097
Total current liabilities	2,993,520	-	2,993,520
Total Liabilities	4,973,615	2	4,973,617
Shareholders' equity			
Share capital	306,776	-	306,776
Own shares	(10,232)	-	(10,232)
Reserves, retained earnings and share premiums	(174,197)	(11,118)	(185,315)
Consolidated net profit of the year	12,979	11,123	24,101
Own funds attributable to the Group	135,326	5	135,330
Non-controlling interests	296,870	-	296,870
Total shareholders' equity	432,195	5	432,200
Total shareholders' equity and liabilities	5,405,810	6	5,405,816

47. Subsequent events

On January 30, 2023, following the realization of a shareholders' general meeting of MOTA-ENGIL SGPS, the following changes were approved in the Board of Directors:

(i) Appointment of Carlos António Vasconcelos Mota dos Santos as Chairman of the Board of Directors and of the Executive Committee, replacing António Manuel Queirós Vasconcelos da Mota and Gonçalo Nuno Gomes de Andrade Moura Martins, respectively, who start to exert the functions of Vice President in that body;

(ii) Acceptance of the resignation as member of the Board of Directors of Xiangrong Wang;

(iii) Appointment of three new members to the Board of Directors: João Pedro dos Santos Dinis Parreira, José Carlos Barroso Pereira Pinto Nogueira and Paulo Sacadura Cabral Portas.

On the other hand, on March 1 2023, the MOTA-ENGIL GROUP communicated the acquisition of the remaining 38.5% held by the URBASER GROUP in the share capital of SUMA, as well as the sale to that group of 61.5% of the industrial waste business exploited by SUMA up to date.

The completion of this transaction, scheduled for 2023, is dependent upon the non-opposition of the Portuguese Competition Authority, among other precedent conditions.

48. Fees paid to the auditor / statutory auditor

In the year ended 31 December 2022, the amount of fees paid to the auditor / statutory auditor was as follows:

Nature of the service	By other entities which are part of the Group		Total
	By the company	By other entities which are part of the Group	
	Amount (euros)	Amount (euros)	Amount (euros)
Audit and statutory audit	117,650	1,701,098	1,818,748
Other assurance services	100,000	85,093	185,093
Tax consultancy	-	9,151	9,151
Other services than statutory audit	-	60,866	60,866
Total	217,650	1,856,208	2,073,858

The services other than audit provided by the auditor / statutory auditor during the financial year of 2022 are detailed below:

- Provision of authorisation to access the Inforfisco database, which consists of a repository of a tax nature from public sources (ranging from legislation to jurisprudence);
- Issue of reports ensuring the reliability of the regulated accounts of some concessionaire companies to be submitted to the regulatory body (ERSAR);
- Limited reviews to the individual and consolidated financial statements of some affiliated companies, in accordance with the International Standard on Review Engagements ISRE 2410;
- Issue of reports ensuring the reliability regarding the validation of financial ratios associated with loans obtained and /or calls for tenders in which the GROUP companies took part;
- Issue of two procedure reports "Report of factual findings" associated to the issue of a bond loan by the COMPANY;
- Rendering tax compliance services to GROUP entities located in Oma;
- Completion of a financial and legal due diligence to two concessionary companies, at the request of the respective grantor;
- Issuance of a reasonable assurance report related to the non-compliance by a GROUP company, regarding the criteria to be considered a "company in distress";
- Issuance of a limited assurance report on the confirmation statement that the start of the acquisition works of an investment performed by a GROUP company within the scope of an application did not took place before the submission of the same;
- Issuance of an agreed upon procedures report regarding the assessment of the financing capacity of a GROUP company.

49. Approval of financial statements

These consolidated financial statements were approved by the GROUP's Board of Directors on the 31 March 2023. However, those are still pending approval by the General Shareholders Meeting, although the GROUP's Board of Directors believes that they will be approved without changes.

Appendix A. Consolidated companies

COMPANIES / ENTITIES INCLUDED IN THE CONSOLIDATION BY THE FULL CONSOLIDATION METHOD

As of 31 December 2022 the companies / entities included in the accompanying consolidated financial statements using the full consolidation method, their head quarters, percentage of consolidation, activity, incorporation date and acquisition date were as follows:

Designation	Head Quarters	Percentage of consolidation	Activity	Incorporation date	Acquisition date
Parent Company of the Group and related activities					
Mota-Engil, SGPS, S.A., Sociedade Aberta ("Mota-Engil SGPS")	Portugal (Porto)	-	Management of financial holdings	Aug-90	-
Mota-Engil Global - Serviços Partilhados Administrativos e Técnicos, S.A. ("Mota-Engil Global" - previously designated by "Mota-Engil Serviços Partilhados")	Portugal (Porto)	100.00	Administrative Services	Dec-02	-
Through Mota-Engil SGPS		100.00			
ME 3I, SGPS, S.A. ("ME 3I SGPS")	Portugal (Linda-a-Velha)	61.20	Management of financial holdings	Oct-11	-
Through Mota-Engil Indústria e Inovação		61.20			
MK Contractors, LLC ("MKC")	USA (Miami)	100.00	Real Estate development	Mar-02	-
Through Mota-Engil Engenharia e Construção		100.00			
Mota-Engil Indústria e Inovação, SGPS, S.A. ("Mota-Engil Indústria e Inovação")	Portugal (Linda-a-Velha)	100.00	Management of financial holdings	Nov-10	-
Through Mota-Engil SGPS		100.00			
Mota-Engil Mediação de Seguros, S.A. ("Mota-Engil Mediação")	Portugal (Porto)	100.00	Insurance mediation	Jul-20	-
Through Mota-Engil SGPS		100.00			
Capital					
Arkona Property Development Sp z.o.o. ("Arkona")	Poland (Krakow)	100.00	Real Estate development	Nov-15	-
Through Mota-Engil Real Estate Management		100.00			
Botelho, Silva & Abreu, Lda. ("Botelho & Abreu")	Portugal (Porto)	100.00	Restaurant	Aug-43	Jun-19
Through Largo do Paço		100.00			
Bukowinska Project Development ("Bukowinska Project Development")	Poland (Krakow)	100.00	Design and construction of social housing	Mar-15	-
Through Mota-Engil Real Estate Management		100.00			
Colhub - Coliving Beato, Lda. ("Colhub")	Portugal (Porto)	100.00	Installation of a coliving space, provision of ancillary or related services	Jun-22	-
Through Mota-Engil Capital		95.00			
Through Mota-Engil Renewing		5.00			
Corgimobil - Empresa Imobiliária das Corgas, Lda. ("Corgimobil")	Portugal (Cascais)	97.25	Construction works, studies and real estate	-	Nov-00
Through Mota-Engil Real Estate Portugal		97.25			
Dmowskiego Project Development, Sp. z.o.o. ("Dmowskiego")	Poland (Krakow)	100.00	Real Estate development	Aug-07	-
Through Mota-Engil Real Estate, SGPS		100.00			
Dzieci Warszawy Project Development Sp. z.o.o. ("Dzieci")	Poland (Krakow)	100.00	Real Estate development	Nov-15	-
Through Mota-Engil Real Estate Management		100.00			
Empresa Agrícola Florestal Portuguesa, S.A. ("Empresa Agrícola Florestal")		100.00			
Through AMGP		55.28			
Through Mota-Engil Engenharia e Construção	Portugal (Porto)	44.72	Forestry exploration	Feb-18	Sep-20
Estradas do Zambeze ("Estradas do Zambeze")	Mozambique (Maputo)	95.00	Road concession	Nov-09	Apr-20
Through MEEC África		95.00			
Grodowska Project Development Sp. z.o.o. ("Grodowska")	Poland (Krakow)	100.00	Design and construction of social housing	Mar-14	-
Through Mota-Engil Real Estate Management		100.00			
Hygeia - Edifícios Hospitalares, SGPS, S.A. ("Hygeia")		99.00			
Through Mota-Engil Engenharia e Construção	Portugal (Lisbon)	98.99	Management of financial holdings	Dec-18	-
Through Mota-Engil Ativ, Mota-Engil Capital and Mota-Engil Europa		0.01			

Designation	Head Quarters	Percentage of consolidation	Activity	Incorporation date	Acquisition date
Immo Park Gdańsk, Sp. z o.o. ("Immo Park Gdańsk") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100.00 100.00	Design, construction, management and exploitation of parking	Mar-13	-
Immo Park Warszawa, Sp. z o.o. ("Immo Park Warszawa") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100.00 100.00	Design, construction, management and exploitation of parking	Oct-12	-
Kilinskiego Project Development Sp. z o.o. ("Kilinskiego") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Aug-07	-
Kilinskiego Property Investment Sp. z o.o. ("Kilinskiego PI") Through Kilinskiego Project Development Sp. z o.o. Through Mota-Engil Real Estate, SGPS	Poland (Krakow)	100.00 99.99 0.01	Real Estate development	Sep-11	-
Kordylewskiego Project Development W Likwidacji Sp. z o.o. ("Kordylewskiego") Through Mota-Engil Real Estate, SGPS	Poland (Krakow)	100.00 100.00	Real Estate development	Feb-05	-
Largo do Paço – Investimentos Turísticos e Imobiliários, Lda. ("Largo do Paço") Through Mota-Engil Capital	Portugal (Amarante)	100.00 100.00	Real Estate development	-	Oct-01
La Scala Property Development Sp z o.o. ("Scala") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Oct-12	-
Listopada Project Development ("Listopada Project Development") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Nov-15	-
Logz - Atlantic Hub, S.A. ("Logz") Through Mota-Engil Capital	Portugal (Lisbon)	100.00 100.00	Management and provider of logistics services	Jul-08	Feb-20
Mamaland - Produção Agroflorestal, Lda. ("Mamaland") Through MEEC África Through Mota Internacional	Angola (Cabinda)	100.00 50.00 50.00	Agroforestry ativity	Sep-21	-
Mota-Engil Ativ - Gestão e Manutenção de Ativos, S.A. ("Mota-Engil Ativ" - previously designated by "Manvia") Through Mota-Engil Ambiente e Serviços	Portugal (Linda-a-Velha)	100.00 100.00	Maintenance and operation of facilities	Jul-94	Jun-98
Mota-Engil Next, SGPS, S.A. ("Mota-Engil Next") Through da Mota-Engil SGPS	Portugal (Porto)	100.00 100.00	Management of financial holdings	Nov-22	-
ME Investitii AV s.r.l. ("Mota-Engil Investitii") Through Mota-Engil Real Estate, SGPS	Romania (Bucharest)	100.00 100.00	Real Estate development	-	Sep-07
MEREM - Asset Management Sp. z o.o. ("MEREM") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Feb-20	-
Mota-Engil Capital, S.A. ("Mota-Engil Capital") Through Mota-Engil SGPS	Portugal (Porto)	100.00 100.00	Management of financial holdings	Feb-18	-
Mota-Engil Capital II, S.A. ("Mota-Engil Capital II") Through da Mota-Engil SGPS	Portugal (Porto)	100.00 100.00	Management of financial holdings	Dec-22	-
Mota-Engil Concessões, S.A. ("Mota-Engil Concessões") Through Mota-Engil Capital	Portugal (Porto)	100.00 100.00	Management of financial holdings	Nov-21	-
Mota-Engil Real Estate Ajuda, Sociedade Unipessoal, Lda. ("Mota-Engil Real Estate Ajuda") Through Mota-Engil Real Estate Portugal	Portugal (Porto)	100.00 100.00	Real Estate development	Mar-22	-
Mota-Engil Real Estate Alverca, Sociedade Unipessoal, Lda. ("Mota-Engil Real Estate Alverca") Through Mota-Engil Real Estate Portugal	Portugal (Porto)	100.00 100.00	Real Estate development	Apr-22	-
Mota-Engil Real Estate Aurora, Sociedade Unipessoal, Lda. ("Mota-Engil Real Estate Aurora") Through Mota-Engil Real Estate Portugal	Portugal (Porto)	100.00 100.00	Real Estate development	Apr-22	-
Mota-Engil Real Estate Freixeiro, Sociedade Unipessoal, Lda. ("Mota-Engil Real Estate Freixeiro") Through Mota-Engil Real Estate Portugal	Portugal (Porto)	100.00 100.00	Real Estate development	Apr-22	-
Mota-Engil Real Estate Grijó, Sociedade Unipessoal, Lda. ("Mota-Engil Real Estate Grijó") Through Mota-Engil Real Estate Portugal	Portugal (Porto)	100.00 100.00	Real Estate development	Apr-22	-
Mota-Engil Real Estate Hungary Ingatlanforgalmazó, Kereskedelmi és Szolgáltató Kft. ("Mota-Engil Real Estate Hungria") Through Mota-Engil Real Estate, SGPS	Hungary (Budapest)	100.00 100.00	Real Estate development	Jul-05	-
Mota-Engil Real Estate Moagem, Sociedade Unipessoal, Lda. ("Mota-Engil Real Estate Moagem") Through Mota-Engil Real Estate Portugal	Portugal (Porto)	100.00 100.00	Real Estate development	Apr-22	-
Mota-Engil Real Estate Portugal, S.A. ("Mota-Engil Real Estate Portugal") Through Mota-Engil Real Estate, SGPS	Portugal (Porto)	100.00 100.00	Real Estate development	Sep-01	-
Mota-Engil Real Estate, SGPS, S.A. ("Mota-Engil Real Estate SGPS") Through Mota-Engil Capital	Portugal (Porto)	100.00 100.00	Management of financial holdings	Dec-02	-
Mota-Engil Real Estate Management, sp. z o.o. ("Mota-Engil Real Estate Management") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100.00 100.00	Real Estate development	Jun-05	-
Mota-Engil Renewing, S.A. ("ME Renewing") Through Mota-Engil Capital	Portugal (Porto)	100.00 100.00	Energy, sustainable mobility, recycling and reuse and resource utilization	Aug-18	-
Mota-Engil Vermelo Sp. z o.o. ("ME Vermelo") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Mar-12	-
Öböl Invest Befektetési És Üzletviteli Tanácsadó Korlátolt Felelősségű Társaság Kft. ("Obol Invest") Through Mota-Engil Real Estate, SGPS	Hungary (Budapest)	77.50 77.50	Real Estate development	-	May-05
Ogród Saski Project Development Sp. z o.o. ("Ogród" - anteriormente denominado por "Balice") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Oct-12	-
Operadora Estradas do Zambeze ("Operadora Estradas do Zambeze") Through MEEC África	Mozambique (Maputo)	95.00 95.00	Road operation and maintenance	Nov-09	Apr-20
Oriental Hub, S.A. ("Oriental Hub") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	100.00 100.00	Design, construction, rehabilitation and operation of the Old Industrial Slaughterhouse of Porto	Nov-18	-
Project Development 2 Sp. z o.o. ("Project Development 2") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Nov-15	-
Project Development 4 Sp. z o.o. ("Project Development 4") Through Mota-Engil Real Estate Management	Poland (Krakow)	100.00 100.00	Real Estate development	Feb-20	-
Project Development 5 Sp. z o.o. ("Project Development 5") Through Mota-Engil Real Estate Management	Poland (Krakow)	51.00 51.00	Real Estate development	Feb-20	-
PTT - Parque Tecnológico do Tâmega, S.A. ("PTT") Through Mota-Engil Real Estate Portugal	Portugal (Felgueiras)	90.00 90.00	Promotion and management of a technology park	Dec-06	-

Designation	Head Quarters	Percentage of consolidation	Activity	Incorporation date	Acquisition date
Mota-Engil Investments (Malawi) Limited ("ME Investments Malawi") Through Mota-Engil Africa	Malawi (Lilongwe)	100.00 100.00	Public works and /or construction works contractor	Mar-11	-
Mota-Engil (Malawi) Limited ("ME Malawi") Through MEEC África	Malawi (Lilongwe)	100.00 100.00	Public works and /or construction works contractor	Jul-11	-
Mota-Engil Mali SARL ("Mota-Engil Mali") Through MEEC África	Mali (Cité du Niger)	100.00 100.00	Public works and /or construction works contractor	Jul-21	-
Mota-Engil Moçambique, Lda. ("ME Moçambique") Through MEEC África	Mozambique (Maputo)	100.00 50.00	Real Estate Development	Jul-94	-
Mota-Engil Nigeria Limited ("Mota-Engil Nigeria") Through MEEC África	Nigeria (Lagos)	51.00 51.00	Public works and /or construction works contractor	Jul-18	-
Mota-Engil S. Tomé e Príncipe, Lda. ("Mota-Engil S. Tomé") Through Mota Internacional	S. Tomé e Príncipe (S. Tomé)	100.00 95.00	Public works and /or construction works contractor	Dec-04	-
Mota-Engil Trading (Beijing) Co. Ltd. ("Mota-Engil Trading Beijing") Through MEEC África	China (Beijing)	100.00 100.00	Commercial	Dec-20	-
Mota-Engil (Uganda) Limited ("Mota-Engil Uganda") Through MEEC África	Uganda (Kampala)	60.00 60.00	Exploring, extracting, drilling, pumping, supplying and transporting of oil, gas, petroleum and other related products	Oct-20	-
Mota Internacional – Comércio e Consultadoria Económica, Lda. ("Mota Internacional") Through Mota-Engil África	Portugal (Funchal)	100.00 100.00	Management of financial holdings	Sep-97	Dec-98
Novicer - Cerâmicas de Angola, (SU) Limitada. ("Novicer") Through Mota-Engil Angola	Angola (Luanda)	67.00 67.00	Manufacture and trade of clay materials	Sep-07	-
Penta - Engenharia e Construção, Lda. ("Penta") Through MEEC África	Cape Verde (Praia)	100.00 96.00	Public works and /or construction works contractor	Apr-07	-
Prefal – Préfabricados de Luanda, Lda. ("Prefal") Through Mota-Engil Angola	Angola (Luanda)	60.30 60.30	Manufacturing of prestressed goods	Dec-93	-
Rentaco Angola - Equipamentos e Transportes, (SU) Limitada. ("Rentaco Angola") Through Mota-Engil Angola	Angola (Luanda)	67.00 67.00	Rental of construction equipment	Jan-08	-
Sociedade Mineira do Moquita, Limitada ("Sociedade Mineira Moquita") Through Luso Global Mining Angola	Angola (Luanda)	34.97 34.97	Mineral prospection and exploration	Mar-22	-
Sonauta - Sociedade de Navegação, Lda. ("Sonauta") Through Mota Internacional	Angola (Luanda)	100.00 100.00	Sea transportation, excluding coastal transport	Nov-94	-
Tracevia Angola - Sinalização, Segurança e Gestão de Tráfego, Lda. ("Tracevia Angola") Through Mota-Engil Angola	Angola (Luanda)	67.00 67.00	Road signs	-	Sep-07
Vista Energy Environment & Services, S.A. ("Vista SA") Through Mota-Engil Angola	Angola (Luanda)	67.00 67.00	Management of financial holdings	Jul-08	Dec-13
Vista Multi Services, Lda. ("Vista Multi Services") Through Vista SA	Angola (Luanda)	67.00 53.60	Urban services	May-09	Dec-13
Wouri Resources, S.A. ("Wouri Resources") Through Luso Global Mining	Portugal (Porto)	100.00 100.00	Mineral prospection and exploration	Dec-22	-
Latin America					
Administradora Desarrollo MEM ("Administradora Desarrollo MEM") Through Mota-Engil O&M México SAPI	Mexico (Mexico City)	51.00 50.75	Business Administration	Feb-18	-
Through Mota-Engil México		0.25			
Through Mota-Engil América Latina SAPI		0.00			
Ambiente y Servicios Peru S.A. ("Ambiente y Servicios Peru") Through Mota-Engil Engenharia e Construção	Peru (Lima)	100.00 0.00	Terminals exploration	-	-
Through Mota-Engil Peru		100.00			
AZPAU Entretenimiento, SAPI de C.V. ("AZPAU") Through Mota-Engil México	Mexico (Mexico City)	50.80 50.80	Amusement Park construction and maintenance	Jun-21	-
CMRO Nayarit SAPI de C.V. ("CMRO Nayarit") Through Mota-Engil México	Mexico (Mexico City)	51.00 50.49	Motorway concessionaire	Jun-22	-
Through Mota-Engil O&M México SAPI		0.51			
Colombia ME S.A.S. ("Colombia ME") Through ME Latin America	Colombia (Bogotá)	100.00 99.00	Construction and public works	Oct-21	-
Through Mota-Engil Engenharia e Construção		1.00			
Concesionaria Cua SAPI de C.V. ("Concesionaria Cua") Through Mota-Engil México	Mexico (Mexico City)	51.00 34.00	Motorway concessionaire	Nov-20	-
Through Vías Y Comunicaciones		17.00			
Concesionaria Tultepec AIFA Pirâmides, S.A. de C.V. ("Concesionaria Tultepec") Through Mota-Engil América Latina SAPI	Mexico (Mexico City)	51.00 0.00	Motorway concessionaire	Dec-20	-
Through Mota-Engil México		51.00			
Concesionaria Urbana Arco Oriente S.A. de C.V. ("Concesionaria Urbana Arco Oriente") Through Mota-Engil México	Mexico (Mexico City)	50.33 17.00	Motorway concessionaire	Oct-18	-
Through Ascendi México		33.33			
Concesiones e Infraestructuras Andina S.A. ("Concesiones e Infraestructuras Andina") Through Mota-Engil Engenharia e Construção África	Peru (Lima)	100.00 1.00	Civil construction	Feb-21	-
Through Mota-Engil Latam PT		99.00			
Consórcio EE Canoas ("Consórcio EE Canoas") Through Empresa Construtora do Brasil	Colombia (Bogotá)	87.50 21.88	Construction and public works	Sep-18	-
Through Mota-Engil Latam Colombia SAS		65.63			
Consórcio Fanning ("Consórcio Fanning") Through Mota-Engil Peru	Peru (Lima)	100.00 100.00	Real Estate development	Dec-11	-
Consórcio GDL Viaduto, SAPI de C.V. ("Consórcio GDL Viaduto") Through Mota-Engil México	Mexico (Mexico City)	21.88 21.88	Construction and public works	Jun-14	-
Consorcio Hospitalario Chavin ("Consorcio Hospitalario Chavin") Through Mota-Engil Peru	Peru (Lima)	90.00 90.00	Architectural and engineering activities and technical consultancy	Nov-20	-
Consórcio La Ponciana ("Consórcio La Ponciana") Through Mota-Engil Peru	Peru (Lima)	100.00 100.00	Real Estate development	Dec-11	-

Designation	Head Quarters	Percentage of consolidation	Activity	Incorporation date	Acquisition date
Consórcio Lamat Tramo 1 SAPI ("Consórcio Lamat")		29.58			
Through Mota-Engil México	Mexico (Mexico City)	29.58	Construction and public works	Apr-20	-
Consórcio Los Castaños ("Consórcio Los Castaños")		100.00			
Through Mota-Engil Peru	Peru (Lima)	100.00	Real Estate development	Dec-11	-
Consórcio ME Carrera 43 ("Consorcio ME Carrera 43")		51.00			
Through Mota-Engil Engenharia e Construção - Sucursal da Colômbia	Colombia (Bogotá)	0.00	Construction and public works	Feb-18	-
Through Mota-Engil Latam Colombia SAS		51.00			
Consórcio MEC Arroyo Carrera 65 ("Consórcio MEC Arroyo Carrera")		51.00			
Through Mota-Engil Engenharia e Construção - Sucursal da Colômbia	Colombia (Bogotá)	0.00	Construction and public works	Sep-16	-
Through Mota-Engil Colômbia		51.00			
Consórcio MEC-Av.Malecon-UF1 ("Consórcio MEC-Av.Malecon-UF1")		51.00			
Through Mota-Engil Engenharia e Construção - Sucursal da Colômbia	Colombia (Buenaventura)	0.00	Construction and public works	May-16	-
Through Mota-Engil Colômbia		51.00			
Consórcio MEC-Av.Malecon-UF2 ("Consórcio MEC-Av.Malecon-UF2")		51.00			
Through Mota-Engil Engenharia e Construção - Sucursal da Colômbia	Colombia (Bogotá)	0.00	Construction and public works	Nov-16	-
Through Mota-Engil Colômbia		51.00			
Consórcio ME-Contrato Colegios ("Consórcio ME Colegios")		100.00			
Through Mota-Engil Engenharia e Construção - Sucursal da Colômbia	Colombia (Buenaventura)	75.00	Construction works	May-16	-
Through Mota-Engil Peru		25.00			
Consórcio Mota-Engil Ojeda & Iju Paracas ("Consórcio ME Ojeda & Iju")		100.00			
Through Mota-Engil Peru	Peru (Lima)	100.00	Real Estate development	Dec-11	-
Consórcio Mota-Engil TR ("Consórcio Mota-Engil TR")		100.00			
Through Mota-Engil Peru	Peru (Lima)	50.00	Construction works	-	Nov-21
Through Mota-Engil Engenharia e Construção - Sucursal do Peru		50.00			
Consórcio Porta ("Consórcio Porta")		100.00			
Through Mota-Engil Peru	Peru (Lima)	100.00	Real Estate development	Dec-11	-
Consórcio Túnel Guadalajara, SAPI de C.V. ("Consórcio GDL Túnel")		21.88			
Through Mota-Engil México	Mexico (Mexico City)	21.88	Construction and public works	Jul-14	-
Constructora APP Tabasvera S.A. de C.V. ("Constructora APP Tabasvera")		38.25			
Through Mota-Engil México	Mexico (Mexico City)	38.25	Construction and public works	Jul-16	-
Constructora Autopista Cardel-Poza Rica, S.A. de C.V. ("Constructora Cardel-Poza Rica")		40.80			
Through Mota-Engil México	Mexico (Mexico City)	40.80	Construction and public works	-	Nov/17
Constructora Cuapiaxtla - Cuacnopalan, S.A. de C.V. ("Constructora Cuapiaxtla - Cuacnopalan I")		51.49			
Through Mota-Engil México	Mexico (Mexico City)	50.49	Construction and public works	Apr-21	-
Through Mota-Engil America Latina SAPI		1.00			
Constructora Cuapiaxtla - Cuacnopalan II, S.A. de C.V. ("Constructora Cuapiaxtla - Cuacnopalan II")		51.49			
Through Mota-Engil México	Mexico (Mexico City)	50.49	Construction and public works	Jun-21	-
Through Mota-Engil America Latina SAPI		1.00			
Constructora Gran Canal SAPI de C.V. ("Constructora Gran Canal")		2.04			
Through Mota-Engil México	Mexico (Mexico City)	2.04	Construction and public works	-	Apr/21
Constructora Tampico Ciudad Victoria, SAPI de C.V. ("Constructora Tampico Ciudad Victoria")		28.05			
Through Mota-Engil México	Mexico (Mexico City)	20.40	Construction and public works	Sep-08	-
Through Mota-Engil O&M México SAPI		7.65			
Desarrolladora Cuatro Caminos SAPI de C.V. ("Desarrolladora Cuatro Caminos")		49.99			
Through ME Inmobiliaria SAPI	Mexico (Mexico City)	49.99	Construction works	Jun-19	-
Desarrolladora Patzcuaro, SAPI de C.V. ("Desarrolladora Patzcuaro")		49.99			
Through ME Inmobiliaria SAPI	Mexico (Mexico City)	49.99	Construction works	Aug-19	-
Desarrollos DOT México, S.A. de C.V. ("Desarrollos DOT México")		43.35			
Through Mota-Engil México	Mexico (Mexico City)	43.35	Construction and public works	Apr-18	-
Empresa Construtora Brasil, S.A. ("Empresa Construtora Brasil")		50.00			
Through MEBR	Brazil (Belo Horizonte)	50.00	Construction and public works	Nov-12	-
Empresa Construtora de Honduras, S.A. ("Empresa Construtora Honduras")		35.70			
Through Mota-Engil México	Honduras (Villanueva)	35.70	Construction and public works	Aug-18	Sep-18
Fideicomiso de Vivienda de Bajo Costo Mota Engil, S.R.L. ("Fideicomiso VBC")		100.00			
Through Mota-Engil Dominicana	Dominican Republic (Santo Domingo)	100.00	Construction, renovation and repair of residential buildings	Nov-15	-
Flame Investments, B.V. ("Flame Investments")		51.00			
Through Mota-Engil Latin America BV	Netherlands (Amsterdam)	51.00	Management of financial holdings	Mar-15	-
FSE Comercializadora Fenix, SAPI de C.V. ("FSE Comercializadora Fenix")		51.01			
Through Mota-Engil America Latina SAPI	Mexico (Mexico City)	0.01	Energy trading	Sep-16	-
Through ME Energia operacional		51.00			
FSE Suministradora Fenix, SAPI de C.V. ("FSE Suministradora Fenix")		51.01			
Through Mota-Engil America Latina SAPI	Mexico (Mexico City)	0.01	Energy distribution	Aug-16	-
Through ME Energia operacional		51.00			
Generadora Fenix, SAPI de C.V. ("Generadora Fenix")		46.41			
Through ME Energia operacional	Mexico (Mexico City)	46.41	Energy production	Sep-15	-
Grupo Constructor y Desarrollador de Puebla, S.A. de C.V. ("Grupo Constructor y Desarrollador de Puebla")		51.49			
Through Mota-Engil México	Mexico (Mexico City)	50.49	Construction and public works	Jun-20	-
Through Mota-Engil America Latina SAPI		1.00			
Lineas Mexico, B.V. ("Lineas Mexico")		100.00			
Through Mota-Engil Latin America BV	Netherlands (Amsterdam)	100.00	Management of financial holdings	May-21	-

Designation	Head Quarters	Percentage of consolidation	Activity	Incorporation date	Acquisition date
Luso Energy del Peru S.A. ("Luso Energy del Peru") Through Mota-Engil Peru Through Mota-Engil Engenharia e Construção	Peru (Lima)	100.00 99.98 0.02	Other business activities	May-11	-
MEBR Construções, Consultoria e Participações, S.A. ("MEBR") Through Mota-Engil Latin America BV Through Mota-Engil Latam Peru	Brazil (São Paulo)	100.00 33.75 66.25	Construction and public works	Mar-11	-
Mineria y Engenharia Andina S.A. ("Mineria y Engenharia Andina") Through Mota-Engil Engenharia e Construção África Through Mota-Engil Latam PT	Peru (Lima)	100.00 1.00 99.00	Construction works	Feb-21	-
Mota-Engil América Latina SAPI de C.V. ("Mota-Engil América Latina") Through Mota-Engil SGPS Through Mota-Engil Latin America BV	Mexico (Mexico City)	100.00 0.00 100.00	Management of financial holdings	Nov-13	May-14
Mota-Engil Argentina, SAU ("Mota-Engil Argentina") Through Mota-Engil Latin America BV	Argentina (Buenos Aires)	100.00 100.00	Construction and public works	Apr-18	-
Mota-Engil Aruba Construction Company VBA ("Mota-Engil Aruba Construction") Through Mota-Engil Aruba Holding	Aruba (Oranjestad)	100.00 100.00	Construction and public works	Jan-12	Apr-16
Mota-Engil Aruba Holding Company VBA ("Mota-Engil Aruba Holding") Through Mota-Engil Latin America BV	Aruba (Oranjestad)	100.00 100.00	Management of financial holdings	Dec-15	-
Mota-Engil Chile S.A. ("Mota-Engil Chile") Through Mota-Engil Latam Portugal Through Mota-Engil Engenharia e Construção	Chile (Santiago)	100.00 99.00 1.00	Construction and public works	Feb-13	-
Mota-Engil Colômbia, S.A.S. ("Mota-Engil Colômbia") Through Mota-Engil Engenharia e Construção Through Mota-Engil Latam Peru	Colombia (Bogotá)	100.00 99.00 1.00	Construction and public works	Feb-11	-
Mota-Engil Dominicana S.A.S. ("Mota-Engil Dominicana") Through Mota-Engil Latin America BV	Dominican Republic (Santo Domingo)	60.00 60.00	Construction and public works	Nov-14	-
Mota-Engil Energia, S.A. de C.V. ("ME Energia operacional") Through Mota-Engil Energy Holding Through Mota-Engil América Latina SAPI	Mexico (Mexico City)	51.00 51.00 0.00	Development and operationalization of energy production	Sep-15	-
Mota-Engil Energy Holding México, SAPI de C.V. ("ME Energy Holding") Through Mota-Engil México Through Mota-Engil Energy BV	Mexico (Mexico City)	51.00 0.01 51.00	Management of financial holdings	Nov-15	-
Mota-Engil Energy B.V. ("Mota-Engil Energy BV") Through Flame Investments	Netherlands (Amsterdam)	51.00 51.00	Finance and consulting	Sep-15	-
Mota-Engil Honduras, S.A. ("Mota-Engil Honduras") Through Mota-Engil México Through Mota-Engil Latin America BV	Honduras (Tegucigalpa)	51.20 50.80 0.40	Construction and provision of civil engineering and architecture services	Jun-18	-
Mota-Engil Inmobiliaria SAPI de C.V. ("ME Inmobiliaria SAPI") Through Mota-Engil México	Mexico (Mexico City)	50.49 50.49	Real Estate development	Jul-18	-
Mota-Engil Latam Col, S.A.S. ("Mota-Engil Latam Col") Through Mota-Engil Colômbia Through Mota-Engil Engenharia e Construção	Colombia (Bogotá)	100.00 99.00 1.00	Construction and public works	Feb-11	-
Mota-Engil Latam Colombia S.A.S. ("ME Latam Colombia SAS") Through Mota-Engil Engenharia e Construção Through Mota-Engil Latin America BV	Colombia (Bogotá)	100.00 49.00 51.00	Construction and public works	Dec-16	-
Mota-Engil Latam Peru, S.A. ("Mota-Engil Latam Peru") Through Mota-Engil Latin America BV Through Mota-Engil Engenharia e Construção	Peru (Lima)	100.00 99.90 0.10	Management of financial holdings	Dec-15	-
Mota-Engil Latam Portugal, S.A. ("Mota-Engil Latam Portugal") Through Mota-Engil SGPS	Portugal (Porto)	100.00 100.00	Management of financial holdings	Jul-15	-
Mota-Engil Latin America B.V. ("ME Latin America") Through Mota-Engil Latam Portugal	Netherlands (Amsterdam)	100.00 100.00	Management of financial holdings	Nov-15	-
Mota-Engil México, S.A. de C.V. ("Mota-Engil México") Through Mota-Engil Latin America BV Through Mota-Engil América Latina SAPI	Mexico (Mexico City)	51.00 19.18 31.82	Construction and public works	Jan-10	-
Mota-Engil O&M México, SAPI de C.V. ("Mota-Engil O&M México SAPI") Through Mota-Engil México Through Mota-Engil América Latina	Mexico (Mexico City)	51.00 50.99 0.01	Construction and public works	Sep-17	-
Mota-Engil Peru, S.A. ("Mota-Engil Peru") Through Mota-Engil Latin America BV Through Mota-Engil Engenharia e Construção	Peru (Lima)	100.00 99.90 0.10	Construction and public works	Sep-86	-
Mota-Engil Servicios Compartidos, S.A. de C.V. ("Mota-Engil Servicios Compartidos") Through Mota-Engil México Through Mota-Engil América Latina SAPI	Mexico (Mexico City)	51.00 51.00 0.00	Administrative services	Sep-19	-
Operadora APP Coatzacoalcos Villahermosa SAPI de C.V. ("Operadora APP Coatzacoalcos Villahermosa") Through Mota-Engil México Through Mota-Engil O&M México SAPI	Mexico (Mexico City)	51.00 0.01 50.99	Road construction and maintenance	Apr-17	-
Promotora de Autopistas del Oriente S.A. de CV ("Promotora de Autopistas del Oriente") Through Mota-Engil México Through Mota-Engil O&M México SAPI	Mexico (Mexico City)	51.00 51.00 0.00	Management of financial holdings	May-20	-
Promotora Inmobiliaria Santa Clara, S.A. ("Santa Clara") Through Mota-Engil Peru	Peru (Lima)	100.00 100.00	Real Estate development	May-12	-
Puente Boca del Rio S.A. de C.V. ("Puente Boca del Rio") Through Mota-Engil México Through Mota-Engil Engenharia e Construção	Mexico (Mexico City)	58.35 43.35 15.00	Construction and public works	May-16	-
Tracevia Mexico S.A. de C.V. ("Tracevia Mexico") Through Tracevia Brasil	Mexico (Mexico City)	50.00 50.00	Design, installation, development and maintenance of ITS	Jun-17	-
Tracevia S.A. ("Tracevia Brasil") Through MEBR	Brazil (São Paulo)	50.00 50.00	Design, installation, development and maintenance of ITS	Mar-11	-

Designation	Head Quarters	Percentage of consolidation	Activity	Incorporation date	Acquisition date
Tuxpan - Tampico Construcciones, S.A. de C.V. ("Construtora Tuxpan Tampico")		51.00			
Through Mota-Engil México	Mexico (Mexico City)	50.99	Construction and public works	-	nov/17
Through Mota-Engil América Latina SAPI		0.01			
Vías Y Comunicaciones Cua, SAPI de C.V. ("Vías Y Comunicaciones")		51.49			
Through Mota-Engil México	Mexico (Mexico City)	50.49	Management of financial holdings and construction and public works	Oct-20	-
Through Mota-Engil América Latina SAPI		1.00			

COMPANIES / ENTITIES INCLUDED IN THE CONSOLIDATION BY THE EQUITY METHOD

As of 31 December 2022, the companies / entities included in the accompanying consolidated financial statements by the equity method, their head quarters and percentage of consolidation, were as follows:

Designation	Head Quarters	Percentage of consolidation
Associated companies and joint ventures		
Parent Company of the Group and related activities		
Riscos e Diâmetros Angola, SGPS, S.A. ("Riscos e Diâmetros Angola")	Portugal	30.10
Capital		
Ascendi Mexico, S.A. C.V ("Ascendi Mexico")	Mexico	60.00
Concessionária Rodovias do Tietê, S.A. ("Rodovias do Tietê")	Brazil	30.00
D.I. Investimentos, S.A. ("DI Investimentos")	Portugal	60.00
Lineas - Concessões de Transportes, SGPS, S.A. ("Lineas SGPS")	Portugal	60.00
Lineas - Serviços de Administração e Gestão, Lda. ("Lineas")	Portugal	60.08
Lineas Concessions Latam Holding, B.V. ("Lineas Concessions Latam Holding")	Netherlands	60.00
Lineas International Holding, B.V. ("Lineas International Holding")	Netherlands	60.00
Lineas Investimentos SGPS, S.A. ("Lineas Investimentos")	Portugal	60.00
Lusoponte - Concessionária para a Travessia do Tejo, S.A. ("Lusoponte")	Portugal	30.30
MERESOL I – Real Estate, Lda. ("MERESOL I")	Portugal	50.00
MERESOL II – Real Estate, Lda. ("MERESOL II")	Portugal	50.00
Operadora DI - Operação e Manutenção Rodoviária, S.A. ("Operadora Douro Interior")	Portugal	48.45
SDI - Subconcessionária do Douro Interior, S.A. ("Douro Interior")	Portugal	48.45
Environment		
Ambital – Investimentos Ambientais no Alentejo, EIM ("Ambital")	Portugal	30.14
Citrup – Centro Integrado de Resíduos, Lda. ("Citrup")	Portugal	18.45
Ecolezria - Empresa Intermunicipal para Tratamento de Resíduos Sólidos, EIM ("Ecolezria")	Portugal	15.07
ECOSS Ambiental Serviços de Limpeza Urbana - SPE Ltda. ("ECOSS Ambiental")	Brazil	20.91
Mais ITAPEVI - SPE S/A ("Mais ITAPEVI")	Brazil	21.53
África		
Automatriz, S.A. ("Automatriz")	Angola	33.50
Icer – Indústria de Cerâmica, Lda. ("Icer")	Angola	33.50
Infraconnect Eighteen Kenya Limited ("Infraconnect Eighteen Kenya")	Kenya	16.12
Infraconnect Fifteen Kenya Limited ("Infraconnect Fifteen Kenya")	Kenya	16.12
Mebisa - Minerais e Britagens, S.A. ("Mebisa")	Angola	20.10
SPRI - Sociedade Portuguesa de Realizações Industriais e Assistência Técnica, Lda. ("SPRI")	Angola	40.00
Twine, Lda. ("Twine")	Mozambique	50.00
Vista Power, Lda. ("Vista Power")	Angola	33.50
Latin America		
APP Coatzacoalcos Villahermosa SAPI de C.V. ("APP Coatzacoalcos Villahermosa")	Mexico	19.38
APP Tamaulipas, SAPI de C.V. ("APP Tamaulipas")	Mexico	23.97
Ausur, S.A. ("Ausur")	Argentina	33.33
Autopista Urbana Siervo de la Nacion, SAPI de C.V. ("Autopista Siervo de la Nacion")	Mexico	15.07
Concesionaria Alternativas Viales SAS ("Concesionaria Alternativas Viales")	Colombia	45.65
Concesionaria Autopista Cardel-Poza Rica S.A. de C.V. ("Concesionaria Autopista Cardel")	Mexico	28.73
Concesionaria Autopista Tuxpan-Tampico S.A. de C.V. ("Concesionaria Autopista Tuxpan-")	Mexico	25.85
Consortio Línea Panamá Norte ("Consortio Línea Panamá Norte")	Panamá	50.00
Consortio Mepax Limitada ("Consortio Mepax")	Chile	49.90
Consortio Planeta Rica ("Consortio Planeta Rica")	Colombia	50.00
Constructora Autopista Perote Xalapa, S.A. de C.V. ("Constructora Perote Xalapa")	Mexico	25.50
Constructora Conexión Oriente, S.A. de CV ("Constructora Conexión Oriente")	Mexico	25.5
Constructora M&R, S.A. de C.V. ("Constructora M&R")	Mexico	10.20
M&R de Occidente SAPI de C.V. ("Concesionária M&R")	Mexico	20.00
Operadora Maritima Matamoros SAPI de C.V. ("Operadora Maritima Matamoros")	Mexico	25.50
Operadora Tampico Ciudad Victoria, SAPI de C.V. ("Operadora Tampico Ciudad Victoria")	Mexico	24.23
Rovella Carranza S.A. - Mota-Engil México S.A.P.I. de C.V. - Unión Transitoria ("Rovella")	Argentina	25.50
Sistemas Electricos Metropolitanos ("Sistemas Electricos Metropolitanos")	Mexico	25.50
Trans Tamaulipas, S.A. de C.V. ("Trans Tamaulipas")	Mexico	17.00

As of 31 December 2022, the “Agrupamentos Complementares de Empresas” (ACE) included in the accompanying consolidated financial statements by the equity method and their percentage of consolidation, were as follows:

"Agrupamentos Complementares de Empresas"	Percentage of consolidation
In activity	
Ecotejo-Serviços Manut. Tejo Atlântico, ACE	50.00
Haçor M - Manutenção do Edifício do Hospital da Ilha Terceira, ACE	45.00
Manvia - Lena Ambiente, ACE	50.00
Metro Santos Sodré ACE	70.00
Mesofer, ACE	36.50
ME Water - Manvia Efaced Exploração Técn. Sistemas, ACE	50.00
In warranty period	
Barragem de Foz Tua ACE	33.34
DIEXP - Expropriações do Douro Interior, ACE	37.08
EXPI - Expropriações do Pinhal Interior, ACE	37.08
GACE - Gondomar ACE	24.00
GCVC, ACE (Grupo Construtor de Vila do Conde)	42.86
GLEX - Expropriações da Grande Lisboa, ACE	42.08
Haçor Hospital da Terceira, ACE	43.25
HL - Hospital de Loures, ACE	65.00
LGC - Linha Gondomar, Construtores, ACE	30.00
Metroligeiro Construção de Infraestruturas, ACE	53.20
Mota-Engil/Acciona/Edivisa - Obras do Aproveitamento Hidroelétrico de Alto Tâmega, ACE	42.50
Mota-Engil, Soares da Costa, Monteadriano - Matosinhos, ACE	42.86
Reforço de Potência da Barragem de Venda Nova III, ACE	28.33
Somague, BPC, Mota-Engil, SPIE - Linha Vermelha do Metropolitano em ACE	23.68
SOMAGUE/MOTA-ENGIL - COTA 500, ACE	36.42
Via Rápida Câmara Lobos ECL, ACE	36.42

JOINTLY CONTROLLED OPERATIONS – CONSORTIUMS

As of 31 December 2022, the consortiums included in the accompanying consolidated financial statements in the proportion of the assets, liabilities, expenses and income contractually attributable to the GROUP, their respective head quarters and percentage of consolidation, were as follows:

Designation	Head Quarters	Percentage of consolidation
Africa		
BEME VOF ("BEME VOF")	Netherlands	50.00
Through MEEC África - Netherlands branch	(Dordrecht)	50.00
Latin America		
Consórcio Conservacion Vial Santa Rosa ("Consórcio Conservacion Vial Santa Rosa")	Peru	50.00
Through Mota- Engil Peru	(Lima)	50.00
Consórcio Constructor Del Puerto de San Martin ("CCPSM - Consorcio Constructor Del Puerto de San Martin")	Peru	33.30
Through Mota- Engil Peru	(Lima)	33.30
Consórcio Ibagué-Honda-Cambao-Manizales ("Consórcio Ibague")	Colombia	45.65
Through Mota-Engil Engenharia e Construção - Colombia branch	(Bogotá)	39.65
Through Mota- Engil Colômbia		6.00
Consórcio Mota-Engil Dominicana SAS/IEMCA ("Consórcio Mota-Engil Dominicana")	Dominican Republic	42.00
Through Mota-Engil Dominicana	(Santo Domingo)	42.00
Consórcio Mota-Engil Peru HL Paita ("Consórcio Mota-Engil Peru HL Paita")	Peru	50.00
Through Mota- Engil Peru	(Lima)	50.00
Consórcio Puentes de Loreto ("Consórcio Puentes Loreto")	Peru	34.00
Through Mota-Engil Engenharia e Construção - Peru branch	(Lima)	20.00
Through Mota- Engil Peru		14.00
Consórcio Vial Acobamba ("Consórcio Vial Acobamba")	Peru	50.00
Through Mota- Engil Peru	(Lima)	50.00
Consórcio Vial Jaylli ("Consórcio Vial Jaylli")	Peru	42.00
Through Mota- Engil Peru	(Lima)	42.00
Consórcio Vial Tambillo ("Consórcio Vial Tambillo")	Peru	50.00
Through Mota- Engil Peru	(Lima)	50.00
Consórcio Vial Vizcachane ("Consórcio Vial Vizcachane")	Peru	50.00
Through Mota- Engil Peru	(Lima)	50.00
Stracon Translei Joint Venture ("Stracon Translei")	Peru	50.00
Through Mota- Engil Peru	(Lima)	50.00
Translei Consórcio Cosapi ("Translei Consórcio Cosapi")	Peru	50.00
Through Mota- Engil Peru	(Lima)	50.00

SHAPING SUSTAINABILITY

We introduced higher renewable energy sourcing, as well as principles of circularity in all businesses, as we shift to new sustainable business solutions.

MOTAENGIL

Actions for a sustainable future.

PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

Introduction

References throughout this document to the Securities Code ("CVM") refer to the version in effect on 31 December 2022.

A. SHARE CAPITAL STRUCTURE

I. Capital structure

1. Capital structure (share capital, number of shares, distribution of capital to shareholders, etc.) including listing of shares not admitted for trading, different categories of shares, rights and duties inherent to them and the percentage of capital that each category represents (article 29-H, paragraph 1, subparagraph a)).

The share capital of MOTA-ENGIL, SGPS, S.A. ("MOTA-ENGIL" or "Company") amounts to 306,775,950 Euros and is represented by 306,775,950 ordinary and registered shares with a nominal value of one euro per share. All shares are listed in Euronext Lisbon.

Distribution of share capital among shareholders as at 31 December 2022:

Shareholders	No. of shares	% of capital held	% of voting rights
Own shares:	6,091,581	1.99%	-
Qualified holdings:			
FM – Sociedade de Controlo, SGPS, S.A.	122,950,167	40.08%	40.89%
China Communications Construction Group	99,426,974	32.41%	33.07%
Other shareholders	78,307,228	25.53%	26.04%
	306,775,950	100.00%	100.00%

2. Restrictions to the transferability of shares, such as consent for alienation clauses, or limitations to share ownership (article 29-H, paragraph 1, subparagraph b)).

There are no restrictions on the transfer of shares nor limitations on ownership.

3. Number of own shares, corresponding percentage of share capital and percentage of voting rights that would correspond to the own shares (article 29-H, paragraph 1, subparagraph a)).

As at 31 December 2022, MOTA-ENGIL held 6,091,581 own shares corresponding to 1.99% of its share capital, which granted no voting rights.

4. Significant agreements in which the Company is a party and that shall come into force, be modified or terminated upon a change in the Company's control, as a result of a public offer of acquisition, as well as their effects, unless if, due to its nature, their disclosure is prejudicial to the Company, except if the Company is obliged to disclose such information under other legal imperatives (article 29-H, paragraph 1, subparagraph j)).

There are no significant agreements in which the Company is a party or that shall come into force, be modified or terminated in case of change in the Company's control, nor were adopted measures requiring payment or assumption of costs by the Company, in the event of change of control or change in the composition of the Board.

5. System of renewal or revoking of defensive measures, especially those that stipulate the limitations of the number of votes susceptible of being held, or exercised, by a single shareholder individually or in coordination with other shareholders.

No defensive measures were adopted and there are no statutory limitations on the number of votes that may be exercised by a single shareholder.

6. Shareholder agreements that may be known to the company and lead to restrictions in the transmission of securities or voting rights (article 29-H, paragraph 1, subparagraph g)).

The Company has no knowledge of any shareholder agreements that may result in restrictions in the transmission of securities or voting rights.

II. Holdings and securities held

7. Identification of individuals or legal persons which, directly or indirectly, hold qualified holdings (article 29-H, paragraph 1, subparagraph c), with detailed indication of the percentage of capital and of attributable votes, source and causes of attribution.

As at 31 December 2022, and according to the notices received by the Company, the shareholders who, under article 20 of the Portuguese Securities Code, hold a qualified holding representing at least 5% of the share capital of MOTA-ENGL, are as follows:

Shareholders	No. of shares	% of shares held	% of voting rights
Mota Gestão e Participações, SGPS, S.A. (*)	117,827,648	38.41%	39.19%
António Manuel Queirós Vasconcelos da Mota (**) / (***) (a)	1,650,000	0.54%	0.55%
Maria Paula Queirós Vasconcelos Mota de Meireles (**) / (***) (a)	1,444,490	0.47%	0.48%
Maria Teresa Queirós Vasconcelos Mota Neves da Costa (***) (a)	856,300	0.28%	0.28%
Maria Manuela Queirós Vasconcelos Mota dos Santos (***) (a)	829,530	0.27%	0.28%
Maria Sílvia Fonseca Vasconcelos Mota (***)	187,061	0.06%	0.06%
Carlos António Vasconcelos Mota dos Santos (**) / (***)	100,000	0.03%	0.03%
José Manuel Mota Neves da Costa (***)	35,000	0.01%	0.01%
José Pedro Matos Marques Sampaio de Freitas (***)	20,138	0.01%	0.01%
Attributable to FM – Sociedade de Controlo, SGPS, S.A.	122,950,167	40.08%	40.89%
Epoch Capital Investments BV (*)	99,426,974	32.41%	33.07%
Attributable to China Communications Construction Group	99,426,974	32.41%	33.07%
Sub-total I	222,377,141	72.49%	73.96%
Own shares	6,091,581	1.99%	0.00%
Other shareholders	78,307,228	25.53%	26.04%
Sub-total II	84,398,809	27.51%	26.04%
TOTAL	306,0775,950	100.00%	100.00%

(*) Direct shareholder of the Company

(**) Member of the Board of Directors of the Company

(***) Member of the Board of Directors of Mota Gestão e Participações, SGPS, S.A.

As at 31 December 2022, Mota Gestão e Participações, SGPS, S.A. ("MGP") was 100% held by FM - Sociedade de Controlo, SGPS, S.A. ("FM"), which, in turn, was 100% held by the Directors above identified with (a). The percentage of capital held by each of those individuals in FM can be found in paragraph 3 of chapter 5 - Annexes.

As at the date of this report, 122,950,167 shares corresponding to 40,08% of the share capital of MOTA-ENGL, granting 40,89% of voting rights, were attributable to FM.

There are no shareholders, or categories of shareholders, holding special rights.

8. Indication of the number of shares and bonds held by management members and supervisory bodies. [NOTE: the information shall be provided in compliance with article 447, paragraph 5 of the Portuguese Commercial Companies Code]

Shares and bonds held by management members and supervisory bodies of the Company are disclosed and attached to the annual management report under the terms of article 447 of the Portuguese Commercial Companies Code (see paragraph 3 of chapter 5 - Annexes).

9. **Special powers of the management body, namely regarding the decision to increase capital (article 29-H, paragraph 1, subparagraph i)), with indication of the date on which such powers were granted, term to which they may be exercised, maximum quantitative limit of the increase in social capital, amount already issued under the powers granted and form of realisation of the powers granted.**

The General Meeting of Shareholders dated 7 January 2021 approved the inclusion of a new article to the Company's articles of association (article 6-A), granting to the Board of Directors the authorisation to decide, only once, upon the increase of capital through new cash inflows and up to the maximum amount of 100 million Euros.

In the period ended on 31 December 2021, the authorisation referred above was used in full for the share capital increase occurred on 28 May 2021 (from 237,505,141 Euros to 306,775,950 Euros).

10. **Information on the existence of significant relations of commercial nature between the holders of qualifying holdings and the Company.**

In the period ended on 31 December 2022 there were no significant relations of commercial nature between the holders of qualifying holdings and the Company.

B. GOVERNING BODIES AND COMMITTEES

I. General Meeting

11. Identification and duties of the members of the Board of the Shareholder's General Meeting and respective mandate (beginning and end)

As at 31 December 2022, the General Meeting was composed of the following members appointed for 2022-2024 mandate:

Chairman: António Cândido Lopes Natário

Secretary: Rui Jorge Teixeira de Carvalho Pedroto

12. Potential restrictions to the right to vote, such as limitations to vote dependent on the ownership of a number or percentage of shares, deadlines set for the exercise of voting rights or systems that highlight ownership rights (article 29-H, paragraph 1, subparagraph f))

According to the [articles of association of MOTA-ENGIL](#), each share corresponds to one vote, except for preferred non-voting shares, thus ensuring the necessary proportionality between the holding of capital and the right to vote.

Although the articles of association of MOTA-ENGIL provide for the possibility of the Company issuing preferred non-voting shares, this class of shares does not currently exist.

On the other hand, according to article 16, paragraph 3 of the Company's articles of association, in case the order of business includes matters the approval of which requires a qualified majority, the General Meeting may only decide at first notice if shareholders who hold shares corresponding to more than 50% of the share capital are present or represented.

The statutory rules on the exercise of voting rights by correspondence are stipulated in article 15 of the Company's articles of association. In accordance with this article, shareholders may vote by correspondence on each and every matter, there being no restriction in this regard.

The Company provides a form for the exercise of voting rights by correspondence voting. This form may be obtained through the services of the Investors Relations Board (Mr. Pedro Arrais – email address: pedro.arrais@mota-engil.pt).

Postal votes shall be considered only if received at the Company's head office at least three days before the date of the General Meeting.

During 2022, remote attendance and the exercise of voting rights were not possible. However, the Company's articles of association provide for such a possibility.

The shareholders of the Company may access, on the website (www.mota-engil.com), the necessary information from the General Meeting's minutes, which must be disclosed within five days following the respective meetings.

The Company provides, on its website (www.mota-engil.com), information concerning the resolutions made in the Company's General Meetings for at least the last three financial years, as well as the corresponding share capital represented and the voting results.

The Company has not adopted any mechanism that causes the mismatch between the right to receive dividends or subscription of new securities and the voting rights of each share.

13. Indication of the maximum percentage of voting rights which may be exercised by a sole shareholder or shareholders who find themselves in one of the relationships covered by article 20, paragraph 1

The articles of association of the Company do not provide for a limitation on the number of votes that may be held or exercised by a sole shareholder, individually or jointly with other shareholders.

14. Identification of the shareholder decisions which, by requirement of the articles of association, can only be taken with a qualified majority, in addition to those provided for under the law, and indication of said majorities

In accordance with the terms of the articles of association of the Company, the decisions of the Shareholders' General Meetings shall be made by a simple majority except, where the law requires differently or if, in particular, they relate with the issues focused in article 16, paragraph 2, for which a qualified majority of at least 70.01% is required:

- a) demerger, merger, transformation and dissolution of the Company, as well as the entering into, amendment or termination of a subordination contract or a parity group contract;
- b) approval and amendment of the articles of association of the Company;
- c) increase in the Company's capital;
- d) reduction of the Company's share capital, amortisation or redemption of shares;
- e) limitation or suppression of the pre-emptive rights of shareholders in capital increases;
- (f) any
 - (i) acquisition or transfer - even if derived from loss of control, merger or demerger of a subsidiary - of a shareholding, assets or business unit, provided the respective amount exceeds 15% (fifteen per cent) of the total consolidated assets of the Company;
 - (ii) decision to cease an activity or to initiate a new activity, even if included in the Company's corporate purpose, provided that the respective amount exceeds 15% (fifteen per cent) of the value of the total consolidated assets of the Company;
- g) any matters, not included in the previous subparagraphs, subject to a qualified majority in accordance with mandatory law.

II. Management and Supervision

15. Identification of the governance model adopted

MOTA-ENGIL adopts a Latin/classic model of governance comprising a Board of Directors, a Statutory Audit Board and a Statutory External Auditor who is not a member of the Statutory Audit Board. The Board of Directors is the body responsible for undertaking all of the administrative actions relating to the company business, deciding on the strategic direction and the appointment and general supervision of the Executive Committee and the expert committees it forms. The other two bodies are responsible for supervision and monitoring.

The details of the structure adopted, the bodies of which it is composed, and their corresponding functions and responsibilities are set out below.

16. Regulations in the articles of association regarding procedural and material requirements applicable to the appointment and replacement of members where applicable, for the Board of Directors, the Executive Board and the General and Supervisory Board (article 29-H, paragraph 1, subparagraph h))

The members of the Board of Directors are appointed in accordance with the law and the articles of association under the terms of the proposal approved at the General Meeting. In addition, and as provided for by the law and the articles of association, the Board of Directors elected an Executive Committee. On the other hand, the Company's articles of association establish that the special rules, regarding the appointment of the members of the Board of Directors, established in paragraphs 2 to 5 of article 19 will apply, with the necessary adaptations, to their replacement.

17. Composition, as applicable, of the Board of Directors, the Executive Administration Board and the General and Supervisory Board, with indication of the statutory minimum and maximum number of members, the statutory duration of the term, number of full members, date of the first appointment and date of end of office of each member

According to the Company's articles of association, the Board of Directors is composed of a regular number of members to be established by the General Meeting that elects them. The term of the Board of Directors is three years with their re-election being permitted in legal terms. The current term of the Board of Directors corresponds to the three-year period 2021-2023.

As at 31 December 2022, MOTA-ENGIL had a Board of Directors made up of 15 members: one chairman, one deputy chairman and thirteen members. On the same date, five of its members performed executive functions and formed an Executive Committee, while the remaining ten performed non-executive functions.

Director	First appointment	Current term of office
António Manuel Queirós Vasconcelos da Mota	31 March 2000	31 December 2023
Jingchun Wang	30 June 2021	31 December 2023
Ana Paula Chaves e Sá Ribeiro	11 May 2018	31 December 2023
Carlos António Vasconcelos Mota dos Santos	17 April 2012	31 December 2023
Di Xiao	30 June 2021	31 December 2023
Francisco Manuel Seixas da Costa	11 May 2018	31 December 2023
Gonçalo Nuno Gomes de A. Moura Martins	28 March 2008	31 December 2023
Helena Sofia Salgado Cerveira Pinto	11 May 2018	31 December 2023
Isabel Maria Pereira Aníbal Vaz	30 June 2021	31 December 2023
Leong Vai Tac	06 May 2022	31 December 2023
Manuel António da Fonseca Vasconcelos da Mota	25 May 2016	31 December 2023
Maria Paula Queirós V. Mota de Meireles	31 March 2000	31 December 2023
Ping Ping	30 June 2021	31 December 2023
Tian Feng	30 June 2021	31 December 2023
Xiangrong Wang (*)	30 June 2021	31 December 2023

(*) Submitted his resignation on 22 December 2022

On the other hand, following the Shareholders' General Meeting held on 30 January 2023 which set the number of members of the Board of Directors in 17, the following three new members were appointed to the Board of Directors of the Company:

- João Pedro dos Santos Dinis Parreira (non-independent executive member)
- José Carlos Barroso Pereira Pinto Nogueira (non-independent executive member)
- Paulo Sacadura Cabral Portas (non-executive and independent member)

Additionally, as of this date, Carlos António Vasconcelos Mota dos Santos exercises the functions of Chairman of the Board of Directors and of the Executive Committee, replacing António Manuel Queirós Vasconcelos da Mota and Gonçalo Nuno Gomes de Andrade Moura Martins, respectively.

18. Distinction between executive and non-executive members of the Board of Directors and, regarding the non-executive members, identification of the members who could be considered independent or, where applicable, identification of the independent members of the General and Supervisory Board

Director	Executive / Non-executive ⁽¹⁾	Independent / Non-independent ⁽²⁾
António Manuel Queirós Vasconcelos da Mota	Non-executive	Non-independent
Jingchun Wang	Non-executive	Non-independent
Ana Paula Chaves e Sá Ribeiro	Non-executive	Independent
Carlos António Vasconcelos Mota dos Santos	Executive	Non-independent
Di Xiao	Executive	Non-independent
Francisco Manuel Seixas da Costa	Non-executive	Independent
Gonçalo Nuno Gomes de A. Moura Martins	Executive	Non-independent
Helena Sofia Salgado Cerveira Pinto	Non-executive	Independent
Isabel Maria Pereira Aníbal Vaz	Non-executive	Independent
Leong Vai Tac	Non-executive	Independent
Manuel António da Fonseca Vasconcelos da Mota	Executive	Non-independent
Maria Paula Queirós V. Mota de Meireles	Non-executive	Non-independent
Ping Ping	Non-executive	Non-independent
Tian Feng	Non-executive	Non-independent
Xiangrong Wang ^(*)	Executive	Non-independent

(1) Executive: Member of the Executive Committee; Non-executive: non-member of the Executive Committee;

(2) Considered independent under the independence criteria set out in paragraph 18.1 of Appendix I to Regulation No. 4/2013 of CMVM (Comissão de Mercado e Valores Mobiliários - Portuguese Securities Market Commission) and the recommendation III.4 of the Corporate Governance Code of the Corporate Governance Portuguese Institute (IPCG - Instituto Português de Corporate Governance) (2018 and revised in 2020);

(*) Submitted his resignation on 22 December 2022.

Additionally, given the responsibilities assumed, the time spent and comparable salary practices, it is understood that the annual remuneration (disclosed in paragraph 77), in the form of attendance fees, of management members Ana Paula Chaves e Sá Ribeiro, Francisco Manuel Seixas da Costa, Helena Sofia Salgado Cerveira Pinto and Isabel Maria Pereira Aníbal Vaz does not deprive them of their independence.

On the other hand, as there are five independent directors, in accordance with the abovementioned criteria, out of a total of ten non-executive directors, it is considered that there is an adequate proportion of independent directors among the non-executive directors.

Finally, given the size and complexity of the GROUP, which pursues various activities in a high number of countries, and considering the benchmarking analysis carried out to other companies listed in Portugal and in the European Union, the current number of non-executive directors is deemed to be adequate for efficiently ensuring the tasks assigned to the GROUP.

19. Professional qualifications and other curricular elements of interest of each member, where applicable, of the Board of Directors, the General and Supervisory Board and the Executive Board.

As at December 31, 2022, the curriculum elements of the members of the Board of Directors were as follows:

António Manuel Queirós Vasconcelos da Mota (Chairman)

Professional qualifications

- Bachelor's Degree in Civil Engineering (Transport Links) at the Engineering Faculty of the University of Porto

Career path in the last five years

- As at 31 December 2022, and at least for five years, apart from being Chairman of the Board of Directors and Chairman of the Remuneration Committee of Mota-Engil, SGPS, S.A., has been performing/has performed duties in various governing bodies of Group companies and companies outside the Group

Jingchun Wang (Deputy-Chairman)**Professional qualifications**

- Bachelor's Degree in Engineering (Construction of highways and expressways) at the University of Chang'an

Career path in the last five years

- Currently, apart from being member of the Board of Directors and member of the Remuneration Committee of Mota-Engil, SGPS, S.A., has been performing/has performed the last five years duties in various governing bodies of companies outside the Group

Ana Paula Chaves e Sá Ribeiro (Independent member)**Professional qualifications**

- Bachelor's Degree in Business Management and Administration at the Portuguese Catholic University

Career path in the last five years

- Apart from being a non-executive independent member of the Board of Directors of Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various governing bodies of companies outside the Group

Carlos António Vasconcelos Mota dos Santos (Member)**Professional qualifications**

- Bachelor's Degree in Civil Engineering at the Engineering Faculty of the University of Porto
- Master in Business Administration at the University of Porto

Career path in the last five years

- As at 31 December 2022, and at least for five years, apart from being member of the Board of Directors and Executive Committee of Mota-Engil, SGPS, S.A., has been performing/has performed duties in various governing bodies of Group companies and companies outside the Group

Di Xiao (Member)**Professional qualifications**

- Bachelor's Degree in International Accounting at the University of International Studies of Shanghai
- Master's Degree in Accounting at the University of Economy and International Business

Career path in the last five years

- Currently, apart from being member of the Board of Directors and the Executive Committee of Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various governing bodies of Group companies and companies outside the Group

Francisco Manuel Seixas da Costa (Independent Member)**Professional qualifications**

- Bachelor's Degree in Social and Political Sciences at University of Lisbon

Career path in the last five years

- Apart from being an independent non-executive member of the Board of Directors of Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various governing bodies of Group companies and companies outside the Group

Gonçalo Nuno Gomes de Andrade Moura Martins (Member)**Professional qualifications**

- Bachelor's degree in Law at the Law Faculty of University of Lisbon
- Postgraduate Degree in Management at Instituto Superior de Gestão (Management Higher Institute)

Career path in the last five years

- At least for five years, apart from being Deputy-Chairman of the Board of Directors and Chairman of the Executive Committee of Mota-Engil, SGPS, S.A., has been performing/has performed duties in various governing bodies of Group companies and companies outside the Group

Helena Sofia Salgado Cerveira Pinto (Independent Member)**Professional qualifications**

- Bachelor's Degree in Business Management and Administration at the Portuguese Catholic University
- Master's Degree in Business Administration at the Portuguese Catholic University
- Master's Degree in Business Operations Management at the Catholic University - Porto Business School
- PhD in Business Studies at Warwick Business School

Career path in the last five years

- Apart from being a non-executive independent member of the Board of Directors of Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various governing bodies of companies outside the Group

Isabel Maria Pereira Aníbal Vaz (Independent member)**Professional qualifications**

- Bachelor's Degree in Chemical Engineering (Processes and Industry Field) at Instituto Superior Técnico (Higher Technical Institute)
- Master's Degree in Business Administration with specialisation in Management at Universidade Nova de Lisboa (NOVA University of Lisbon)

Career path in the last five years

- Apart from being a non-executive independent member of the Board of Directors of Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various governing bodies of companies outside the Group

Leong Vai Tac (Independent)**Professional qualifications**

- Bachelor's Degree in Mathematics at the University of Waterloo, Canada
- PhD in Law at Peking University, China

Career path in the last five years

- Apart from being a non-executive independent member of the Board of Directors of Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various governing bodies of companies outside the Group

María Paula Queirós Vasconcelos Mota de Meireles (Member)**Professional qualifications**

- Bachelor's Degree in Civil Engineering at the Engineering Faculty of the University of Porto

Career path in the last five years

- Currently, and at least for five years, apart from being member of the Board of Directors of Mota-Engil, SGPS, S.A., has been performing/has performed duties in various governing bodies of Group companies and companies outside the Group

Manuel António da Fonseca Vasconcelos da Mota (Member)**Professional qualifications**

- Master's Degree in Civil Engineering at University College of London

Career path in the last five years

- Apart from being member of the Board of Directors and the Executive Committee of Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various governing bodies of Group companies and companies outside the Group

Ping Ping (Member)**Professional qualifications**

- Bachelor's Degree at the Chinese University of Political Science and Law
- Master's Degree at the Chinese University of Political Science and Law

Career path in the last five years

- Currently, apart from being a member of the Board of Directors of Mota-Engil, SGPS, S.A., has not been performing/has not performed duties in the last five years in governing bodies of companies outside the Group

Tian Feng (Member)**Professional qualifications**

- Master's Degree in Civil Engineering at the University of Tsinghua (China)

Career path in the last five years

- Currently, apart from being a member of the Board of Directors Mota-Engil, SGPS, S.A., has been performing/has performed duties in the last five years in various companies outside the Group

Xiangrong Wang (Member)**Professional qualifications**

- Bachelor's Degree in Accounting at the University of Chang'an

Career path in the last five years

- As at 31 December 2022 years, apart from being member of the Board of Directors and Executive Committee of Mota-Engil, SGPS, S.A., has not been performing/has not performed duties the last five years in governing bodies of Group companies or companies outside the Group

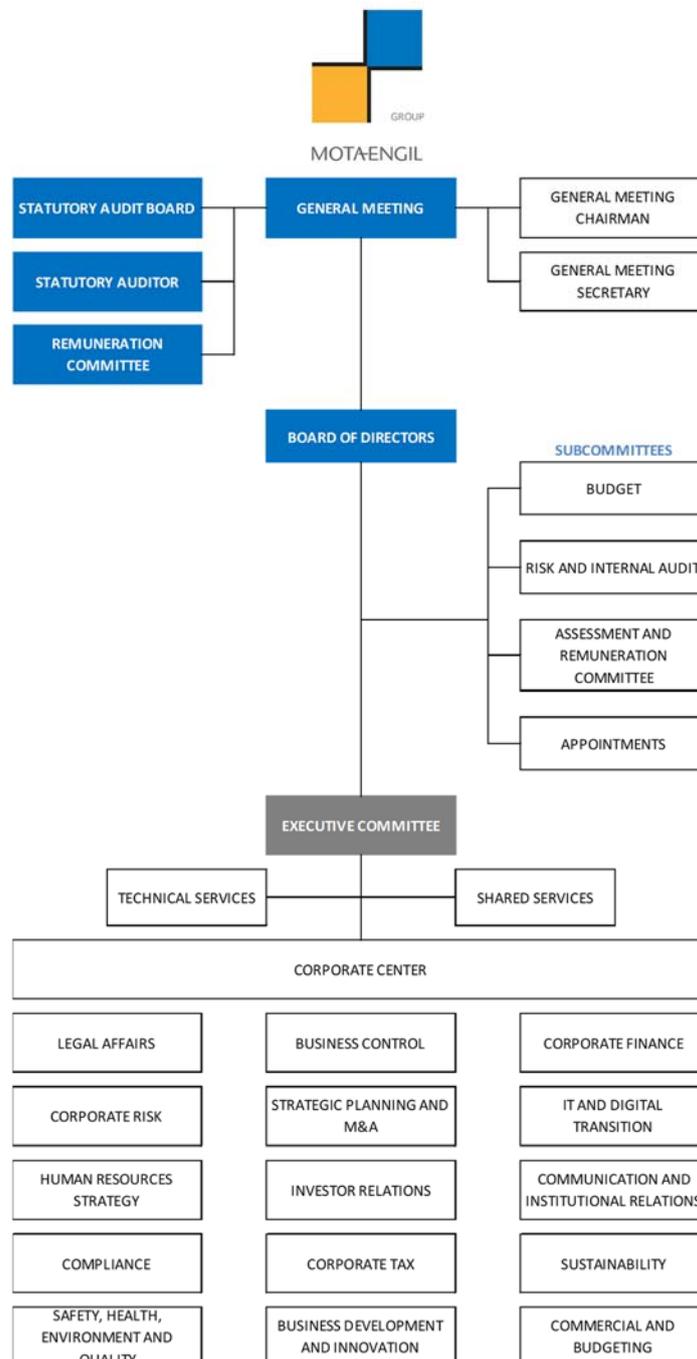
Paragraph 7 of chapter 5 - Annexes of this report contains the list of positions held in the last 5 years by the members of the Board of Directors of MOTA-ENGIL in other companies of the GROUP and outside the GROUP.

20. Family, professional or commercial relationships which are ongoing and significant of the members, where applicable, of the Board of Directors, the General and Supervisory Board and the Executive Administration Board with shareholders to whom a qualified participation greater than 2% of voting is attributable.

The members of the Board of Directors António Manuel Queirós Vasconcelos da Mota and Maria Paula Queirós Vasconcelos Mota de Meireles are siblings and together with two more sisters hold 100% of the share capital of FM. The percentage of capital held by each of those individuals in FM can be found in paragraph 3 of chapter 5 - Annexes.

Board of Directors member Manuel António da Fonseca Vasconcelos da Mota is the son of António Manuel Queirós Vasconcelos da Mota, while the member Carlos António Vasconcelos Mota dos Santos is the son of Maria Manuela Queirós Vasconcelos Mota dos Santos (shareholder of FM).

21. Organisational charts or tables of duties related to the division of responsibilities between the various corporate bodies, committees and/or departments of the Company, including information regarding the scope of the delegation of responsibilities, in particular as it relates to the delegation of the day-to-day management of the Company.



Management bodies

As at 31 December 2022, MOTA-ENGIL had a Board of Directors made up of 15 members: one Chairman, one Deputy Chairman and thirteen members. As at the same date, five of its members performed executive functions and formed an Executive Committee, while the remaining ten performed non-executive functions.

Board of Directors

Composition

According to the operating regulations of the Board of Directors, the profile of its members must be adequate to the duties to perform, including individual qualities such as competence, independence, integrity, availability and professional experience.

On the other hand, all members of the Board of Directors must meet diversity criteria, including gender, training and experience, so as to contribute to the excellence of their performance and of the balanced governance model of the Company.

In addition, in line with Law no. 62/2017, the least represented gender in the Board of Directors shall always make up at least 33% of all its members.

Whenever the Chairman of the Board of Directors is a non-independent member, the independent members shall appoint among themselves a coordinator who shall ensure: (1) a dialogue with the Chairman of the Board of Directors and other directors; (2) the conditions and means necessary to the performance of duties and the assessment of the performance of the bodies and internal committees; and (3) the liaison with the internal sub-committees, namely the Assessment and Remuneration Committee. In the current term of office of the Board of Directors, Mrs. Helena Sofia Salgado Cerveira Pinto was appointed Senior Independent Director.

In case there were facts that might constitute or give rise to a conflict of interests between a member of the Board of Directors and the interest of the Company, the member in question must inform the Board of Directors of such facts, as established in the conflict of interest's procedure which was unanimously approved.

In the situation described above, the member of the Board of Directors shall refrain from taking part and voting at the meeting in which the matter is discussed and voted, without prejudice to the duty to provide information and clarifications that might be imposed on the member.

Duties

The Board of Directors is responsible for managing the Company's activity in accordance with the provisions of the Commercial Companies Code and the articles of association.

After obtaining the Statutory Audit Board's opinion, the Board of Directors, is responsible for approving the general lines of the Company's strategy and its Corporate Risk Policy, which must include the establishment of limits to risk-taking, and may not delegate those matters or the organisation and coordination of the Company's corporate structure, particularly its internal control system, nor other strategic matters, according to their amount, risks or particular characteristics.

It is up to the Board of Directors, with the previous opinion of the Statutory Audit Board, to approve the Transactions with Related Parties Policy and provide, on a biannual basis, an analysis report analysing on this matter.

The Board of Directors is also responsible for establishing procedures focused on monitoring, periodic assessment and adjustments to the internal control system in force, including an annual assessment of the degree of compliance and performance of that system, as well as the prospect of change of the risk framework previously defined.

Furthermore, the Board of Directors is responsible for establishing the general guidelines of the management model of the company and its subsidiaries and may submit proposals to the General Meeting of Shareholders on changes to the governance model of the Company.

The Board of Directors, within the limits permitted by law, may delegate the day-to-day management of the Company to an Executive Committee and appoint its Chairman. The matters delegated to the Executive Committee are described in this paragraph, in the sub-chapter concerning the Executive Committee.

The Board of Directors may also delegate to one or multiple directors the handling of certain administration matters, namely through the constitution of Committees, and appointing their Chairmen.

Lastly, among other responsibilities, it is up to the Chairman of the Board of Directors to implement mechanisms of annual assessment on the operation of the Board of Directors, as well as on the performance of its Committees and executive directors, considering compliance with the Company's Strategic Plan and Budget, risk management, their internal operation and contribution of each member to that effect as well as the relationship among the Company's multiple bodies and Committees.

Functioning

The Board of Directors meets, as a rule, on at least a monthly basis and may hold extraordinary meetings, whenever convened by its Chairman or two Directors, with the schedule for each year being drawn up by the Chairman of the Board of Directors and communicated to all its members and to the members of the Statutory Audit Board, no later than 15 December of the previous year.

The notice for each meeting shall be sent by the Chairman of the Board of Directors to all members of the Statutory Audit Board with at least 7 working days' notice, together with the agenda, and the respective supporting documentation included in the agenda by the Chairman's Assistant.

The Board of Directors may not decide without the presence or representation of most of its members.

Any member of the Board of Directors may be represented by another member through a representation document that may only be used once.

The members of the Statutory Audit Board shall attend the meetings of the Board of Directors to which the Chairman of the Board of Directors convenes them, or those which the year are assessed, as well as all the others whenever the Chairman deems it to be appropriate.

The directors shall ensure their attendance at least eighty percent of the meetings of the Board of Directors held in each financial year.

The resolutions of the Company's Board of Directors shall be taken by a simple majority of the votes cast. However, the matters provided for in article 20, paragraph 7 of the articles of association shall be approved by favourable votes from more than 2/3 of the members of the Board of Directors.

The minutes from each meeting are drafted and validated by all persons attending and shown to all members of the Board of Directors and the Statutory Audit Board.

Finally, the non-executive directors monitored the Company's business, thus guaranteeing their effectiveness to supervise, inspect and assess the business, specifically through periodic meetings of the Board of Directors and of the corporate Committees to which some belong, without prejudice to the access to any information or documentation that might have been requested. Specifically, it should be highlighted that the definition of the strategy and its assessment, as well as the update of the risk management policy were approved at meetings of the Board of Directors with the essential participation of the non-executive directors.

In exercising their non-executive duties, the directors were not faced with any constraints in the financial year of 2022. The annual management report includes a description of the activity of the non-executive directors.

Executive Committee

Composition

According to the operating regulations of the Executive Committee, the profile of its members must be adequate to the duties to perform, including individual qualities such as competence, independence, integrity, availability and professional experience.

In addition, in case there are facts that might constitute or give rise to a conflict of interests between a member of the Executive Committee and the interest of the Company, the member in question must inform the Board of Directors of such facts, as established in the conflict of interest's procedure.

In the situation described above, the member of the Executive Committee shall refrain from taking part and voting at the meeting in which the matter is discussed and voted, without prejudice to the duty to provide information and clarifications that might be imposed on the member.

Furthermore, under the terms of the law and the Transactions with Related Parties Policy, whenever a member of the Executive Committee is part of a business with the Company or with controlled or controlling companies (a business with related parties), such business shall be subject to the opinion of the Statutory Audit Board and approval of the Board of Directors, except in the cases provided in the law.

As indicated in paragraph 18 of this report, the Executive Committee is composed of 5 members.

Duties

The Executive Committee is responsible for managing the Company's activity as prescribed in the Commercial Companies Code and according to the delegation approved by the Board of Directors as per article 20 of the articles of association.

The Executive Committee determines and supervises the implementation of the policies approved by the Board of Directors for GROUP companies, supporting their activity and taking decisions regarding the matters it has been entrusted with.

As per the articles of association, and as approved at meetings of the Board of Directors, the following matters were specifically delegated to the Executive Committee:

- Tax opinions related to the subsidiaries with profit and loss before tax lower than a pre-defined amount;
- Any change to the object or articles of association of the subsidiaries with a turnover lower than a pre-defined amount;
- Conclusion, modification or termination of agreements on patents, licences or know-how;
- The provision of guarantees of any type, such as debt assumption (for example, comfort letters, provision of guarantees, encumbrances on any assets of a subsidiary) lower than an individually pre-defined amount or lower than a pre-defined aggregated regarding obligations towards related third parties by subsidiaries;
- The submission of commercial proposals lower than a pre-defined amount;
- All strategic partnerships and/or new capital partnerships (new partners for new projects or investments) in projects with an annually estimated turnover lower than a pre-defined amount;
- Conclusion of contracts for goods and services of a value lower than a pre-defined amount;
- Strategic investment operations, including concessions or divestments not included in the Investment Plan, of a value lower than a pre-defined amount;
- Commencement of legal proceedings against clients, partners or entities hired, as well as proceedings related to receivables (or related receipts agreements) of a sum lower than a pre-defined amount);
- Increase in less than 20% in the medium and long-term debt in the GROUP or subsidiaries (not provided for in the budget);
- Financial transactions for subsidiaries which require guarantees from the GROUP;
- Appointment, cessation of activity or removal from duties in governing bodies of subsidiaries with a turnover lower than a pre-defined amount;
- Any contribution of a cultural, social or scientific nature, within the scope of the social responsibility programme of the GROUP lower than a pre-defined amount.

Furthermore, the Executive Committee is also responsible for:

- Submitting proposals to the Board of Directors regarding the GROUP's Business Plan (including the GROUP's strategic goals and the Economic and Financial Plan), Corporate Policies, Annual Budget and Investment and Financing Plan;
- Submitting proposals to the Board of Directors regarding the entry in new regions, markets or businesses;
- Submitting proposals to the Board of Directors regarding operations of acquisition, merger and sale of subsidiaries;
- Submitting proposals to the Board of Directors regarding the incorporation of brands of any subsidiary;
- Submitting proposals to the Board of Directors regarding any strategic partnership and/or capital partnership (new partners for new contracts or investments);
- Submitting proposals to the Board of Directors on the guidelines to the GROUP as regards dividend policies, capital structure, investments, debt management, bond issue and exchange operations, loans, financing, banking relationship, insurance and guarantees;
- Submitting proposals to the Board of Directors to increase the exposure of the medium and long-term debt of the GROUP and subsidiaries (in addition to the Budget);
- Submitting proposals to the Board of Directors regarding financial transactions of subsidiaries which require corporate guarantees from the Company;
- Submitting proposals to the Board of Directors regarding structural operations of capital and medium and long-term debt;
- Submitting proposals to the Board of Directors regarding midterm and annual reports of the consolidated and individual accounts of the Company;
- Submitting proposals to the Board of Directors regarding directives of the management model of the GROUP and subsidiaries;
- Submitting proposals to the Board of Directors regarding policies focused on the institutional representation of the GROUP, regions and markets
- Approving the issue and revocation of powers of attorney;
- Approving short, medium and long-term decisions related to debt;

- The official administrative and legal representation of the Company;
- The institutional representation of the GROUP by delegation of the Board of Directors;
- Representing the GROUP with current and potential investors by delegation of the Board of Directors;
- Approving the marketing policies of the GROUP;
- Approving and coordinating the internal communication actions of the GROUP;
- Submitting proposals to the Board of Directors, including opinions, on the strategic guidelines of the GROUP, regions and markets, on the human resources policies, with regard to the development of careers, remuneration and incentives;
- Approving the human resource annual action plan (Top Management and young talent with great potential);
- Approving the human resource policies for Top Management regarding the development of careers, remuneration and incentives;
- Approving human resource policies, including the performance management and assessment, and incentive system for employees.

In addition, the Chairman of the Executive Committee is in charge of informing the Board of Directors, through its Chairman, of the activities of the Executive Committee, its decisions and respective implementation. Lastly, the executive members provide to non-executive members and members of other governing bodies all necessary clarifications for the exercise of the respective powers, either on the initiative of the executive members or at the request of the remaining members, namely during the meetings of the Board of Directors.

Functioning

The Executive Committee shall meet at least twice a month and may hold extraordinary meetings, whenever convened by its Chairman or by two Directors, with the calendar for each year's meetings being drawn up by the Chairman of the Executive Committee and communicated to all its members no later than 15 December of the previous year.

The notice for each meeting shall be sent to the members of the Executive Committee at least 5 working days in advance, together with the proposed agenda.

Any member of the Executive Committee may request the inclusion of additional items to the agenda, attaching all documents deemed necessary to the decision and requesting the attendance of any external person (including, but not limited to, a member of any business department, the CEO of a business unit or a country manager) at the presentation of each item.

The Executive Committee Office is responsible for drawing up and distributing the agenda and the respective supporting documentation, according to the matters approved to that end by the Chairman of the Executive Committee.

The Executive Committee may not meet without the presence or representation of most of its members.

Any member of the Executive Committee may be represented by other member of the Committee through a document submitted to the Chairman which may only be used once.

The members of the Executive Committee shall ensure their attendance at least eighty percent of the meetings of the Committee held in each financial year.

The resolutions of the Executive Committee shall be adopted by a simple majority of votes cast. The minutes from each meeting are drafted and validated by all persons attending and shown round the Board of Directors.

As at 31 December 2022, regarding the assignment of positions to the members of the Board of Directors, particularly within the scope of the Executive Committee, the following should be stressed:

- Gonçalo Nuno Gomes de Andrade Moura Martins
 - Chief Executive Officer (CEO)
 - Legal affairs
 - Communications and Institutional Relations
 - Investor Relations
 - Compliance
 - Sustainability
 - Corporate risk

- Carlos António Vasconcelos Mota dos Santos
 - Human Resources Strategy
 - Technical Services

- Xiangrong Wang
 - Chief Financial Officer (CFO)
 - Corporate Finance

- Di Xiao
 - Business control
 - Strategic Planning and M&A
 - Corporate Tax
 - Shared services

- Manuel António da Fonseca Vasconcelos da Mota
 - IT and Digital Transition
 - Commercial and Budgeting
 - Business Development and Innovation
 - Safety, Health, Environment and Quality

As at 31 December 2022, Mr. Gonçalo Nuno Gomes de Andrade Moura Martins, in the capacity of Chairman of the Executive Committee, was identified as the Chief Executive Officer (CEO) of the Company and Xiangrong Wang, in the capacity of officer responsible for the financial areas of the Company, was considered Chief Financial Officer (CFO) of the Company.

Supervisory bodies

Supervision of the Company is performed by a Statutory Audit Board and by a Statutory External Auditor, performing the duties called for by law and by the articles of association.

The General Meeting shall elect the Statutory Audit Board, as well as the respective members, and appoint, at the proposal of the Statutory Audit Board, the Statutory External Auditor or Auditing Firm.

Statutory Audit Board

Composition

According to the operating regulations of the Statutory Audit Board, the profile of its members must be suitable for the duties to be performed, including individual attributes such as competence, independence, integrity, availability and professional experience.

On the other hand, in line with Law no. 62/2017, the least represented gender in the Statutory Audit Board shall always make up at least 33.3% of its members.

In addition, the members of the Statutory Audit Board are subject, during their term of office, to the rules on incompatibilities provided for in article 414-A of the Commercial Companies Code.

The Statutory Audit Board of the Company is composed of a minimum of three permanent members, one Chairman and two other members, the majority of which must be independent.

Duties

The duties/responsibilities of the Statutory Audit Board are described in paragraph 38 of this report.

Functioning

The Statutory Audit Board meets at least once a month and may hold extraordinary meetings, whenever convened by its Chairman or by two other members.

The notice for each meeting of the Statutory Audit Board shall be sent by the Chairman to the remaining members at least 5 working days in advance, together with the agenda.

The Statutory Audit Board may not decide without the presence of most of its members.

The resolutions of the Statutory Audit Board shall be adopted by a simple majority of votes cast. The minutes from each meeting are drafted and validated and shown to all effective members of the Statutory Audit Board.

The members of the Statutory Audit Board shall attend the meetings of the Board of Directors to which the Chairman of the Board of Directors convenes them, or those in which the periodic disclosure of financial information is assessed, and any others, whenever the Chairman deems it to be appropriate. It should be noted that as of this date, the Statutory Audit Board has attended the vast majority of meetings of the Board of Directors.

The Statutory Audit Board shall meet with the CEO of each Business Unit of the GROUP at least twice a year and whenever a relevant non-budgeted transaction is being assessed or proposed. In addition, the Statutory Audit Board will hold meetings, at least once a year, with the members of the Risk and Internal Audit Committee and the members of the Budget Committee, with the frequency deemed appropriate, in order to monitor the results of their activity.

Subcommittees:

Budget Committee

Composition

The composition of the Budget Committee was adopted at a meeting of the Board of Directors and is as follows:

- One Chairperson (Ana Paula Chaves e Sá Ribeiro - independent director)
- Two other members (Tian Feng – non-independent director and Luís Filipe Cardoso da Silva)

On the other hand, according to the operating regulations of the Budget Committee, the profile of its members must be suitable for the duties to perform, including individual attributes such as competence, independence, integrity, availability and professional experience.

Duties

The Budget Committee shall monitor the issue of the Annual Budget for the GROUP (ABG), including the periodic forecast exercises, preparing opinions for subsequent analysis by the Board of Directors.

The Budget Committee shall also take part in reviewing the strategy and business plan of the GROUP.

In addition, in the case of a new company, joint venture or larger project not included in the ABG, the Budget Committee shall monitor the planning of the first budget concerning the year of acquisition or launch of the project.

On the other hand, the Budget Committee may issue reports and opinions regarding the fulfilment with the ABG, deviations from the budget observed and other matters under its responsibility.

Finally, it is up to the Chairwoman of the Budget Committee to inform the Chairman of the Board of Directors of the Committee's activity, its decisions and their respective implementation.

Functioning

The Budget Committee shall meet, at least four times a year and may hold extraordinary meetings, whenever convened by its Chairperson or by two other members.

The notice for each meeting of the Committee shall be sent by the Chairperson to the remaining members at least 5 working days in advance, together with the proposed agenda.

Any member of the Budget Committee may request the Chairperson, up to 3 working days before each meeting, to include additional items to the agenda, attaching to this end all supporting documents that he/she deems indispensable.

The Chairman is responsible for drawing up and distributing the agenda and the respective documentation.

The resolutions of the Budget Committee shall be adopted by a simple majority of votes cast, explanations of votes being permitted in the minutes. Minutes are taken of each meeting, validated and circulated to all members of the Budget Committee.

In 2022, three meetings of the Budget Committee were held, with the actual presence, or by representation, of all members in office.

Risk and Internal Audit Committee

Composition

The composition of the Risk and Internal Audit Committee was adopted at a meeting of the Board of Directors and is as follows:

- One Chairperson (Helena Sofia Salgado Cerveira Pinto - independent director)
- Two other members (Ping Ping – non-independent director and António Manuel da Silva Vila Cova)

On the other hand, according to the operating regulations of the Risk and Internal Audit Committee, the profile of its members must be suitable for the duties to be performed, including individual attributes such as competence, independence, integrity, availability and professional experience.

Duties

According to the delegation of the Board of Directors, it is up to the Risk and Internal Audit Committee:

- to monitor the Company's business, ensuring an integrated and permanent analysis of the risks associated with it;
- to propose and follow up on the implementation of measures and specific procedures related to the control and reduction of risks in the Company's activity, with a view to improving the management of the internal control system and risk system;
- to check the implementation of adjustments to the internal control and risk management system proposed by the Statutory Audit Board;
- to issue an opinion on the risk matrix of the GROUP whenever it is updated or substantial changes to the external environment risks and/or operating risks occur;
- to assess the risk management strategies defined at a corporate level and the implementation of the risk management corporate policies at the Business Units;
- to monitor the assessment of risks associated with selected projects;
- to approve the Internal Audit Annual Plan according to the materiality, relevance and opportunity of the risks identified;
- to issue reports with recommendations, where applicable, as a result of each internal audit conducted by the Internal Audit area;
- to monitor the implementation of recommendations contained in the Internal Audit reports or opinions, according to the information regularly received regarding its execution status;
- to monitor external audits and comment on audit reports;
- to monitor the inspections of regulators and other authorities;
- to promote an environment and culture of compliance with internal policies by the various companies, as well as the rules and procedures related to corporate values, in particular the Code of Ethics and Business Conduct, at the companies of the GROUP;
- to monitor compliance with the Procedure for Reporting Irregularities, namely by protecting the whistle-blower's rights.

Finally, it is up to the Chairperson of the Risk and Internal Audit Committee, among others, to manage, as regards all relevant matters, the Internal Audit area, in coordination with the Chief Corporate Officer, ensure the circulation of information with the Statutory Audit Board and inform the Chairman of the Board of Directors of the Committee's activities, its decisions and their respective implementation.

Functioning

The Risk and Internal Audit Committee shall meet, at least four times a year and may hold extraordinary meetings, whenever convened by its Chairperson or by two other members.

The notice for each meeting shall be sent by the Chairperson to the remaining members at least 5 working days in advance, together with the proposed agenda.

The Chairperson is responsible for drawing up and distributing the agenda and the respective documentation.

The members of the Risk and Internal Audit Committee shall ensure their attendance at least at eighty percent of the meetings held in each financial year.

The resolutions of the Risk and Internal Audit Committee shall be adopted by a simple majority of votes cast, explanations of vote in the minutes being admitted. Minutes are taken of each meeting, validated and circulated to all members of the Risk and Internal Audit Committee.

In 2022, four meetings of the Risk and Internal Audit Committee were held, with the actual presence, or by representation, of all members in office.

Assessment and Remuneration Committee

Composition

The composition of the Assessment and Remuneration Committee was adopted at a meeting of the Board of Directors and is as follows:

- A Chairman (Francisco Manuel Seixas da Costa - independent director)
- Two other members (Tian Feng – non-independent director and Ismael Antunes Hernandez Gaspar)

On the other hand, according to the operating regulations of the Assessment and Remuneration Committee, the profile of its members must be suitable for the duties to be performed, including individual attributes such as competence, independence, integrity, availability and professional experience.

Duties

According to the delegation of the Board of Directors, it is up to the Assessment and Remuneration Committee:

- to promote the annual assessment of the overall performance of the Board of Directors, the individual performance of its members and in particular the performance of the Executive Committee as well as of other committees of the Board of Directors, where appropriate;
- considering articles 26-A and 26-F of the Portuguese Securities Code, to draw up and update the proposal of the Remuneration Policy to be submitted by the Remuneration Committee to the shareholders;
- to prepare, on an annual basis, a proposal regarding the remuneration package for all statutory bodies of the Company to be submitted by the Remuneration Committee to the shareholders;
- considering the standards for assessing the performance of directors, statutory bodies of the Business Units and subsidiaries and all top managers, to carry out assessments and give the adequate and necessary recommendations;
- to review and approve the specific remuneration package for all governing bodies of the Business Units and subsidiaries and for all top managers. For that purpose, the Committee shall take into consideration such factors as the remuneration paid by comparable companies, the commitment in terms of time and the duties of each function, the recruitment conditions for other positions of the Company, as well as whether or not the determination of remuneration should be based on results and performance;
- to review and approve the variable remuneration based on results and performance, according to the policies and goals of the Company adopted by the Board of Directors, and the annual assessment of the performance;
- to review and approve compensations to be paid to the directors and top managers with regard to any loss or termination of service or appointment, so as to ensure that they are paid according to the relevant contractual terms and conditions, in a fair and reasonable manner, with no undue charges imposed on the Company;
- to review and approve the indemnity measures regarding the resignation or dismissal of directors on the grounds of misconduct, in order to ensure that they are executed according to the relevant contractual terms and conditions and, likewise, in a fair and reasonable manner;
- to ensure that no director or any related party (as defined in the Transactions with Related Parties Policy) is involved in the determination of their own remuneration.

Lastly, it is up to the Chairman of the Assessment and Remuneration Committee, among other duties:

- to ensure the exchange of information with other governing bodies and committees, namely the Remuneration Committee;
- to support the Remuneration Committee in performing its duties under the law and article 27 of the articles of association, namely through the submission of the proposal for a Remuneration Policy and the proposal for a package of remuneration for all governing bodies of the Company; and
- to inform the Chairman of the Board of Directors of the activities of the Assessment and Remuneration Committee, its decisions and their respective implementation.

Functioning

The Assessment and Remuneration Committee shall meet four times a year, but some of those regular meetings may, on a proposal from the Chairman and by unanimous agreement of its members, be cancelled for absence of object. The Committee may also hold extraordinary meetings, whenever it is convened by its Chairman or two of its members.

The notice for each meeting of the Committee shall be sent by the Chairman to the remaining members at least 5 days in advance, together with the proposed agenda.

Any member of the Assessment and Remuneration Committee may request to the Chairman, within three working days before each meeting, the inclusion of additional items to the agenda, attaching all supporting documents considered indispensable.

The Chairman is responsible for drawing up and distributing the agenda and the respective documentation.

The resolutions of the Assessment and Remuneration Committee shall be adopted by a simple majority of votes cast, explanations of vote in the minutes being admitted. The minutes from each meeting are drafted and validated and shown to all members of the Assessment and Remuneration Committee.

In 2022, three meetings of the Evaluation and Remuneration Committee were held with the actual presence, or by representation, of all members in office.

Appointments Committee

Composition

The composition of the Appointments Committee was approved at a meeting of the Board of Directors and is as follows:

- A Chairperson (Isabel Maria Pereira Aníbal Vaz - independent director)
- Two other members (Ping Ping – non-independent director and Ismael Antunes Hernandez Gaspar)

On the other hand, according to the operating regulations of the Appointments Committee, the profile of its members must be suitable for the duties to be performed, including individual attributes such as competence, independence, integrity, availability and professional experience.

Duties

According to the delegation of the Board of Directors, the Appointments Committee is responsible for the following matters:

- a. concerning the members of the Company's governing bodies:
 - to review the structure, size and composition (including the duties, competence and experience) of each governing body at least on an annual basis and give recommendations to the shareholders on any proposed changes aimed at complementing the corporate strategy of the Company;
 - to assess the independence of the independent directors of the Company;
 - to review the diversity policy and its disclosure in the Governance Report and in the Non-Financial Information Report;
 - considering the rules, procedures and methods of selection of candidates to any governing body, to give recommendations regarding the candidates to the shareholders;
 - to make recommendations on the appointment and re-appointment of any member of a governing body and on the plans for succession of the directors, particularly of the Chairman of the Board of Directors and the CEO.
- b. concerning the members of the governing bodies of the Business Units and subsidiaries and all top managers:
 - to review the diversity policy at the level of the Group and its disclosure in the Governance Report and in the Non-Financial Information Report;

- to issue an opinion on the Executive Committee’s proposals for the appointment or re-appointment of any member of a governing body of the Business Units and subsidiaries;
 - to issue an opinion on the Executive Committee's proposals for the appointment of any top manager.
- c. to assess and give recommendations on the positions mentioned above;
- d. to recruit qualified candidates in the human resources markets of the country and abroad and in the internal talent pool, identify individuals properly qualified to act as directors, appoint those candidates to management positions or give recommendations to the Board of Directors.

Finally, it is up to the Chairperson of the Appointments Committee, among other duties, to ensure coordination with the Committee for the Equality Between Men and Women, always taking into account the Plan for Gender Equality, and inform the Chairman of the Board of Directors of the Committee’s activities, its decisions and respective implementation.

Functioning

The Appointments Committee shall meet at least four times a year and hold extraordinary meetings, whenever convened by its Chairperson or by two other members.

The notice for each meeting shall be sent by the Chairperson to the remaining members at least 5 working days in advance, together with the proposed agenda.

Any member of the Appointments Committee may request the inclusion of additional items to the agenda, attaching all supporting documents deemed necessary to the decision and requesting the attendance of any external person (including, but not limited to, a member of any corporate department) at the presentation of each item.

The Chairperson is responsible for drawing up and distributing the agenda and the respective documentation.

The resolutions of the Appointments shall be adopted by a simple majority of votes cast. Minutes are taken of each meeting, validated and circulated to all members of the Appointments Committee.

In 2022, one meeting of the Appointments Committee was held with the actual presence, or by representation, of all members in office.

Other committees

Remuneration Committee

In accordance with the articles of association the duties of the Remuneration Committee, elected by the shareholders at a general meeting, are to define the policy for the remuneration of the corporate officers, setting the applicable remuneration taking into account the duties performed, their performance and the Company’s economic situation. In this connection, the Remuneration Committee, with the support of the Assessment and Remuneration Committee, constantly monitors and assesses the performance of the directors, verifying the extent to which the proposed objectives have been accomplished and meets as and when necessary.

Moreover, it is the responsibility of this Committee, with the support of the Appointments Committee, to ensure that the proposals for election of new members to the Board of Directors are accompanied by a statement of grounds concerning the suitability of the profile, knowledge and resume to the duties to be performed, in order to comply with individual attributes such as competence, independence, integrity, availability and professional experience, as well as with the diversity criteria, including gender, training and experience required by the operating regulations of the Board of Directors.

Likewise, the scope of action of the Remuneration Committee also encompasses, with the support of the Appointments Committee, the follow-up and support within the process of appointment of the senior managers.

The Remuneration Committee elected for the three-year period 2021-2023 is composed of the following members: António Manuel Queirós Vasconcelos da Mota and Jingchun Wang, both members of the Board of Directors. Minutes are drawn up of all meetings held.

In 2022, four meetings of the Remuneration Committee were held, with the presence of all its members in office.

22. Existence and location where the regulations can be consulted, where applicable, to the Board of Directors, the General and Supervisory Board and the Executive Administration Board.

The management and supervisory bodies for the Company have internal operating regulations which are not released on the Company's website and are not available for consultation. MOTA-ENGIL considers that the regulations go beyond aspects of mere operation of the bodies and contain confidential content, which is why it does not release them to the public. However, the main functions and responsibilities of those bodies are specified throughout this report, see for example sections 21 and 38.

23. Number of meetings held and level of attendance of each member, where applicable, of the Board of Directors, the General and Supervisory Board and the Executive Board to those meetings.

In 2022, sixteen meetings of the Board of Directors and 20 meetings of the Executive Committee were held with the following level of attendance:

Director	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE
António Manuel Queirós Vasconcelos da Mota	100%	n/a
Jingchun Wang	100%	n/a
Ana Paula Chaves e Sá Ribeiro	94%	n/a
Carlos António Vasconcelos Mota dos Santos	100%	100%
Di Xiao	100%	100%
Francisco Manuel Seixas da Costa	100%	n/a
Gonçalo Nuno Gomes de A. Moura Martins	100%	100%
Helena Sofia Salgado Cerveira Pinto	94%	n/a
Isabel Maria Pereira Aníbal Vaz	88%	n/a
Leong Vai Tac ¹⁾	91%	n/a
Manuel António da Fonseca Vasconcelos da Mota	100%	100%
Maria Paula Queirós V. Mota de Meireles	100%	n/a
Ping Ping	100%	n/a
Tian Feng	100%	n/a
Xiangrong Wang	100%	100%

1) Took up duties on 6 May 2022

24. Indication of the Company bodies responsible for assessing the performance of executive directors.

As referred to in paragraph 21 above, it is up to the Assessment and Remuneration Committee, by delegation of the Board of Directors, to promote the annual assessment of the overall performance of the Board of Directors, the individual performance of its members and in particular the performance of the Executive Committee as well as of other committees of the Board of Directors, when appropriate.

25. Predetermined criteria for the assessment of performance of executive directors.

The quantitative component of the assessment of the executive directors' performance encompasses a set of Key Performance Indicators (KPI), indexed to the GROUP's Strategic Plan.

The quantitative assessment is subsequently weighed with the individual qualitative assessment of a discretionary nature, and it may result in a pay-out value which ranges between a minimum and a maximum predefined percentage.

26. Availability of each of the members, as applicable, of the Board of Directors, the General and Supervisory Board and the Executive Administrative Board, with indication of the positions simultaneously held in other companies, within and outside the Group, and other relevant activities performed by members of those bodies during the period.

The positions held by the directors of MOTA-ENGIL in other companies (predominantly in companies of the GROUP or in representation of the GROUP) and other relevant activities performed by said directors are broken down in paragraph 7 of Appendix 5 "List of positions held by the members of the Board of Directors", from which the availability of each member for the performance of their duties can be made clear, not only due to the positions they hold, but also due to the attendance and active participation of directors both in the meetings of the Executive Committee, in the case of executive directors, and in the meetings of the Board of Directors (in accordance with paragraph 23 above).

On the other hand, as prescribed in the operating regulations of the Board of Directors and Executive Committee, the directors shall ensure their attendance at least at eighty percent of the meetings held in each financial year.

27. Identification of the committees created, where applicable, in the Board of Directors, the General and Supervisory Board and the Executive Board and location where their operating regulations may be consulted.

The Board of Directors set up the Executive Committee, the Budgeting Committee, the Risk and Internal Audit Committee, the Assessment and Remuneration Committee and the Appointments Committee (according to paragraph 21 above). The respective internal operating regulations are not available for consultation, although the main functions and responsibilities those Committees are described in the paragraph mentioned above.

28. Composition, where applicable, of the Executive Committee and/or the identification of director(s).

As at 31 December 2022, the composition of the Executive Committee was as follows:

Director	Function
Gonçalo Nuno Gomes de A. Moura Martins	Member of the Board of Directors and Chairman of the Executive Committee
Carlos António Vasconcelos Mota dos Santos	Member of the Board of Directors and Deputy Chairman of the Executive Committee
Di Xiao	Member of the Board of Directors
Manuel António da Fonseca Vasconcelos da Mota	Member of the Board of Directors
Xiangrong Wang (*)	Member of the Board of Directors

(*) Submitted his resignation on 22 December 2022

29. Indication of the responsibilities of each of the committees created and synthesis of the activities carried out in the financial year.

On this matter reference is made to paragraph 21 above.

III. Supervision

30. Identification of the supervisory body (Statutory Audit Board, Audit Committee or General and Supervisory Board) corresponding to the model adopted.

The Statutory Audit Board and the Auditing Firm are the Company's supervisory bodies under the governance model adopted.

31. Composition, where applicable, of the Statutory Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Matters with an indication of the statutory minimum and maximum number of members, statutory duration of their term, the number of permanent members, the date of first appointment and the termination date for each member, with reference to the point in the report where this information is given under the provisions of paragraph 18.

In accordance with the Company's articles of association, the Statutory Audit Board should be composed of a minimum of three effective members, the majority of these being independent. In addition, the Statutory Audit Board will also have one or two substitute members if constituted with three or more effective members respectively. Additionally, it is up to the General Meeting to appoint the Chairman of the Statutory Audit Board from among its members. Finally, the current term for members of the Statutory Audit Board lasts four years (three years in the next term).

The members appointed for the current term (four-year period 2019-2022) and currently in office are:

Member	Function	First appointment	Current term of office
José António Ferreira de Barros	Chairman	05/23/2019	12/31/2022
Cristina Maria da Costa Pinto	Permanent member	05/23/2019	12/31/2022
Susana Catarina Iglésias Couto Rodrigues de Jesus	Permanent member	05/23/2019	12/31/2022
Pedro Manuel Seara Cardoso Perez	Substitute member	03/30/2007	12/31/2022

Additionally, given the size and complexity of the GROUP, which pursues various activities in a high number of countries, and considering the benchmarking analysis carried out to other companies listed in Portugal and in the European Union, the current number and profile of members of the Statutory and Audit Board is considered adequate.

32. Identification, where applicable, of the members of the Statutory Audit Board, the General Board and the Committee for Financial Matters who are considered to be independent under the terms of art. 414, no. 5 of the Portuguese Commercial Companies Code, referring to the paragraph in the report where this information is given under the provisions of paragraph 19.

All members of the Statutory Audit Board, both permanent and substitute, comply with the independence criteria provided for under article 414, paragraph 5, along with the rules on incompatibility provided for under article 414-A, paragraph 1, both from the Portuguese Commercial Companies Code.

33. Professional qualifications, where applicable, of each member of the Statutory Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Matters and other relevant curricular matters referring to the point in the report where this information is given under the provisions of paragraph 21.

José António Ferreira de Barros (Chairman)

Professional qualifications

- Bachelor's Degree in Chemical and Environmental Engineering at the Engineering Faculty of the University of Porto

Career path in the last five years

- Manager of SPAL – Sociedade Portuguesa do Ar Líquido, Lda.
- Member of the Board of Curators of the Eça de Queiroz Foundation
- Chairman of the Statutory Audit Board of Mota-Engil, SGPS, S.A..
- Chairman of the Statutory Audit Board of CIN - Corporação Industrial do Norte, S.A..
- Chairman of the Statutory Audit Board of Instituto Português de Tabacologia (Portuguese Institute of Tobaccology)
- Chairman of the General Meeting of AMAR - Associação Mutualista dos Artistas, Casa do Artista - Norte
- Chairman of the General Meeting of STCP - Sociedade de Transportes Coletivos do Porto, S.A..
- Chairman of the General Meeting of FASE - Estudos e Projectos, S.A..
- Chairman of the General Meeting of AEP - Associação Empresarial de Portugal, Câmara de Comércio e Indústria para o Norte de Portugal, S.A..
- Chairman of the General Meeting of GED Ventures Portugal, SCR
- Founder and Chairman of the Board of Curators of the AEP Foundation

Cristina Maria da Costa Pinto (Permanent member)

Professional qualifications

- Bachelor's Degree in Management at the Economy Faculty of University of Porto
- Bachelor's Degree in Law at the Portuguese Catholic University

Career path in the last five years

- Member of the Statutory Audit Board of Mota-Engil, SGPS, S.A..
- Member of the Statutory Audit Board of various companies outside the Grupo
- Tax consultant in the company Pinheiro Pinto – Consultadoria, Lda.
- University Lecturer at Universidade Católica and Católica Business School
- Barrister

Susana Catarina Iglésias Couto Rodrigues de Jesus (Permanent Member)

Professional qualifications

- Bachelor's Degree in Management at the Economy Faculty of University of Porto
- Post-Graduate Degree in Risk Management and Derivatives at the Portuguese Catholic University
- Statutory Auditor

Career path in the last five years

- Member of the Statutory Audit Board of Mota-Engil, SGPS, S.A..
- Member of the Statutory Audit Board of various companies outside the Group
- Member of the Statutory Audit Board, as Statutory Auditor, of various companies outside the Group
- Member of the Supervision Committee, as Statutory Auditor, of the Supervisory Authority for Insurance and Pension Funds

34. Existence and location where the operating regulations, where applicable, for the Statutory Audit Board, the Audit Committee, the General and Supervisory Board and the Committee for Financial Matters may be consulted, referring to the point in the report where this information is given under the provisions of paragraph 24.

The Statutory Audit Board of MOTA-ENGIL has an internal regulation for its functioning. However, it is not published on the Company's website nor is it available for consultation. MOTA-ENGIL considers that the regulation goes beyond aspects of mere functioning of the bodies and contains confidential content, which is why it does not release it to the public. However, the main duties and responsibilities of the Statutory Audit Board are described in various paragraphs of this chapter III (paragraphs 30 to 38).

35. Number of meetings held and the level of attendance, where applicable, of each member of the Statutory Audit Board, the Audit Committee, the General and Supervisory Board and the Committee for Financial Matters referring to the point in the report where this information is given under the provisions of paragraph 25.

In 2022, fourteen meetings of the Statutory Audit Board were held, with the presence of all its members in office.

36. Availability of each of the members, where applicable, of the Statutory Audit Board, the Audit Committee, the General and Supervisory Board and the Committee for Financial Matters with indication of the posts held simultaneously in other companies within and outside of the group and other relevant activities carried on by the members of said bodies in the course of the period referring to the paragraph in the report where this information is given under the provisions of paragraph 26.

José António Ferreira de Barros (Chairman)

Duties in other companies of the Mota-Engil Group as at 31 December 2022

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Manager of SPAL – Sociedade Portuguesa do Ar Líquido, Lda.
- Member of the Board of Curators of the Eça de Queiroz Foundation
- Chairman of the Statutory Audit Board of CIN - Corporação Industrial do Norte, S.A..
- Chairman of the General Meeting of AMAR - Associação Mutualista dos Artistas, Casa do Artista - Norte
- Chairman of the General Meeting of FASE - Estudos e Projectos, S.A..
- Chairman of the General Meeting of AEP - Associação Empresarial de Portugal, Câmara de Comércio e Indústria para o Norte de Portugal, S.A..
- Chairman of the General Meeting of GED Ventures Portugal, SCR
- Founder and Chairman of the Board of Curators of the AEP Foundation

Cristina Maria da Costa Pinto (Permanent Member)

Duties in other companies of the Mota-Engil Group as at 31 December 2022

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- University Lecturer at Universidade Católica and Católica Business School
- Tax consultant in the company Pinheiro Pinto – Consultadoria, Lda.
- Member of the Statutory Audit Board of the following entities:
 - Bank L. J. Carregosa, S.A.
 - Haitong Bank SGPS, S.A.
 - Sogrape SGPS, S.A.
 - Super Bock Group SGPS, S.A.

Susana Catarina Iglésias Couto Rodrigues de Jesus (Permanent Member)

Duties in other companies of the Mota-Engil Group as at 31 December 2022

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Chairwoman of the Statutory Audit Board of Flexdeal – Sociedade de Investimento Mobiliário para Fomento da Economia, S.A.
- Chairwoman of the Statutory Audit Board of Bright Ventures Capital, SCR, S.A.
- Member of the Statutory Audit Board of Sonae Capital, SGPS, S.A.
- Member of the Statutory Audit Board of Sociedade Banco Primus, S.A.
- Member of the Statutory Audit Board, as Statutory Auditor, of Associação Porto Digital (Digital Porto Association)
- Member of the Statutory Audit Board, as Statutory Auditor of Sociedade Lusa - Agências de Notícias de Portugal, S.A.
- Statutory Auditor of the following entities:
 - Frezite - Ferramenta de Corte, S.A.
 - Frezigest, S.A.
 - Oftaline, S.A.
 - Comissão de Coordenação e Desenvolvimento Regional do Norte (Northern Coordination and Regional Development Committee)
 - Gestão e Obras do Porto, EM
 - Seri, Lda.
 - Mia Borsa - Fabrico e Comércio de Malas e Carteiras, Lda.

37. Description of the procedures and criteria applicable to the activities of the supervisory body for the purposes of contracting additional services from the external auditor.

According to the legislation, MOTA-ENGIL's Statutory Audit Board is responsible for properly assessing threats to the independence of the statutory auditor arising from the provision of services other than those of audit. These services, which are not prohibited by law, must still be subject to a preliminary opinion, duly justified.

Accordingly, additional service rendering other than that of audit by the statutory auditor or auditor of MOTA-ENGIL was subject to the assessment of the Statutory Audit Board. Therefore, a duly justified opinion on the possibility of its rendering was issued for each service provision request.

Moreover, the Statutory Audit Board also receives, on an annual basis, under article 62-B of Decree-Law no. 487/99 of 16 November (amended by Decree Law no. 224/2008 of 20 November), an external auditor's independence statement, describing the services provided by the auditor and other entities in the same network, the respective fees paid, any threats to their independence and the measures for its safeguarding. All threats to the independence of the external statutory auditor were assessed and discussed, along with the respective safeguarding measures.

For additional information on this matter, see paragraph 46.

38. Other functions of the supervisory bodies and, where applicable, the Committee for Financial Matters.

The Statutory Audit Board is responsible for the following, under the law and the respective operating regulation:

- to supervise the Company's management;
- to check compliance with the law and regulations, articles of association and the regulations issued by the supervisory authorities together with the general policies, regulations and practices instituted within the GROUP;
- to check, in the GROUP's companies, the fulfilment of the fundamental goals of: (a) internal control, (b) internal audit and (c) risk management with regard to the financial information preparation and disclosure procedure, without infringing their independence;
- to ensure the suitability and supervision of fulfilment of the accounting policies, criteria and practice adopted, the estimates and judgements and the correct books, accounting records and supporting documents;
- to check, whenever and as deemed adequate, the volume of availabilities and the stock of any type of assets or amounts belonging to or received by companies of the GROUP as a deposit or other guarantee;
- to check the accuracy of the accounting documents of the companies of the GROUP and follow up on the financial information preparation and disclosure procedure, presenting recommendations or proposals for ensuring their integrity;
- to provide, on an annual basis, an opinion on the report, the accounts and proposals submitted by the Board of Directors, including the statement laid down in article 29-H, paragraph 1, subparagraph c) of the Portuguese Securities Code and attesting to whether the report on the corporate governance structure and practices includes the elements referred to in article 29-H of the Portuguese Securities Code;
- to convene the General Meeting, when its Chairman fails to do so;
- to receive communications regarding irregularities detected or submitted by workers, shareholders or others, delegating to the Risk and Internal Audit Committee, through the Internal Audit area, the management of the respective procedure;
- to select and propose the appointment of a candidate to Statutory Auditor to the General Meeting and justifiably recommend its preference under article 16 of Regulation (EU) no. 537/2014;
- to follow up on the periodic auditing of the individual and consolidated annual accounts, including their execution, taking any conclusions and recommendations of the CMVM into consideration;
- to review and discuss with the Statutory Auditor the contents of the additional report for the supervisory body provided for in article 11 of Regulation (EU) no. 537/2014;
- to inform the Board of Directors of the results of the periodic audit of the accounts and explain how it contributed to the integrity of the process of preparing and disclosing financial information, as well as its role in this process;
- to supervise the Statutory Auditor's independence and assess and decide on the provision of non-forbidden services by the Statutory Auditor to the Group or to its subsidiaries, upholding legal requirements;
- to issue an opinion on the maintenance of the Statutory Auditor beyond an eight-year period, taking into account the conditions of independence and the advantages and costs of their replacement;
- to issue an opinion on the Policy of Transactions with Related Parties;
- to draw up a report regarding all transactions carried out with holders of qualifying holdings or entities mentioned under the terms of article 20 of the Portuguese Securities Code, or with other related parties (including members of any governing body), or their renewals, except transactions that take place in the normal course of business, of an amount that is lower than 1,000,000 Euros;
- to monitor compliance with the Policy of Transactions with Related Parties, particularly by analysing the recording of potential transactions from Related Parties twice a year.

For purposes of selection of the Statutory Auditor to be hired by the Company, the Statutory Audit Board adopts the following methodology: (1) pre-assessment of entities with potential to provide such services; (2) preparation and transmission to the selected entities of the request for submitting a proposal with indication of the scope and type of services to be globally provided to the GROUP companies, criteria of selection and respective schedule; (3) submission of the proposals by the selected companies; (4) analysis of the proposals and assessment according to objective criteria; and (5) selection and proposal of a contract.

On the other hand, the Statutory Audit Board also needs to come to a decision on the general guidelines of the Company's strategy, as well as on its Corporate Risk Policy, prior to its final approval by the Board of Directors, and to recommend the implementation of mechanisms and internal control procedures with a view to ensuring that the risks actually incurred by the GROUP are consistent with the risk-related goals established by the Board of Directors.

Additionally, the Statutory Audit Board is responsible for issuing a statement, every four months, on the monitoring of the execution of the GROUP's Strategic Plan.

Lastly, among other responsibilities, the Statutory Audit Board is also responsible for following up and assessing the performance of duties by the Compliance, Risk, and Internal Audit departments. As such, and within the scope of the respective supervisory function, the Statutory Audit Board monitors the work plans and resources allocated to the areas mentioned above, being the recipient of periodical reports issued by those functions as well as of information on matters related to accountability, identification, or settlement of conflicts of interest and detection of possible illegalities.

IV. Statutory auditor

39. Identification of the Statutory Auditor and the Statutory Auditor partner representing the former.

The position of Statutory Auditor of the Company is performed by the Audit Firm PricewaterhouseCoopers & Associates – SROC Lda., represented by António Joaquim Brochado Correia.

40. Indication of the number of consecutive years in which the Statutory Auditor has consecutively carried out duties with the Company and/or Group.

The position of Statutory Auditor has been performed since 2017 (six years) by PricewaterhouseCoopers & Associates – SROC, Lda.

41. Description of other services provided by the Statutory Auditor to the company.

See response in paragraph 46 below.

V. External Auditor

42. Identification of the external auditor appointed for the purposes of article 8 and the statutory auditor partner representing the former in the performance of these duties, together with the respective CMVM registration number.

The Statutory Auditor of the Company, according to article 8, paragraph 2, of the Portuguese Securities Code, is PricewaterhouseCoopers & Associates – SROC, Lda., represented by António Joaquim Brochado Correia, and is registered with the CMVM under number 20161485.

43. Indication of the consecutive years during which the external auditor and the statutory auditor partner representing the former in the performance of these duties renders service to the Company and/or the Group.

PricewaterhouseCoopers & Associates – SROC, Lda. and its representative began to provide audit services to the Company in 2017 (six years ago).

44. Policy and frequency of rotation of the external auditor and the statutory auditor partner representing the former in the performance of these duties.

The Company's policy in terms of rotation of the External Auditor is to regularly carry out a consultation process to select the external auditor every four years (every three years in the next term of office). However, in 2016, as part of the legal requirement on the need of rotation of the auditors, the Statutory Audit Board of the Company launched a new consultation process for the period between 2017 and 2022 and invited three out of the four of the largest internationally recognised firms of auditors to submit proposals for the provision of audit services to the MOTA-ENGIL GROUP. As a result of the above mentioned consultation, the Statutory Audit Board of the Company suggested the appointment of PricewaterhouseCoopers & Associates, SROC, Lda. In addition, the policy of the Company and of the auditor regarding the rate of rotation of the Statutory Auditor representing the company in the performance of these functions is in accordance with applicable legal requirements, i.e. two or three terms of office, depending on whether it is a four or three years term, respectively.

45. Indication of the body responsible for the assessment of the external auditor and frequency of said assessment.

The Statutory Audit Board assesses the Auditor on an annual basis, taking on the responsibility of supervising its qualifications and independence, and additionally ensures that the appropriate conditions for the provision of the services is provided within the Company; the Statutory Audit Board is also the Company's point of contact and the first recipient of the Auditor's reports.

Although this is not a specific or exclusive competence of the Shareholders' General Meeting, nothing prevents it from being called upon to decide, on demand by the Statutory Audit Board, on the removal of the Auditor, if a valid reason is identified. In any case, and as of this date, the Statutory Audit Board of MOTA-ENGIL has had no reason to consider taking steps towards removing the Auditor of the Company.

46. Identification of the tasks other than auditing carried out by the external auditor for the company and/or for companies which it controls, and indication of the internal approval procedures for contracting said services and the reasons for doing so.

The services other than auditing rendered by the Auditor and the Statutory Auditor in the financial year of 2022 are detailed below:

- Provision of a license to access the Inforfisco database, which consists in a repository of tax nature from public sources (ranging from legislation to jurisprudence);
- Issue of reports ensuring the reliability of the regulated accounts of some concessionaire companies to be submitted to the regulatory body (ERSAR);
- Limited reviews to the individual and consolidated financial statements of some mixed-ownership companies, in accordance with the International Standard on Review Engagements ISRE 2410;
- Issue of reports ensuring the reliability regarding the validation of financial ratios related with loans obtained and calls for tenders in which the GROUP Companies took part;
- Issue of two reports on agreed upon procedures, "Report of factual findings", associated with the issue of a debenture loan on the part of the Company;

- Provision of tax compliance services to GROUP companies located in Oman;
- Conduct financial and legal due diligence on two concessionaire companies, at the request of the grantor;
- Issue of a reasonable assurance report on a GROUP's company's failure to meet the criteria for being considered a "business in difficulty";
- Issue of a limited assurance report on the statement of confirmation that the commencement of work on the acquisition of the investment by a GROUP's company under an application has not taken place prior to the submission of said application;
- Issue of a report on agreed-upon procedures regarding the assessment of the financing capacity of a GROUP's company.

As mentioned in paragraph 37 above, the Statutory Audit Board is responsible for supervising the independence of the Auditor and, within that scope, assess and issue an opinion on the provision by the Auditor of additional services to the Company (other than auditing) or to companies controlled by it. As such, for each service provision request, a duly justified analysis was issued on the possibility of its execution.

All threats to the independence of the Auditor were assessed and discussed with the auditor together with the respective safeguarding measures. Therefore, on account of the fact: (i) that the services referred to above are not prohibited; (ii) that a significant part thereof correspond to reliability assurance services; (iii) that a part of said services should be preferably (for time efficiency reasons) or mandatorily (due to legal requirement) executed by the Statutory Auditor/Auditor of the Company and (iv) that, on the whole, the global fees for services other than auditing or reliability assurance services are negligible, the Statutory Audit Board considered that the independence of the Auditor was not affected by the provision of such services.

In addition, within the scope of its work, the Auditor checks the application of the remuneration policies and systems as well as analyses the efficiency and operation of the internal control mechanisms. In case any deficiency or irregularity arises, it is reported to the Statutory Audit Board.

47. Indication of the annual amount paid by the company and/or legal persons, controlled or part of the group, to the auditor and to other individuals or legal persons belonging to the same network, as well as the percentage for the following services (for the purposes of this information, the concept of "network" is that deriving from the recommendation of the European Commission no. C (2002) 1873, of 16 May)

In 2022, the annual remuneration supported by the Company and by the Group, and controlled companies, with the external auditors (PricewaterhouseCoopers & Associates – SROC, Lda), including other entities forming part of the same network, was 2,073,858 Euros, which was distributed among the following services:

Nature of the Service	By the Company		By other Group entities		TOTAL	
	Amount (Euros)	%	Amount (Euros)	%	Amount (Euros)	%
Audit and statutory audit of accounts	117,650	54%	1,701,098	92%	1,818,748	88%
Other reliability assurance services	100,000	46%	85,093	5%	185,093	9%
Tax consultancy	-	0%	9,151	0%	9,151	0%
Services other than the statutory audit of accounts	-	0%	60,866	3%	60,866	9%
TOTAL	217,650	100%	1,856,208	100%	2,073,858	100%

C. INTERNAL ORGANISATION

I. Articles of association

48. Regulations applicable to the amendment of the articles of association of the Company

Amendments to the articles of association must be approved by a qualified majority of at least 70.01% of votes cast.

II. Reporting of irregularities

49. Means and policies for the reporting of irregularities which occur in the company.

The Company has in place a procedure which establishes the mechanisms to adopt for reporting irregularities. The procedure considers that 'irregularities' are all acts or omissions, wilful or negligent, practiced by employees of the Company during the exercise of their duties, which breach: i) the law, standards or regulations in force; ii) the "Code of Ethics and Business Conduct"; and iii) best management practices; in all cases, this regards accounting, internal controls, audit, fight against corruption and financial crimes. Reports received which fall beyond this scope will not be handled by the referred to procedure.

This procedure covers the following aspects:

- (i) handling purpose;
- (ii) voluntary nature of the reporting;
- (iii) rights of the reported individual, particularly of access to information;
- (iv) the whistle-blower's right to no retaliation, intimidation or discrimination;
- (v) non-misuse or use in bad faith, under penalty of commencement of disciplinary or legal proceedings; and
- (vi) confidentiality of reporting, as well as of the whistle-blower, ensuring the appropriate safety measures.

The reporting of irregularities must be performed in writing, via email or letter, to at least one of the following addresses:

- etica@mota-engil.com
- Internal Audit – Rua do Rego Lameiro, nº 38, 4300 – 454 Porto
- www.mota-engil.pt/Provedoria

By delegation of the Statutory Audit Board, in charge of receiving whistleblowing reports under the Portuguese Commercial Companies Code, the receipt and forwarding of reports of concerns or infringements is the responsibility of the Internal Audit area. Some cases, due to their nature, may be forwarded to the corresponding functions of the company.

The stages in the whistleblowing process include receipt and recording; preliminary examination and confirmation of the alleged information; notice; investigation; and final report, with corrective measures and conclusion/opinion on the reported situation, transmitted to the Statutory Audit Board.

Every six months, a report is made summarising the most recurrent situations reported, as well as relevant indicators on the results obtained. This report is aimed, among other things, at helping to detect potential weaknesses or opportunities for improving process control and contributes to a proposal of review of said process control and/or review of the whistleblowing mechanism.

III. Internal control and risk management

50. People, bodies or committees responsible for internal audit and/or implementation of internal control systems.

As the ultimate independent body to ensure compliance with processes and procedures, and reporting to the Board of Directors, the Risk and Internal Audit Committee's mission is to support the management of the MOTA-ENGIL GROUP, strengthening the means and methods of operation as regards internal control and business risk monitoring. Additionally, this Committee is also responsible for monitoring the development of overall risk levels and assess, together with the Executive Committee, the risk monitoring and control measures.

The Risk and Internal Audit Committee has under its hierarchical dependence the Internal Audit corporate team, whose mission is to support the achievement of strategic objectives, the assessment, compliance and continuous improvement and internal control of the management processes of the GROUP.

Consequently, the Internal Audit area has a structure specifically allocated to perform the following functions:

- fulfilment of management, financial, operational and technological audits in the various companies and projects of the GROUP;
- audit the proper application of the defined processes, establish best practices and policies;
- check the compliance with internal defined procedures, laws, regulations and contracts;
- check the compliance with the internal control procedures considering the recommendations of the various market regulators as well as with the applicable legislation in the various markets in which the GROUP is present;
- ensure the adequate follow-up on the recommendations issued in the reports sent to the Risk and Internal Audit Committee;
- assess the reporting and compliance procedures with the GROUP's Code of Ethics and Business Conduct and Compliance Policies;
- support the Board of Directors, the Statutory Audit Board and the Risk and Internal Audit Committee in the areas related to the relevant management processes and procedures.

In addition, the Statutory Audit Board is responsible, among others, for assessing the operation of the internal control system and for proposing the respective adjustment to the GROUP's needs. In this area, it should be noted that, as stipulated in article 420, paragraph 1, subparagraph i) of the Portuguese Commercial Companies Code, it is up to the Statutory Audit Board to check the effectiveness of the risk management system, the internal control system and the practice of internal audit.

Additionally, the Statutory Audit Board accesses the reports and opinions issued by the Risk and Internal Audit Committee, supervises the implementation of the principles and policies applied to the identification and management of the main financial and operating risks, and oversees the measures aimed at risk monitoring, controlling and dissemination.

The Board of Directors and the Statutory Audit Board acknowledge the importance that the risk management and internal control systems in the GROUP, encouraging the human and technological conditions susceptible of providing an environment of control that is proportionate and suitable to the risks of the activity.

The Executive Committee is also responsible for ensuring the creation and operation of internal control and risk management systems.

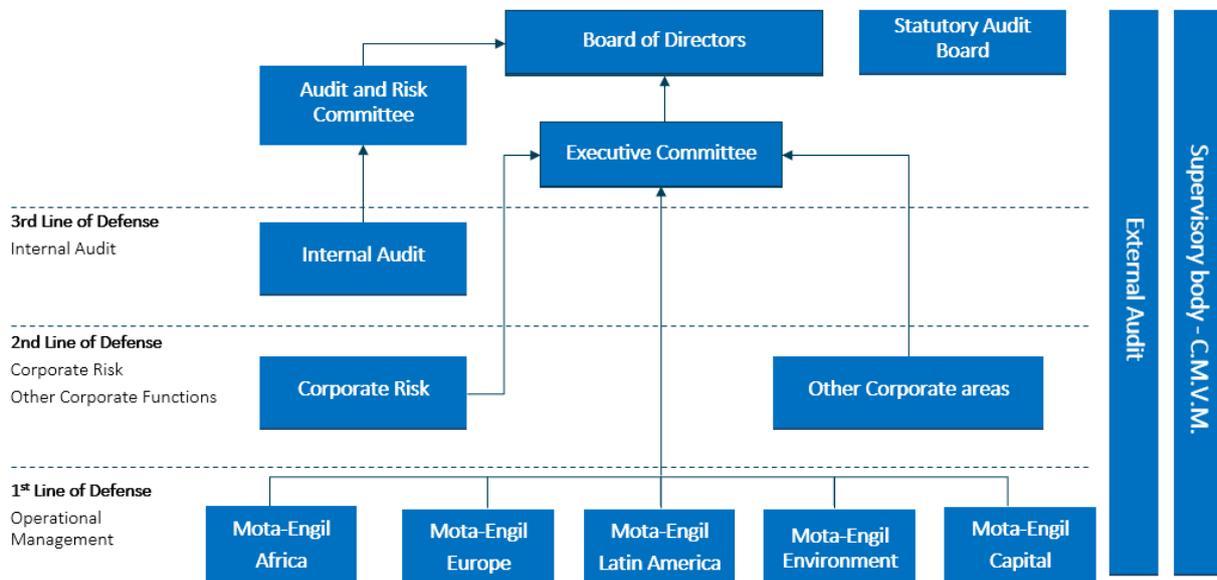
Furthermore, with the significant growth of the GROUP's international activity and consequent geographic and business diversification, the GROUP's organisational structure has become increasingly larger and more complex. Ensuring the proper operational autonomy to the business, MOTA-ENGIL, within its strategic and financial aspect, has a governance model which includes a structure named Corporate Centre, encompassing all corporate functions supporting the Executive Committee, which work as control instruments for business performance and for a more robust and better structured risk management, in accordance with the GROUP's policies, procedures and strategic vision.

The risk management activity and its focus on a specific area, the Corporate Risk Area, is under the responsibility of an executive director, to reinforce risk assessment in a more systematic and efficient manner and with an appropriate communication interface with the various business areas in different markets and regions.

The risk management process is an integral part of the internal control system which consists of the development of management policies and procedures with a view to ensure the creation of value, protection of its assets, compliance with laws and regulations and a controlled environment that ensures compliance with MOTA-ENGIL's ethical principles and the reliability of the information reported.

51. Explanation, albeit with the addition of an organisational chart, of the hierarchical and/or functional dependence relations regarding other bodies or committees of the Company.

The organisation and governance model of MOTA-ENGIL are based on the implementation of international best practices regarding corporate governance, which ensures fully transparency of processes and procedures and an autonomy and independence of action set out in the "three lines of defence" model, as shown in the organisational chart below, fulfilling with the guidelines of the position paper of the "Institute of Internal Auditors" for an efficient risk and control management of an organisation.



- The first line of defence consists of the Business Units, markets, companies and projects, which are responsible for managing the risk on the frontline, playing a key role in managing them, as they are usually closest to most of them and are therefore continuously confronted to evaluate the risks, with the amount of risk to be taken on and to define the options for dealing with the risks. This decision-making is accompanied by a conscious weighing up of the risks involved not only for the Business Unit, market, company or project, but also balancing the wider impact of the risk on the GROUP as a whole.

The Business Units are responsible for the identification, assessment, reporting and mitigation of risks, to facilitate, standardise and streamline the risk management process. Operational management defines risk managers known as Risk Owners, as responsible for identifying risks in their business area and act as focal points in the relationship with the Corporate Risk area.

- The second line of defence is represented by the Corporate Centre areas, which report to the Executive Committee and among which we highlight: Business Control; Strategic Planning and M&A; Corporate Finance; Corporate Tax; Corporate Risk; Human Resources Strategy; Legal Affairs; Compliance, IT and Digital Transition, Safety, Health, Environment and Quality and Commercial and Budgeting. All these areas contribute, within the scope of their functional area and in a complementary manner, to the dissemination of the across-the-board risk policies, as long as with the due consent / approval of the Executive Committee.
- The third line of defence is represented by the Internal Audit area, whose main function is to contribute to the achievement of the strategic objectives, assessing the compliance and continuous improvement of the effectiveness of the internal control of the GROUP's management processes, supporting the prevention and mitigation of control risks that could result in the risk of financial loss and promoting compliance by the GROUP and its employees with all applicable regulations through independent intervention, in conjunction with all the GROUP's organic units.

The Internal Audit area reports to the Risk and Internal Audit Committee, an independent body which in turn reports directly to the Board of Directors and is composed of three permanent members.

CMVM (regulating entity), the Auditor and the Statutory Audit Board are outside the Company's structure, but play an important role in the overall structure of governance and control, in particular:

- By providing assessments to the Company's stakeholders, including the governance bodies and the Board of Directors; and
- By establishing requirements with the intention of strengthening controls and having an independent and objective function to evaluate all or part of the first, second or third line of defence with respect to these requirements, seeking to act in a cooperative manner and in permanent dialogue with the Company.

52. Existence of other functional areas with risk control competences.

Risk management of the Company and its subsidiaries is an integrating element of all organisational and decision processes, rather than an isolated activity apart from the GROUP's main activities.

Management and risk control are monitored by the Board of Directors, the heads of the Business Units and the Company's corporate areas.

The corporate risk area, which is also part of the second line of defence, is responsible for defining the risk management policy and guaranteeing its proper implementation, ensuring that the Company is aware of its main risks, supporting the analysis of the risk appetite and respective definition of limits, as well as the process of cascading risk management throughout the organisation through the structure defined in order to promote good implementation, accountability and culture in terms of risk.

Furthermore, this area is also responsible for producing quarterly reports detailing the levels of exposure to each of the main risks, through Key Performance / Risk Indicators (KPI/KRI) identified throughout the year, as well as selecting and implementing the risk management options. These reports are subsequently analysed by the Executive Committee, enabling a reflection on the main recommendations and a decision on the risk management options to be adopted, which are also shared with the Risk and Internal Audit Committee.

53. Identification and description of the main economic, financial and legal risks that the Company is exposed to in the course of its activities.

Risk management in the MOTA-ENGIL GROUP is based on a continuous identification and analysis of the different types of risks inherent to its activity, in the different countries where it operates, that are common to the entire Group – cyclical risks, financial risks, interest rate risks, exchange rate risks, liquidity risks, credit risks, operational risks, legal risks, regulatory risks, environmental risks, among others – and the adoption of profitability maximisation strategies.

A separate chapter of the Management Report, which is considered an integral part of this report by reference, contains the detailed description of the main risks to which the GROUP is exposed in its business (chapter C of the Non-Financial Information Report).

54. Description of the process of risk identification, assessment, monitoring, control and management.

Risk management is incorporated throughout the MOTA-ENGIL GROUP and its main objective is to identify, assess and manage the opportunities and threats that the different businesses, in different locations, face in pursuing the objectives of value creation.

The MOTA-ENGIL GROUP pursues the best practices defined for internal control and risk management, and, in this chapter, its management incorporates the internal control system based on the international guidelines of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), namely as regards the assessment and attribution of degrees of criticality and priority to risks according to their impact on business objectives and their probability of occurrence.

Risk management is an across-the-board responsibility, particularly of Business Units, the different corporate areas, with a special emphasis on the Corporate Risk area - which coordinates the different risk information and monitors based on an overall perspective, and of the Internal Audit area.

The cyclical and consecutive cluster of risk identification stages of the GROUP is described as follows:

- Risk assessment: Risk identification, analysis and assessment;
- Risk management: Selection and implementation of options to address the risk;
- Monitoring and review: Ensure and improve the quality and effectiveness of process design, implementation and results; and
- Recording and reporting: Documentation and communication of the process and results.

Each year, according to a plan defined and adopted by the Risk and Internal Audit Committee, operational compliance and financial audits are carried out aimed at testing the effectiveness of the internal controls implemented by the GROUP.

The Corporate Risk area ensures the effective implementation of risk management through continuous monitoring of the respective adequacy and effectiveness, monitoring of any mitigation measures regarding deficiencies in internal control and permanent monitoring of risk levels and implementation of control measures.

The evaluation of the internal control and risk management system allows the assessment of its effectiveness, notwithstanding the reference of improvement measures to be implemented in the short and medium-term, within a process that seeks progress and continuous improvement, as suitable for the development of the business Organisation and its strategic challenges.

Accordingly, the strategy and main policies defined by the Board of Directors are permanently monitored through the internal control system implemented by the GROUP, the efficiency of which allows in part to ensure the Company's long-term success.

Finally, the implementation of the main policies defined by the Board of Directors (described in greater detail in the attached report on non-financial information) in the environmental, social, human rights, gender equality, non-discrimination between employees, fight against corruption and attempts at bribery fields, among others, are an example of the positive contribution that the GROUP has made and intends to continue to make in the long term to the community.

55. Main elements of the internal control and risk management systems implemented in the Company regarding the process of disclosure of financial information (article 29-H, paragraph 1, subparagraph m)).

The existence of an effective internal control environment, particularly in the financial reporting process, is a commitment of the Management and Supervisory Bodies, as well as from business units and the corporate centre, which are responsible for producing financial information.

The Board of Directors is continually committed to ensure that appropriate policies are implemented, guaranteeing that the financial statements are reported in accordance with the accounting principles adopted.

The financial information disclosed to the market is prepared by the employees in charge of the Business Control and Investor Relations areas, based on information provided by the Business Units, and disclosed to the capital market by the representative for investor Relations.

All financial information documents to be submitted to the market are sent to the management and supervisory bodies beforehand and are only released after being analysed and approved by them.

The financial reporting workflow involves a limited number of MOTA-ENGIL's employees. Additionally, through the processes and controls implemented, some of which are referred to in paragraphs 50 to 54 below, MOTA-ENGIL prepares and discloses in an appropriate and thorough manner, to its various stakeholders and within internally defined deadlines (monthly) or within the dates established by law, the financial information necessary for the analysis and assessment of the GROUP's activity.

To this end, and in accordance with the provisions in Regulation (EU) no. 596/2014 of the European Parliament and the Council, MOTA-ENGIL drafted a list - constantly updated - of all its employees, whether employed by the Company or not, who have regular or occasional access to privileged information. Each employee was informed of their inclusion in the corresponding list and provided with an explanation on: (i) the reasons that led to their inclusion in such list; (ii) the rights and obligations set forth in the law; (iii) the consequences resulting from the dissemination or abusive disclosure or use of privileged information; and the respective employees confirmed they were made aware of their inclusion in said list and of their obligations arising therefrom.

Lastly, the Auditor/Statutory Auditor, within the scope of their work, issues an opinion in its audit report on the inclusion of the elements required by the Company under article 29-H of the Portuguese Securities Code regarding the report on Corporate Governance practices. In this sense and considering paragraph m) of the referred article, the workflow for the disclosure of financial information follows the key elements regarding the internal control and risk management systems within the Company.

IV. Investor support

56. Responsible service for investor relation, its composition, functions, information provided by such service and contacts.

The Company maintains ongoing contact with investors and analysts through the Investors Relations area, making up-to-date, relevant and reliable information available, as well as providing clarifications regarding the GROUP's business, with a view to improving their awareness and understanding of the GROUP.

The Investors Relations area, jointly with the Business Control area, regularly prepares presentations for the financial community, reports with biannual and annual results, as well as market-relevant communications whenever this proves necessary for disclosing or clarifying any event which might influence the share price of MOTA-ENGIL. In addition, and when requested, clarifications are provided about the GROUP's activities in response to questions raised by email or telephone.

All information disclosed is made available on the CMVM webpage (www.cmvm.pt) and the MOTA-ENGIL webpage (www.mota-engil.com).

The head of the Investor Relations area is Mr. Pedro Manuel Arrais, whose contact details are:

Rua Mário Dionísio, 2
2799-957 Linda-a-Velha
Tel.: 351 214 158 200
Fax: +351 214 158 688
Email address: pedro.arrais@mota-engil.pt

57. Representative for market relations.

The representative for market relations is Mr. Luís Filipe Cardoso da Silva, whose contact details are:

Edifício Mota
Rua do Rego Lameiro, 38
4300-454 Porto
Tel.: +351 225 190 300
Fax: +351 225 190 303
Email address: investor.relations@mota-engil.pt

58. Information on the proportion and the period for responses to inquiries received in the current year or outstanding from previous years.

As mentioned before, the Company maintains permanent contact, through the Investors Relations area, with its shareholders and analysts by providing constantly up-to-date information. When requested, it provides clarifications on the relevant facts of the GROUP's activities which have been disclosed pursuant to law. All requested information is analysed and answered in a period not exceeding five working days. Therefore, there are no pending requests from the previous year. The Company believes that its Investor Relations area ensures permanent contact with investors, concurrently keeping a log of inquiries and their respective follow up.

V. Website

59. Address(es).

The institutional website of the Company is available in Portuguese, Spanish, French and English and can be accessed at the following address www.mota-engil.com. In the area for investors, it is provided information to enable third parties to analyse the evolution of the Company and its current position in economic, financial and governance terms.

60. Web address providing information on the company, its status as an open capital company, registered offices and other elements referred to in article 171 of the Companies' Code.

<https://www.mota-engil.com/en/investors/corporate-profile/>

61. Web address for the articles of association and the operating regulations of its bodies and/or committees.

<https://www.mota-engil.com/en/investors/corporate-profile/>

62. Web address where information on the identity of the holders of terms of office in governing bodies, the representative for market relations, the Investor Support Office or equivalent structure and their respective functions and means of access may be found.

<https://www.mota-engil.com/en/institutional/corporate-bodies/>

<https://www.mota-engil.com/en/investors/investor-support/>

63. Web address where reporting documents can be found and which must be available for at least five years together with a six-monthly calendar of corporate events published at the beginning of each period, including general meetings, the publication of annual, six-monthly and, where applicable, quarterly accounts.

<https://www.mota-engil.com/en/investors/financial-information/>

<https://www.mota-engil.com/en/investors/investor-calendar/>

<https://www.mota-engil.com/en/investors/general-meetings/>

64. Web address where the notice of the general meeting is published together with all the related preparatory and subsequent information.

<https://www.mota-engil.com/en/investors/general-meetings/>

65. Web address where the company archives are made available, including decisions adopted at the Company's General Meetings, the share capital represented and the voting results for the last 3 years.

<https://www.mota-engil.com/en/investors/general-meetings/>

D. REMUNERATION

I. Competence to determine

66. Responsibility for determining the remuneration of governing bodies, the members of the executive committee or the managing director and company directors.

In accordance with the articles of association, the duties of the Remuneration Committee, appointed by the shareholders at a General Meeting, with the support of the Assessment and Remuneration Committee, are to define the policy for the remuneration of the corporate officers, setting the applicable remuneration in accordance with the duties performed, their performance and the Company's economic situation.

The remuneration of Company officers is determined by the respective Board of Directors, according with the principles of the remuneration policy submitted by the Remuneration Committee for evaluation at the General Meeting.

Lastly, it is also up to this Committee, with the support of the Assessment and Remuneration Committee, to annually confirm the correct implementation of the (fixed and variable) remuneration policy, which was adopted for the management bodies' members, as well as for the members of the different Committees.

II. Remuneration Committee

67. Composition of the remuneration committee, including the identification of other individuals or companies hired to provide support and statement of independence of each of its members and advisers.

The Remuneration Committee appointed for the three-year period 2021-2023 is composed of the following members: Mr. António Manuel Queirós Vasconcelos da Mota and Mr. Jingchun Wang, both members of the Board of Directors.

Mr. António Manuel Queirós Vasconcelos da Mota (Chairman, non-executive member of the Board of Directors and relative of two executive members) and Mr. Jingchun Wang (non-executive member of the Board of Directors and relative of two executive members) constitute the Remuneration Committee, having been appointed for these duties by the General Meeting, on a proposal from the majority shareholder Mota Gestão e Participações, SGPS, S.A. Their participation on the Remuneration Committee is limited exclusively to the representation of shareholder interests, intervening in that capacity and not as members of the management body. To ensure their independence in the performance of these duties, these members do not take part in any discussion or deliberation in which there is or there may be a conflict of interest, specifically when it comes to the setting of their relatives' remunerations as members of the management body. Additionally, it is generally believed, namely by the General Meeting that appointed them to their positions, that the members of the Remuneration Committee assemble the experience, wisdom and ethics to fully protect the interests conferred upon them.

In 2022, the Company did not hire any individual or legal persons to support the Remuneration Committee in its functions. Nonetheless, it is exclusively up to this Committee, within the budgetary limitations of the Company, to decide on the potential hiring of external consultancy services necessary and appropriate to perform their duties.

Moreover, it is also up to the Remuneration Committee to ensure that the potential consultancy services to be hired are provided with independence and the respective providers are not hired by the GROUP for the provision of other services without its authorisation.

Lastly, to provide information or clarifications to the shareholders, the Chairman or, in the Chairman's absence, another member of the Remuneration Committee attends the General Meetings or those the agenda of which includes items related to the remuneration of the members of the managing bodies and the different Committees of the Company.

68. Knowledge and experience of the members of the remuneration committee on remuneration policy.

It is considered that, by virtue of their respective curriculum and/or career path (see paragraph 7 of chapter 5 - Annexes "List of positions held by the members of the Board of Directors in the last five years"), the members of the Remuneration Committee possess knowledge and experience in matters of remuneration policy. Additionally, and when necessary, the Remuneration Committee is assisted by specialised internal or external resources to support its decisions regarding remuneration policy.

III. Remuneration structure

69. Description of the remuneration policy for the management and other statutory governing bodies referred to in article 2 of Law no. 28/2009, of 19 June.

As stipulated in Law no. 28/2009, of 19 June, a statement on the remuneration policy for members of the management and supervisory bodies used to be submitted annually to the General Meeting.

However, with the entry into force of Law no. 5/2020, the GROUP's remuneration policy proposal will have to be submitted to the General Meeting for approval at least every four years, and whenever there is a relevant change in the policy in force. Nevertheless, as determined by the Company's articles of association, the GROUP's remuneration policy is annually submitted at the Shareholders' General Meeting.

In the financial year of 2022, and in accordance with the remuneration policy proposal adopted at the General Meeting of 6 May 2022, the general principles observed in setting remuneration were essentially as follows:

a) Functions performed

The functions performed by each member should be considered in the broadest sense of the activity effectively carried out and the related responsibilities and not solely in a formal sense. The directors, executive directors or the members of the Statutory Audit Board shall not be in the same position. Consideration of the functions should be as broad as possible, considering such criteria as responsibility, time spent or value added for the GROUP, which results from a specific type of activity or institutional representation. Likewise, the existence of functions performed in other controlled companies cannot be excluded from this reflection, which means both an increase in responsibility and a cumulative source of income.

In line with the principle stated above, the GROUP has defined a remuneration policy that covers, in a segmented way, members of management and employees, based on the international Korn Ferry / Hay Group model for the scoring of functions.

In accordance with the current methodology, functions are assessed based on the knowledge, complexity and responsibility/autonomy required and are, subsequently, framed into predefined functional groups, which constitute the benchmark for determining conditions in matters of remuneration.

b) Financial situation of the Company

The financial position of the Company, its interests from a longer-term perspective and its growth and the creation of shareholder value should be taken into consideration.

In this context, the GROUP has been supporting its development through short and medium-term planning (GROUP's Strategic Plan), establishing goals and defining initiatives, being its execution subject to periodic evaluation through a set of KPIs, guiding performance around five strategic axes:

- Focus on the profitability of Engineering and Construction;
- Growth in the Environment, Concessions and Industrial Services;
- Efficiency programme;
- Sustainability; and
- Debt optimisation and diversification.

As the GROUP'S Strategic Plan is the tool that guides its strategy, the KPI comprise one of the key components for assessing members of the GROUP'S management and for determining their remuneration, driving the incentive mechanisms toward the effective creation of value in the long term.

c) General market conditions for equivalent situations

The establishment of any remuneration cannot avoid the laws of supply and demand, and the members of Governing bodies are no exception. Respect for market practises allows professionals to be maintained within a level of performance which is adequate to the complexity of their functions and their responsibilities. It is important that the remuneration is aligned with the market and stimulating as a means to achieve a high level of individual and collective performance, assuring not only their own interests, but essentially those of the Company and the creation of shareholder value.

Taking into account the above-mentioned principle, the periodic auditing of compensation practice as well as their comparison with the market falls within the remuneration policy for the GROUP. To this end, the international Korn Ferry / HayGroup methodology for the scoring of functions is adopted along with Korn Ferry / HayGroup salary studies aimed at comparative functional groups, thus ensuring competitive rationales of adjustment to the strategy for human resource development and the evolution of the salary market.

The main aspects of the Remuneration Policy can be summarised as follows:

1. The remuneration of executive members and non-executive non-independent directors of the Board of Directors shall be composed of a fixed and a variable component.

The remuneration policy embodies two fundamental aspects in the compensation of all members of management and employees of the GROUP: first, the equity/competitiveness of salaries, safeguarded by internal analysis and external comparison of the proportion of fixed payments in relation to the function exercised by holders of the position (using the Korn Ferry / HayGroup methodology as reference); secondly, meritocracy, complementing the fixed salary with a variable component dependent upon the assessment of performance.

2. The remuneration of independent, non-executive members of the Board of Directors, the members of the Statutory Audit Board and the presiding members of the Shareholders' General Meeting is composed solely of a fixed component.
3. The fixed component of the remuneration of members of the Board of Directors with executive functions along with the non-executive members who are not independent shall be payable 14 times per year.
4. The setting of the monthly amount of the fixed component of the remuneration of Board members will be made for all of those who are members of the Executive Committee and for those which, despite not being part of this committee, are not considered to be independent.
5. The setting of a predetermined sum for each participation in meetings of the members of the Board of Directors will be made for those considered to be independent and who have essentially non-executive functions.
6. The fixed remuneration of the members of the Statutory Audit Board and the presiding members of the General meeting will consist of a fixed amount payable 12 times per year.
7. The process of attribution of variable remuneration to executive members as well as to non-independent non-executive members of the Board of Directors shall obey the criteria proposed by the Remuneration Committee based on the performance assessment carried out, of their rank in the hierarchy, of the Company's long-term performance criteria, of the real growth of the company and of the selected performance variables.

Under the remuneration policy defined for the GROUP, variable remuneration is dependent on the assessment of performance, the general principles and the mode of application of which are to be found in the Corporate Performance Management Model.

The assessment of performance in the GROUP is two-fold: quantitative assessment, measured through the fulfilment of the KPIs indexed to the GROUP'S Strategic Plan and expressed in annual targets at the beginning of each assessment cycle; and qualitative assessment, which results from an individual assessment covering key skills for the GROUP.

The awarding of variable remuneration within the GROUP presupposes the observance of two cumulative conditions: achievement of barrier-targets, defined for each annual assessment cycle and drawn from the GROUP's Strategic Plan; and the satisfactory average achievement of the quantitative targets, weighed with the individual qualitative assessment, which can result in a pay-out amount that varies between predefined minimum and maximum percentages.

In addition, preventive mechanisms are established which inhibit the payment of variable remuneration so as to minimise the incentive for results not aligned with a perspective of the creation of sustainable value in the long term.

Therefore, no variable remuneration will be awarded where any of the following conditions is observed:

- One of the barrier-targets (which corresponds to the minimum to be attained in each KPI so that the payment of variable remuneration is eligible) is not attained in accordance with the parameters set for each annual assessment cycle.
 - The average attainment of the targets defined by KPI weighted with the individual qualitative assessment is unsatisfactory.
8. In setting all remunerations, namely in distributing the total sum allocated to variable remuneration of the Board members, the general principles quoted above will be observed: functions performed, financial situation of the Company and market criteria.

The GROUP's remuneration policy is extended to cover members of management and employees and is segmented into predefined functional groups (members of the Board of Directors being included in Top Executives), using the international Korn Ferry / HayGroup model for the scoring of functions. Under the GROUP's remuneration policy, it is ensured that the fixed remuneration for each functional group (for both the fixed and the variable components) is based on internal equity and salary benchmarking for the market periodically conducted.

With regard to the groups of companies whose remuneration policy and practices were taken as a comparative element for setting remuneration, the Remuneration Committee took into consideration, within the limits of available information, all Portuguese companies of equivalent size, namely PSI-20 companies, and also companies in other international markets with characteristics similar to those of the GROUP.

No agreements were established by the Remuneration Committee regarding payments to be made by the GROUP for dismissal or termination by agreement of positions as Directors.

As already mentioned, the remuneration of non-executive and non-independent members of the Board of Directors includes one variable component. The Company believes that, besides having the duty to reward the long-term strategy carried out by the entire Board of Directors, including the non-executive and non-independent directors, this does not pervert their non-executive function.

Apart from the articles of association, which determine that, overall, the variable remuneration of the members of the Board of Directors may not exceed 5% of the profits for the financial year, there are mechanisms in the remuneration policy in force that aim, on the one hand, at rewarding the effective creation of value in the long term, whilst on the other hand seeking to discourage the assumption of excessive risks and behaviours that are not aligned with the strategy outlined for the GROUP.

In this way, the fixed and variable remuneration is delimited by remuneration placeholders that are based on the position, the corresponding functional group, and the benchmarking in the market of reference. The fixed remuneration has an underlying predefined minimum and maximum value by functional group and the variable remuneration is dependent on performance assessment, which can result in a pay-out amount that varies between predefined minimum and maximum percentages. In aggregate terms, the mix of fixed and variable remuneration is balanced through the setting of minimum and maximum limits, provided for within the scope of the remuneration policy.

The Remuneration Committee considers that the way the remuneration of directors is structured is appropriate and believes that it is unnecessary to fix possible maximum, aggregate and / or individual limits regarding the remuneration payable to the members of the managing body, especially considering that the remuneration policy adopted is in line with the remuneration practices of most similar companies included in the PSI-20, when considering the characteristics of the Company.

The members of the Board of Directors did not conclude any contracts with the Company or third parties that have a mitigating effect on the risk inherent to the variability of their remuneration as fixed by the Company.

70. Information on the method by how remuneration is structured so as to allow for the alignment of the interests of members of management with the long-term interests of the Company, as well as how it is based on performance assessment and how it discourages excessive risk-taking.

The GROUP's current remuneration policy, as adopted by the General Meeting, seeks to promote the alignment of the interests of the directors and other Company bodies and managers with the interests of the Company in the medium and long term perspective, and is set on a fixed basis with a variable component (where applicable), according to the results of the activities carried out and the financial situation of the Company.

As described in paragraph 69, the GROUP's remuneration policy has underlying variable remuneration instruments structured to promote the alignment of the interests of the Board of Directors with the longer-term interests of the Company, which act as a deterrent to the assumption of excessive risk, particularly by monitoring certain KPIs.

To this end, indexation mechanisms are defined for variable remuneration based on the assessment of performance which, in turn, is based on KPIs set by the GROUP's Strategic Plan, defined for the long term.

Under the quantitative component of the assessment of performance, at the start of the assessment cycle, targets are defined for each KPI.

The award of variable remuneration in the GROUP requires an average satisfactory attainment of the targets set, weighed by the individual qualitative assessment.

In addition, preventive mechanisms for the inhibition of the payment of variable remuneration are established should any of the following conditions be met:

- One of the barrier-targets (which corresponds to the minimum to be attained in each KPI so that the payment of variable remuneration is eligible) is not attained in accordance with the parameters set for each annual assessment cycle.
- The average attainment of the targets defined by KPI weighted with the individual qualitative assessment is unsatisfactory.

71. Reference, if applicable, to the existence of a variable component of remuneration and information regarding the way this component depends on performance.

The remuneration policy for executive members of the Company's Board of Directors, and for non-independent non-executive members, follows a plan consisting of: (i) a fixed component defined in accordance with the function, the corresponding position within the functional groups predefined for the GROUP and market benchmarking (supported by the Hay international methodology for the scoring of jobs), which includes the basic gross remuneration paid in reference to the period of one year; and (ii) a variable component paid as performance bonus, taking into consideration the performance, based upon criteria defined and revised annually by the Remuneration Committee.

The criteria for awarding variable compensation to members of the GROUP's management bodies are indexed to the performance evaluation, which falls under the responsibility of the Remuneration Committee.

The assessment of performance comprises two components : quantitative assessment, measured through the fulfilment of the KPIs indexed to the GROUP's Strategic Plan and expressed in annual targets at the beginning of each assessment cycle; and qualitative assessment, that results from a discretionary individual assessment, which contemplates the following aspects, among others: (i) the effective availability shown in monitoring activity, both geographically and in terms of business; (ii) the availability shown in the monitoring, training and assessment by the GROUP's top management jointly with the Remuneration and Assessment Committee; (iii) the effective contribution, directly and indirectly, through motivation and awareness-raising of the top management to the attainment of the 5 strategic axes defined in the GROUP's Strategic Plan; and (iv) the dissemination/promotion and alignment with the compliance, risk management and sustainability policies defined by the GROUP.

The payment of variable remuneration applicable to the GROUP's executive members presupposes the presence of two cumulative conditions: the achievement of barrier targets, defined at the beginning of each annual assessment cycle, based on the GROUP's Strategic Plan, namely the attainment of the estimated net profit and the satisfactory achievement of quantitative targets weighed by the individual qualitative assessment, which may result in a pay-out amount that varies between a minimum percentage (0%) and a maximum (5%) of the annual net profit for all the members of the Board of Directors, as stipulated in the Company's articles of association.

Finally, in order to safeguard the long-term interests of shareholders and stakeholders, the MOTA-ENGIL GROUP has implemented a refund policy which, in the event of a restatement of the Company's accounts, provides for the possibility of refunding remuneration paid as variable pay.

The time period associated with the refunding mechanism shall take into account the period of restatement of the Company's accounts as well as the factors giving rise to it.

72. Deferred payment of the variable component of remuneration, with indication of the deferral period.

There is no deferral on the payment of variable remuneration. Nevertheless, the Remuneration Committee structures the remuneration of the members of the management body in a way that allows for long-term continuous positive performance of the Company. Ex ante, monitoring of positive performance is carried out through the periodic assessment of KPIs drawn from the GROUP's Strategic Plan, allowing the Company's performance evolution to be monitored. Ex-post, there are mechanisms defined in the remuneration policy that are aimed at inhibiting the payment of variable remuneration when one of the following conditions is not met:

- One of the barrier-targets (which corresponds to the minimum to be attained in each KPI so that the payment of variable remuneration is eligible) is not attained in accordance with the parameters set for each annual assessment cycle.
- The average attainment of the targets defined by KPI weighed with the individual qualitative assessment is unsatisfactory.

In order to safeguard the long-term interests of shareholders and stakeholders, the MOTA-ENGIL GROUP has implemented a refund policy which, in the event of a restatement of the Company's accounts, provides for the possibility of refunding remuneration paid as variable pay.

The time period associated with the refunding mechanism shall take into account the period of restatement of the Company's accounts as well as the factors giving rise to it.

Thus, the Remuneration Committee considers that the way the directors' remuneration is structured, namely the absence of any mechanism for deferring the variable component, weighed by the existence of restitution mechanisms and based on a qualitative assessment supported by sustainable performance parameters, is appropriate and enables the alignment of their interests with the Company's long-term interests. For the same reason, the Remuneration Committee deems it unnecessary to set any potential maximum, aggregate and / or individual limits to the remuneration payable to the members of the governing bodies, especially considering that the adopted remuneration policy is in line with the remuneration practices of most of the similar companies included in the PSI-20, considering the characteristics of the Company.

73. Criteria on which the award of variable remuneration in shares is based, as well as regarding the maintenance, by executive directors, of such shares; criteria for the potential conclusion of contracts related to those shares, specifically hedging or risk transfer contracts, their respective limits and relation with the amount of total annual remuneration.

The Company does not have, nor does it plan to have, any remuneration measure in force that includes the allocation of shares and/or any other incentive system with shares.

74. Criteria for the award of variable remuneration in options and indication of the period of deferral and the price of exercise.

The Company presently does not have or expect to have any means of remuneration which includes the awarding of the rights to acquire stock options.

75. Main parameters and grounds of any annual bonus system or any other non-monetary benefits.

The Company does not have any other annual bonus system or non-monetary benefits.

76. Main characteristics of the complementary pension schemes or early retirement for directors and date on which they were adopted individually at a General Meeting.

Apart from founding shareholders who are directors, the Company does not currently have complementary pension or early retirement schemes for directors. The founding shareholders who are directors are also beneficiaries of a retirement plan with defined benefits, which will broadly allow them to receive a pension equivalent to 80% of the salary on the date of retirement (see note 39 of the Notes to the consolidated financial statements). This plan was already in force prior to MOTA-ENGIL SGPS's admission to the stock exchange.

As at 31 December of 2022 and 2021, the accrued amounts of liabilities related to retirement plan benefits set for the above mentioned directors were as follows:

Name	Value in Euros		
	2022	2021	Variation
António Manuel Queirós V. da Mota	4,831,527	4,133,034	698,494
Maria Paula Queirós V. Mota de Meireles	5,571,373	5,291,270	280,103
	10,402,901	9,424,303	978,597

The variation that occurred in 2022 in the accrued liabilities was essentially due to the increase in the discount rate and the decrease in the expected age of retirement of the beneficiaries.

IV. Disclosure of remuneration

77. Indication of the annual sum of the remuneration received from the company, in aggregate and individually, by the members of the company's management bodies, including fixed and variable remuneration and, regarding the latter, reference to the various components which gave rise to it.

Members	Fixed Component	Variable Component	Other Remunerations	Attendance vouchers	Total
Executive directors					
Carlos António Vasconcelos Mota dos Santos	472,000	150,000	150,000		772,000
Di Xiao	456,000		26,357		482,357
Gonçalo Nuno Gomes de Andrade Moura Martins	561,000	200,000	205,984		966,984
Manuel António Fonseca Vasconcelos da Mota	480,000	300,000			780,000
Xiangrong Wang	305,302	20,000	10,695		335,997
Non-independent non-executive directors					
António Manuel Queirós Vasconcelos da Mota	570,000				570,000
Maria Paula Queirós Vasconcelos Mota de Meireles	251,000		9,691		260,691
Independent non-executive directors					
Ana Paula Chaves e Sá Ribeiro				75,000	75,000
Francisco Manuel Seixas da Costa				70,000	70,000
Helena Sofia Salgado Cerveira Pinto				75,000	75,000
Isabel Maria Pereira Anibal Vaz				70,000	70,000
Leong Vai Tac				35,000	35,000
Total					4,493,028

There are no plans for the allocation of shares or rights to acquire options on shares or any other incentive system with shares, since the criteria related to the variable components of the management bodies' remuneration are those listed in the remuneration policy described in paragraph 69.

Information regarding the link between remuneration and the performance of management bodies is the one stated in the remuneration policy described in paragraph 69.

Information regarding the main parameters and the grounds for any system of annual bonuses is that which is stated in the remuneration policy described in paragraph 69.

There are no other amounts paid for any reason by other controlled companies or within a group relationship.

Finally, on this topic, reference is also made to paragraph 8 of Chapter 5 - Annexes, where the Remuneration Report provided for under Article 26 G of the Portuguese Securities Code is presented.

78. Amounts of any kind paid by other companies under Group control, members of the Group or which are subject to joint control.

The amounts paid by other GROUP companies are set out in the table of the paragraph above.

79. Remuneration paid as share of profits and / or payment of bonuses and the reasons for said bonuses and/or the profit share granted.

The variable component of remuneration of the members of the Board of Directors corresponds to a performance bonus and depends on performance assessment, whose general principles and application method are provided for in the Performance Management Corporate Model, as previously explained in paragraph 69.

80. Compensation paid or due to former executive directors relating to the termination of their duties during the period.

No compensation was paid to former executive directors relating to the termination of their duties during the period.

81. Indication of the annual remuneration received, in aggregate and individually, by members of the company's supervisory bodies for the purposes of Law no. 28/2009, of 19 June.

Value in Euros		
Members	Company	Total
José António Ferreira de Barros	Mota-Engil SGPS	30,000
Susana Catarina Iglésias Couto Rodrigues de Jesus	Mota-Engil SGPS	30,000
Cristina Maria da Costa Pinto	Mota-Engil SGPS	16,769
		76,769

Additionally, the Auditing Firm PricewaterhouseCoopers & Associates – SROC, Lda, including other entities belonging to the same network, received, in the Company and in companies in a control or group relationship, the amount of 2,073,858 Euros during (see paragraphs 46 and 47).

82. Indication of the remuneration of the chairperson of the general meeting for the period.

In 2022, the General Meeting's chairperson earned 6,000 Euros and the secretary earned 3,000 Euros.

V. Agreements with remunerative implications

83. Contractual limitations for the compensation to be paid for undue removal of a director and its relationship with the variable component of the remuneration.

No limits are contractually set for the compensation to be paid for undue removal of a director other than that provided for in law. On the other hand, there is no agreement established with directors requiring the Company to pay any damages or compensation beyond what is legally required.

84. Reference to the existence and description, with disclosure of the amounts, of agreements between the Company and management members and managers in the context of article 248-B, paragraph 3 of the Portuguese Securities Code, which foresee for compensation in case of dismissal, unjustified dismissal or termination of the employment relationship following a change in control of the Company. (Article 29-H, paragraph 1, subparagraph I).

No agreements were entered into between the Company, its members or management, directors and managers which foresee for compensation in case of dismissal, unjustified dismissal or termination of the employment relationship following a change in control of the Company.

VI. Plans for the awarding of shares or stock options

85. Identification of the plan and awardees.

The Company presently does not have or foresees any remuneration measure that includes the awarding of the rights to acquire stock options.

86. Characterisation of the plan (conditions for the awarding, clauses prohibiting the disposal of shares, criteria relating to the price of the shares and the price for the exercise of options, the period during which the options may be exercised, characteristics of the shares or options to be awarded, the existence of incentives for the acquisition of shares and/or the exercise of options).

The Company presently does not have or foresees any remuneration measure that includes the awarding of the rights to acquire stock options.

87. Option rights awarded for the acquisition of shares (stock options) of which employees and collaborators of the company are beneficiaries.

The Company presently does not have, or foresees, any remuneration measure that includes the awarding of the rights to acquire stock options.

88. Mechanisms of control provided for in any system of employee participation in the company capital where the rights to vote are not exercised directly by the employees (article 29-H, paragraph 1, sub paragraph e)).

The Company presently does not have, or foresees, any remuneration measure that includes the awarding of the rights to acquire stock options.

E. TRANSACTIONS WITH RELATED PARTIES

I. Mechanisms and control procedures

89. Mechanisms implemented by the company for purposes of controlling transactions with related parties.

All business carried out between the Company and related parties is aligned with the interests of the Company and its subsidiaries and is carried out under normal market conditions. The mechanisms in force to control such transactions go through specific administrative procedures essentially resulting from legislation impositions and approval by the Board of Directors and the Statutory Audit Board (where applicable).

Following Law no. 5/2020, the Company prepare a Transactions with Related Parties Policy, which obtained a favourable prior opinion from the Statutory Audit Board.

The main aspects of this Policy are listed as follows:

1. Definition of related party - qualified shareholder, director, person exercising a significant influence and associated persons;
2. Scope of transactions with related parties:
 - a transaction with related parties is defined as a transaction that is not conducted in the “regular course of business” between the GROUP and a related party;
 - when assessing whether a transaction is in the “regular course of business”, the size and focus of the transaction, as well as whether that transaction is carried out within the scope of the regular activity of the GROUP and under market conditions;
 - transactions which are not carried out in the “regular course of business” or which are at least of an amount of 1,000,000 Euros shall be approved by the Board of Directors with the prior opinion of the Statutory Audit Board;
 - without prejudice to the provisions of the previous paragraph, transactions with related parties the individual or cumulative value of which corresponds to at least 2.5% of the Company’s consolidated assets shall be publicly disclosed, at the latest in the moment in which they occur.
3. Identification, characterisation and registration of related parties:
 - the persons and entities involved in the different types of related parties shall be identified and registered in the Company’s computer systems by creating a comprehensive list of related parties, which is to be updated at least biannually;

- the list referred to in the previous paragraph shall include the name or designation of the related party, the type of relationship of the related party with the GROUP, the taxpayer number or the business registration number and the respective percentage of all direct or indirect shareholdings, where applicable;
 - The Company's Secretary shall keep the list of related parties up-to-date and inform the governing bodies of the Company, the Corporate Centre area and the Internal Audit Area as regards said list, to ensure proper compliance with said policy.
4. Communication, recording and approval of transactions with related parties;
- If the counterparty of a transaction is included in the list of related parties, the Company's Business Control area shall enter the details of the proposed transactions in the Registration of potential transactions with related parties of the GROUP;
 - the registration of potential transactions with related parties of the GROUP shall contain at least the following information: (1) identification of the related party; (2) date of transaction; (3) description of transaction; (4) if the potential transaction with related parties entails the sale of an asset, the description of the asset, the date of acquisition and the book value must be included; and (5) amount involved in the transaction;
 - whenever the Company or any company of the GROUP intends to enter into a potential transaction with related parties, the Company's Secretary must, as soon as possible and in any case before the transaction is completed or a related agreement is concluded, be notified in writing (including by email) with the information contained in the Registration of the potential transaction with related parties;
 - the Company's Secretary shall inform the Board of Directors if it considers that the proposed transactions of which the former was notified by Business Control falls under a transaction with related parties for purposes of this Policy. In such a case, it shall request the approval of the Board of Directors for that transaction with related parties whenever the preceding condition of a favourable opinion by the Company's Statutory Audit Board is met;
 - a record of all approvals by the Board of Directors regarding transactions with related parties shall be kept under the supervision of the Company's Secretary and shall include details on the nature of the transactions with related parties, the date of approval and any conditions to which the approval is subject;
 - on an annual basis, the Board of Directors shall meet to review all transactions with related parties of the previous twelve months in order to determine if such transactions were completed in the regular course of business and under market conditions, in particularly analysing the Registration mentioned above. The Statutory Audit Board shall attend, at least with regard to this item, the meeting of the Board of Directors in which the analysis referred to above is performed.
5. Definitions of exempt related parties.

90. Indication of the transactions which were subject to control in the period in question.

In 2022, there were no transactions liable to be controlled by the Statutory Audit Board.

91. Description of the procedures and criteria applicable to the actions of the supervisory body for the purposes of prior assessment of the transactions to be carried out between the company and the holders of qualified shares or entities with which there is any relationship under the terms of article 20 of the Portuguese Securities Code.

See response in paragraph 89 above.

Additionally, according to the defined periodicity, an analysis of the transactions completed with related parties is made available to the Statutory Audit Board, separating transactions completed in the normal course of business from those that were not and which must be previously approved by the Statutory Audit Board.

II. Elements relating to the business

92. Indication of the place in the financial statements where information is available on business with related parties in accordance with IAS 24 or, alternately, the reproduction of this information.

The information on business carried out with related parties is described in Note 41 to the consolidated financial accounts in the Report of Consolidated Accounts 2022.

PART II – ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the corporate governance code adopted

This report complies with the model in the Annex to CMVM Regulation no. 4/2013, of 1 August, and is based on Corporate Governance Code of the Portuguese Institute of Corporate Governance (2018 and revised in 2020), available on its webpage www.cgov.pt.

2. Analysis of compliance with the corporate governance code adopted

Breakdown of the recommendations included in the Corporate Governance Code of the Corporate Governance Portuguese Institute adopted and not adopted by MOTA-ENGIL;

Recommendation/Chapter	Sub-Recommendation	Compliance	Report
I. GENERAL SECTION			
I.1. Company Relations with investors and information			
I.1.1. The Company must set up mechanisms that adequately and precisely ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts and the overall market.		Complied with	21, 55, 56 and 58
I.2. Diversity in the composition and operation of the Company's bodies			
I.2.1. The companies must establish criteria and requirements related to the profile of new members of the governing bodies that are adequate to the duties to be performed and which must take into consideration not only individual attributes (such as competence, independence, integrity, availability and experience) but also diversity-related requirements, with special focus on gender, which may contribute to improving the performance of the body and to the balance in its composition.		Complied with	21
	Board of Directors	Complies with the two sub-recommendations	
	Statutory Audit Board	Complies with the two sub-recommendations	
	Executive Committee	Complies with the two sub-recommendations	
	Budget Committee	Complies with the two sub-recommendations	
I.2.2. The management and supervisory bodies and their internal committees must have internal regulations — in particular for the exercise of their duties, chairmanship, frequency of meetings, operation and framework of their members' duties — fully disclosed on the company's website, and detailed minutes of the respective meetings must be drawn up.	Risk and Internal Audit Committee	Complies with the two sub-recommendations	21
	Assessment and Remuneration Committee	Complies with the two sub-recommendations	
	Appointments Committee	Complies with the two sub-recommendations	
	Remuneration Committee	Internal regulation not complied with	

Recommendation/Chapter	Sub-Recommendation	Compliance	Report
I.2.3. The composition and the number of annual meetings of the management and supervisory bodies and their internal committees must be disclosed on the company's website.	Composition	Complied with	21 and 31
	Number of meetings	Complied with	21, 23 and 35
I.2.4. A whistleblowing policy must be adopted to ensure the appropriate means for communicating and handling of irregularities, safeguarding the confidentiality of the information transmitted and the identity of the notifier, whenever requested.		Complied with	49
I.3. Relations between Company's bodies			
I.3.1. The articles of association or other equivalent channels adopted by the company must establish mechanisms so as to ensure that, within the limits of applicable legislation, the members of the management and supervisory bodies are permanently granted access to all information and employees of the company for the purposes of assessment of performance, status and prospects for the development of the company, including, but not limited to, the minutes, the documentation supporting the decisions taken and the notices and filing of the executive management body's meetings, without prejudice to access to any other documents or persons from whom clarifications may be requested.		Complied with	21
I.3.2. Each body and committee of the company must ensure, in a timely and adequate manner, the flow of information, starting with the respective notices and minutes, necessary for the performance of the legal and statutory powers of each of the remaining bodies and committees.		Complied with	21
I.4. Conflicts of Interest			
I.4.1. By internal regulation or equivalent manner, the members of the management and supervisory bodies and internal committees are bound to inform the respective body or committee whenever there are facts that might constitute or give rise to a conflict between their interests and the social interest.		Complied with	21
I.4.2. Procedures must be adopted to ensure that the member in conflict of interest does not interfere in the decision-making process, without prejudice to the duty to provide information and clarifications requested by the body, the committee or its members.		Complied with	21 and 67
I.5. Related party transactions			
I.5.1. The management body must disclose, in the governance report or by other publicly available manner, the internal procedure for checking transactions with related parties.		Complied with	89
I.5.2. The management body must, at least every six months, report to the supervisory body all business covered by Recommendation I.5.1.		Complied with	89
II. SHAREHOLDERS AND GENERAL MEETING			
II.1. The company must not establish an excessively high number of shares necessary for granting the right to one vote and must clarify in the governance report its option whenever it implies a deviation from the principle that each share corresponds to one vote.	a)	Complied with	12
	b)	Not applicable	
II.2. The company shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including establishing a quorum for resolutions greater than that provided for by law.		Not complied with	14
II.3. The company must implement means adequate for the remote attendance of shareholders at the General Meetings, in a manner proportionate to its size.		Not complied with	12
II.4. The company must implement the means adequate for exercising the right to vote at a distance, including by correspondence and by electronic means.		Complied with	12

Recommendation/Chapter	Sub-Recommendation	Compliance	Report
II.5 The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, must also foresee for a resolution by the General meeting (five year intervals), on whether that statutory provision is to be amended or prevails – without higher quorum requirement than that legally in force— and that in said resolution, all votes issued be counted, without applying said restriction.		Not applicable	
II.6. Measures that determine payments or assumption of fees by the company in the event of change of control or change in the composition of the management body and which appear likely to impair the economic interest in the free transfer of shares and the free assessment by shareholders of the performance of the Board members shall not be adopted.		Complied with	4
III. NON-EXECUTIVE MANAGEMENT AND SUPERVISION			
III.1. Without prejudice to the legal responsibilities of the chairman of the Board of Directors, if said chairman is not independent, the independent directors must appoint a coordinator from among them to, namely, (i) act, whenever necessary, as liaison with the chairman of the Board of Directors and the remaining directors, (ii) ensure that they have all the necessary conditions and means to carry out their duties; and (iii) coordinate them in the evaluation of performance by the management body provided for in recommendation V.1.1.		Complied with	21
III.2. The number of non-executive members of the management body, as well as the number of members of the supervisory body and the number of members of the committee for financial matters should be suitable to the size of the company and to the complexity of the risks inherent in its activity, but sufficient to efficiently ensure the duties entrusted to them. This adequacy finding must be contained in the governance report.	a)	Complied with	17 and 18
	b)	Complied with	31
	c)	Not applicable	
III.3. In any case, the number of non-executive Board members must be higher than that of executive Board members.		Complied with	17 and 18
III.4. Each company must include a number not less than one third, but always plural, of non-executive directors who meet the independence requirements. For the purposes of this recommendation, an independent person is regarded as a person who is in no way associated with any specific group of interests in the company nor is in any circumstance liable to affect their unbiased analysis of decision-taking, namely due to:			
i. Having performed, for more than twelve years, on a continuous or interim basis, duties in any body of the company;			
ii. Having been an employee of the company or of a company which is in a control or group relationship with the latter, within the last three years;			
iii. Having, in the past three years, provided services or established a significant business relationship with the company or with a company which is in a control or group relationship with the latter, either directly or as a partner, board member, manager or director of a legal person;		Complied with	18
iv. Being the beneficiary of remuneration paid by the company or by a company which is in a control or group relationship with the latter, other than the remuneration paid for the exercise of Board member functions;			
v. Living in a common-law union or being the spouse, relative or similar relationship in a straight line and up to the 3rd degree, inclusive, in a collateral line, of directors of the company, of directors of legal persons directly or indirectly holding qualifying holdings, or of directors of natural persons directly or indirectly holding qualifying holdings;			
vi. Being a qualifying shareholder or representative of a qualifying shareholder.			

Recommendation/Chapter	Sub-Recommendation	Compliance	Report
III.5. The provisions in paragraph (i) of Recommendation III.4 do not prevent a new director from being deemed as independent provided that at least three years have elapsed (cooling-off period) between the termination of their term of office in any body of the Company and their new appointment.		Not applicable	
III.6. In compliance with the powers conferred upon it by law, the supervisory body must follow up, assess and issue its opinion on the strategic guidelines and risk policy prior to its final approval by the management body.	a)	Complied with	38
	b)	Complied with	
III.7. The companies must have specialised committees in matters of corporate governance, appointments and performance assessment, separately or cumulatively. In case the remuneration committee provided for in article 399 of the Portuguese Commercial Companies Code is created, and such is not prohibited by law, this recommendation can be complied with through the allocation to this committee of powers related to the matters referred to.	Corporate Governance	Not complied with	21
	Assessment and Remuneration	Complied with	
	Appointments	Complied with	
IV. EXECUTIVE BOARD			
IV.1. The management body must approve, through internal regulations or through equivalent means, the performance scheme for executives and the exercise by them of executive duties in entities outside the group.		Not complied with	
IV.2. The management body must ensure that the company acts in accordance with its objectives and may not delegate its responsibilities namely as regards the following: i) definition of the strategy and general policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that should be considered strategic due to the amount, risk and particular characteristics involved.	a)	Complied with	21
	b)	Complied with	
	c)	Complied with	
IV.3. In the annual report, the management body clarifies in which terms the strategy and main policies defined seek to ensure the company's long-term success and what the main contributions to the overall community resulting therefrom are.		Complied with	54 and Non-Financial New Information Report
V. PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS			
V.1 Annual Performance Assessment			
V.1.1. The management body must assess, on an annual basis, its performance as well as the performance of its committees and delegated Board members, considering the compliance with the Company's strategic plan and budget, risk management, internal operations and the contribution of each member to that end, and the relationship between the Company's bodies and committees.	Self-Assessment	Complied with	21 and 24
	Committees	Complied with	
	Executive Committee	Complied with	
V.2 Remunerations			
V.2.1. The company must establish a remuneration committee, the composition of which ensures its independence in relation to the management; it can be a remuneration committee appointed under the terms of article 399 of the Portuguese Commercial Companies Code.		Complied with	21 and 67
V.2.2. The setting of remuneration shall be the responsibility of the remuneration committee or the general meeting, under proposal of that committee.		Complied with	66
V.2.3. For each term of office, the remuneration committee or the General meeting, under proposal of that committee, must also approve the maximum amount of all compensations to be paid to the member of any body or committee of the company on account of the respective termination of appointment, the referred to situation and amounts being disclosed in the governance report or the remuneration report.		Not complied with	21

Recommendation/Chapter	Sub-Recommendation	Compliance	Report
V.2.4. In order to provide information or clarifications to the shareholders, the chairman or, if the chairman is absent, another member of the remuneration committee, must attend the annual general meeting or any other meetings if the respective agenda includes a matter related to the remuneration of the members of bodies and committees of the company or if such attendance is required by the shareholders.		Complied with	67
V.2.5. Within the company's budgetary limitations, the remuneration committee must be able to freely decide whether to hire, by the company, the consultancy services deemed necessary or convenient for the exercise of its functions.		Complied with	67
V.2.6. The Remuneration Committee must ensure that the services are provided independently and that the respective providers have not been contracted for providing any other services to the company or to other companies in a control or group relationship with the former without the Committee's express authorisation.		Complied with	67
V.2.7. Considering the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature so as to reflect the sustained performance of the company, and not stimulate the assumption of excessive risks.		Complied with	69
V.2.8. A significant part of the variable component should be partially deferred in time for a period of no less than three years, thereby connecting it to the confirmation of the sustainability of the performance, under the terms defined in the company's internal regulation.		Complied with	69
V.2.9. When the variable remuneration includes the allocation of options or other instruments directly or indirectly dependant on the value of shares, the start of the exercise period should be deferred for a period of no less than three years.		Not applicable	85
V.2.10. The remuneration of non-executive directors should not include any component dependent on the performance of the company or on its value.		Not complied with	69
V.3 Appointments			
V.3.1. The company must, in the manner which it deems most appropriate, but in a way that can be demonstrable, arrange for the proposals for the election of the corporate bodies' members to be accompanied by a statement of grounds with regard to the adequacy of the profile, knowledge and curriculum to the duties to be performed by each candidate.		Complied with	21
V.3.2. Unless the size of the company does not call for it, the function of follow-up and support to the appointments of the senior managers should be attributed to an appointments committee.		Complied with	21
V.3.3. That committee includes a majority of non-executive independent members.		Complied with	21
V.3.4. The appointments committee must provide its terms of reference and encourage, within the limits of its powers, transparent selection processes that include effective mechanisms for the identification of potential candidates, and that those who have the greatest merit, are best suited to the requirements of the position and promote, within the organisation, adequate diversity, including gender diversity, should be chosen for the proposal.		Complied with	21
VI. INTERNAL CONTROL			
VI.1. The management body must discuss and approve the company's strategic plan and the risk policy, including the definition of acceptable levels of risk.	Strategic plan	Complied with	21 and 50 to 55
	Risk Policy	Complied with	

Recommendation/Chapter	Sub-Recommendation	Compliance	Report
VI.2. The supervisory body must be internally organised, by implementing periodic mechanisms and control procedures with the scope of ensuring that the risks actually incurred by the company are in line with the objectives established by the management body.		Complied with	38 and 50 to 55
VI.3. The internal control system, encompassing the risk management, compliance and internal audit functions, must be structured to the size of the company and the complexity of the risks inherent to its activity; the supervisory body must assess said internal control system and, within the scope of its powers for supervising the efficiency of that system, propose the adjustments deemed necessary.		Complied with	38 and 51
VI.4. The supervisory body must decide on the work plans and resources allocated to the internal control services, including to the risk management, compliance and internal audit functions, and may propose the adjustments deemed necessary.		Complied with	38
VI.5. The supervisory body must receive the reports drawn up by the internal control services, including the risk management, compliance and internal audit functions, at least in the case of matters related to accountability, identification or settlement of conflicts of interest and detection of possible irregularities.		Complied with	38 and 50 to 55
VI.6. Based on its risk policy, the company must implement a risk management system, identifying (i) the main risks to which it is subject in the course of its activity, (ii) the probability of occurrence of said risks and the respective impact, (iii) the instruments and measures to be adopted with a view to the respective mitigation, (iv) the monitoring procedures so that they may be followed up.	(i) (ii) (iii) (iv)	Complied with	52 to 54
VI.7. The company must establish procedures focused on the supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal fulfilment and performance of said system, as well as the prospect of change of the risk framework previously defined.		Complied with	52, 54 and 55
VII. FINANCIAL INFORMATION			
VII.1 Financial Information			
VII.1.1. The internal regulation of the supervisory body must determine that this body inspects the adequacy of the process of preparation and disclosure by the management body of financial information, including the adequacy of the relevant accounting policies, estimates, judgements, disclosures and their consistent application between financial years, in a duly documented and disclosed fashion.		Complied with	38
VII.2 Statutory audit of accounts and inspection			
VII.2.1. It is up to the supervisory body, by way of internal regulation, to define, within the legal framework in force, the inspection procedures aimed at ensuring the statutory auditor's independence.		Complied with	38, 45 and 46
VII.2.2. The supervisory body must be the main representative of the statutory auditor in the company and the first recipient of the relevant reports, and is responsible, inter alia, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.	a) b)	Complied with Complied with	38 and 45
VII.2.3. The supervisory board must assess the statutory auditor on an annual basis, the respective independence and adequacy to the performance of their duties and propose to the competent body their dismissal or termination of the contract as to the provision of their services when there is a valid basis for said dismissal.		Complied with	37, 38, 45 and 46

3. Other information

There are no recommendations which, when not observed or applied, require subsequent justification.

05

Annexes

SHAPING EFFICIENCY

We are reinforcing synergies and efficiency enabled by global operating platforms.

Actions for a sustainable future.

ANNEXES:

1 - STATEMENT UNDER THE TERMS OF ARTICLE 29-G, PARAGRAPH 1, SUBPARAGRAPH C) OF THE PORTUGUESE SECURITIES CODE

Under the terms of article 29-G, paragraph 1, subparagraph c) of Portuguese Securities Code, the members of the Board of Directors declare that, to the best of their knowledge, the financial information contained in this report and accounts has been drawn up according to the International Financial Reporting Standards ("IFRS") as adopted by the European Union giving a true and fair view of the assets and liabilities, the financial performance and the results of MOTA-ENGIL and the companies included in the consolidation perimeter and that this management report faithfully sets out the business evolution, performance and position of MOTA-ENGIL and the companies included in the consolidation perimeter and contains a description of the main risks and uncertainties which they face.

Porto, 31 March 2023

Carlos António Vasconcelos Mota dos Santos
Chairman of the Board of Directors and
Chairman of the Executive Committee (Chief Executive Officer)

António Manuel Queirós Vasconcelos da Mota
Non-executive Deputy Chairman of the Board of Directors

Gonçalo Nuno Gomes de Andrade Moura Martins
Non-executive Deputy Chairman of the Board of Directors

Jingchun Wang
Non-executive Deputy Chairman of the Board of Directors

Ana Paula Chaves e Sá Ribeiro
Non-executive and independent member of the
Board of Directors

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

Francisco Manuel Seixas da Costa
Non-executive and independent member of the
Board of Directors

Helena Sofia Salgado Cerveira Pinto
Non-executive and independent member of the
Board of Directors

Isabel Maria Pereira Aníbal Vaz
Non-executive and independent member of the
Board of Directors

João Pedro dos Santos Dinis Parreira
Member of the Board of Directors and
Member of the Executive Committee

José Carlos Barroso Pereira Pinto Nogueira
Member of the Board of Directors and
Member of the Executive Committee (Chief Financial Officer)

Leong Vai Tac
Non-executive and independent member of the Board of Directors

Manuel António da Fonseca Vasconcelos da Mota
Member of the Board of Directors and
Member of the Executive Committee (Deputy Chief Executive Officer)

Maria Paula Queirós Vasconcelos Mota de Meireles
Non-executive member of the Board of Directors

Paulo Sacadura Cabral Portas
Non-executive member of the Board of Directors

Ping Ping
Non-executive member of the Board of Directors

Tian Feng
Non-executive member of the Board of Directors

2 - ARTICLE 324, PARAGRAPH 2 AND ARTICLE 66, PARAGRAPH 5, SUBPARAGRAPH D) OF THE PORTUGUESE COMMERCIAL COMPANIES CODE

During the financial year of 2022, MOTA-ENGIL carried out no transaction on own shares.

As at 31 December 2022, MOTA-ENGIL held 6,091,581 own shares representing 1.99% of its share capital, which granted no voting rights.

3 - ARTICLE 447 OF THE PORTUGUESE COMMERCIAL COMPANIES CODE

Disclosure of shares and other securities held by members of the Board of Directors, and by officeholders, as well as people closely related to them, and transactions on said shares and securities carried out during the financial year.

Annex to which Article 477 of the Portuguese Commercial Companies Code refers:

Name	Date	Holding shares of											
		MOTA-ENGIL, SGPS, SA					MGP, SGPS, SA		FM, SGPS, SA				
		Qt.	Price	Buy / Sell	Inside / Outside Market	%	Qt.	%	Qt.	%			
António Manuel Queirós Vasconcelos da Mota													
Opening balance		1,500,000				0.49%							
	23/Sep/22	100,000	1.102	Buy	Market								
	26/Sep/22	50,000	1.090	Buy	Market								
Closing balance		1,650,000				0.54%	-	0.0%	28,701	34.48%			
Maria Paula Queirós Vasconcelos Mota de Meireles													
Opening / closing balance		1,444,490				0.47%	-	0.0%	17,902	21.51%			
Maria Teresa Queirós Vasconcelos Mota Neves da Costa													
Opening / closing balance		856,300				0.28%	-	0.0%	17,902	21.51%			
Maria Manuela Queirós Vasconcelos Mota dos Santos													
Opening / closing balance		829,530				0.27%	-	0.0%	17,902	21.51%			
Manuel António da Fonseca Vasconcelos da Mota													
Initial balance		140,000				0.05%							
	21/Dec/22	110,000	1.200	Buy	Market								
Closing balance		250,000				0.08%							
Maria Sílvia Fonseca Vasconcelos Mota													
Opening / closing balance		187,061				0.06%							
Carlos António Vasconcelos Mota dos Santos													
Opening / closing balance		100,000				0.03%							
José Manuel Mota Neves da Costa													
Opening / closing balance		35,000				0.01%							
José Pedro Matos Marques Sampaio de Freitas													
Opening / closing balance		20,138				0.01%							
Gonçalo Nuno Gomes de Andrade Moura Martins													
Opening / closing balance		17,808				0.01%							
António Cândido Lopes Natário													
Opening / closing balance		10,000				0.00%							
Rui Jorge Teixeira de Carvalho Pedroto													
Opening / closing balance		2,000				0.00%							
F.M. - Sociedade de Controlo, SGPS, S.A.													
Opening / closing balance							6,337,640	100%					
Mota Gestão e Participações, SGPS, S.A.													
Opening / closing balance		117,827,648				38.41%							
Epoch Capital Investments BV													
Opening / closing balance		99,426,974				32.41%							

The bonds held by the members of the Board of Directors, officials, members of other governing bodies, as well as by people closely related to them, of MOTA-ENGIL SGPS, as at 31 December 2022 were as follows:

Name	No. of bonds	Bonds ME 2022/2027 (NV - 500€)	Bonds ME 2021/2026 (NV - 500€)	Bonds ME 2019/2024 (NV - 500€)
António Manuel Queirós Vasconcelos da Mota	1,256	680	576	-
José Pedro Matos Marques Sampaio de Freitas	359	150	190	19
José Manuel Mota Neves da Costa	340	-	200	140
Carlos António Vasconcelos Mota dos Santos	286	60	152	74
Maria Paula Queirós Vasconcelos Mota de Meireles	291	40	251	-
Maria Manuela Queirós Vasconcelos Mota dos Santos	160	10	140	10
Gonçalo Nuno Gomes de Andrade Moura Martins	59	20	20	19
Ana Paula Chaves e Sá Ribeiro	40	-	40	-
Maria Sílvia Fonseca Vasconcelos Mota	39	29	10	-
António Cândido Lopes Natário	14	-	14	-
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	12	-	-	12

NV: nominal value

In addition, the list of shareholders who, as at 31 December 2022 and 2021, held at least 10%, 33% or 50% of the share capital of MOTA-ENGIL is presented below:

Shareholder	2022		2021	
	No. of shares	% capital	No. of shares	% capital
Mota Gestão e Participações, SGPS, S.A.	117,827,648	38.41%	117,827,648	38.41%
Epoch Capital Investments BV	99,426,974	32.41%	99,426,974	32.41%

4 - DECREE-LAW NO. 411/91, OF 17 OCTOBER

Under the terms and for the purposes of article 21 of Decree-Law no. 411/91, of 17 October, we hereby declare that the companies making up the MOTA-ENGIL GROUP have no overdue debts to Social Security.

5 - ARTICLE 66, PARAGRAPH 5, SUBPARAGRAPH G) OF THE PORTUGUESE COMMERCIAL COMPANIES CODE

As at 31 December 2022, the companies included in the MOTA-ENGIL GROUP held branches in the following countries:

Company	Country
Empresa Construtora Brasil S.A.	Colombia
Manvia II Condutas, Lda.	Angola
	Bolivia
	Spain
Mota-Engil Ativ, S.A.	France
	Morocco
Mota-Engil Africa, BV	Uganda
	Algeria
	Brazil
	Cape Verde
	Colombia
	Spain
	USA
	France
Mota-Engil, Engenharia e Construção, S.A.	Hungary
	Ireland
	Panama
	Paraguay
	Peru
	Poland
	United Kingdom
	South Africa
	Angola
	Cape Verde
	Cameroon
	Côte d'Ivoire
	Gabon
	Ghana
	Guinea Conakry
	Netherlands
Mota-Engil, Engenharia e Construção África, S.A.	Malawi
	Mozambique
	Peru
	Kenya
	Rwanda
	Eswatini
	Tanzania
	Uganda
	Zambia
	Zimbabwe
Mota-Engil Ativ, S.A. de CV	Argentina
Mota-Engil Peru, S.A.	Colombia
	Brazil
SUMA - Serviços Urbanos e Meio Ambiente, Lda.	Oman

6 - QUALIFIED HOLDINGS

In compliance with the applicable legislation, hereunder is a list of the holders of qualifying holdings as at 31 December 2022, with indication of the number of shares held and the corresponding percentage of voting rights, calculated in accordance with article 20 of the Portuguese Securities Code:

Shareholders	No. of shares	% of shares held	% of voting rights
Mota Gestão e Participações, SGPS, S.A. (*)	117,827,648	38.41%	39.19%
António Manuel Queirós Vasconcelos da Mota (**) / (***) (a)	1,650,000	0.54%	0.55%
Maria Paula Queirós Vasconcelos Mota de Meireles (**) / (***) (a)	1,444,490	0.47%	0.48%
Maria Teresa Queirós Vasconcelos Mota Neves da Costa (***) (a)	856,300	0.28%	0.28%
Maria Manuela Queirós Vasconcelos Mota dos Santos (***) (a)	829,530	0.27%	0.28%
Maria Sílvia Fonseca Vasconcelos Mota (***)	187,061	0.06%	0.06%
Carlos António Vasconcelos Mota dos Santos (**) / (***)	100,000	0.03%	0.03%
José Manuel Mota Neves da Costa (***)	35,000	0.01%	0.01%
José Pedro Matos Marques Sampaio de Freitas (***)	20,138	0.01%	0.01%
Attributable to FM – Sociedade de Controlo, SGPS, S.A.	122,950,167	40.08%	40.89%
Epoch Capital Investments BV (*)	99,426,974	32.41%	33.07%
Attributable to China Communications Construction Group	99,426,974	32.41%	33.07%
	Sub-total I	72.49%	73.96%
Own shares	6,091,581	1.99%	0.00%
Other shareholders	78,307,228	25.53%	26.04%
	Sub-total II	27.51%	26.04%
	TOTAL	100.00%	100.00%

(*) Direct shareholder of the Company

(**) Member of the Board of Directors of the Company

(***) Member of the Board of Directors of Mota Gestão e Participações, SGPS, S.A.

As at 31 December 2022, MGP was 100% held by FM, which was 100% held by the natural persons denoted by (a) above. The percentage of capital held by each of these individuals in FM can be found in paragraph 3 of this chapter.

As at the date of this report, 122,950,167 shares corresponding to 40.08% of the share capital of MOTA-ENGIL, granting 40.89% of voting rights, were attributable to FM.

7 - LIST OF POSITIONS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS IN THE LAST FIVE YEARS:

António Manuel Queirós Vasconcelos da Mota (Chairman)

Duties in other companies of the Mota-Engil Group as at 31 December 2022

- Chairman of the Board of Directors of Valorsul – Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisboa e do Oeste, S.A.
- Chairman of the General Meeting of Mota-Engil Angola, S.A.
- Chairman of the General Meeting of Mota-Engil, Engenharia e Construção, S.A.
- Member of the Remuneration Committee of Mota-Engil, Angola, S.A.
- Member of the Supervisory Higher Board of Mota-Engil, Angola, S.A.

Other duties in other companies of the Mota-Engil Group held in the last five years

- Chairman of the Board of Directors of AMGP Agricultura, S.A., until 2021
- Chairman of the General Meeting of Mota-Engil, Ambiente e Serviços, SGPS, S.A., until 2020
- Member of the Remuneration Committee of ÁreaGolfe - Gestão, Construção e Manutenção de Campos de Golfe, S.A., until 2020
- Member of the Remuneration Committee of Belém Grid - Promoção Imobiliária e de Animação Turística, S.A., until 2020
- Member of the Remuneration Committee of Empresa Geral do Fomento, S.A., until 2020
- Member of the Remuneration Committee of Hygeia - Edifícios Hospitalares, SGPS, S.A., until 2020
- Member of the Remuneration Committee of Largo do Paço – Investimentos Turísticos e Imobiliários, S.A., until 2020
- Member of the Remuneration Committee of Manvia - Manutenção e Exploração de Instalações e Construções, S.A., until 2020
- Member of the Remuneration Committee of Martifer, SGPS, S.A., until 2020
- Member of the Remuneration Committee of MESP – Mota-Engil, Serviços Partilhados, Administrativos e de Gestão, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil Capital, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil Central Europe Management, SGPS, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil Railway Engineering, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil Real Estate Portugal, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil Renewing, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil, Ambiente e Serviços, SGPS, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção África, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil, Europa, S.A., until 2020
- Member of the Remuneration Committee of Mota-Engil, Indústria e Inovação, SGPS, S.A., 2020
- Member of the Remuneration Committee of Vibeiras – Sociedade Comercial de Plantas, S.A., until 2018
- Member of the Remuneration Committee of Oriental Hub– Reconversão e Exploração do Antigo Matadouro Industrial do Porto, S.A., until 2020
- Member of the Remuneration Committee of Suma – Serviços Urbanos e Meio Ambiente, S.A., until 2020
- Member of the Remuneration Committee of Suma Tratamento, S.A., until 2020
- Member of the Remuneration Committee of Takargo – Transporte de Mercadorias, S.A., until 2020

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Chairman of the Board of Directors of FM – Sociedade de Controlo, SGPS, S.A.
- Chairman of the Board of Directors of Mota Gestão e Participações, SGPS, S.A.
- Chairman of the Board of Directors of Sociedade Agrícola Moura Basto, S.A.
- Member of the Board of Directors of Auto Sueco (Angola), SARL
- Member of the Remuneration Committee of António Lago Cerqueira, S.A.
- Member of the Board of Curators and Advisory Board of the Manuel António da Mota Foundation
- Member of the Board of Curators of the AEP Foundation, in representation of Mota-Engil, SGPS, S.A.
- Member of the Advisory Board for Investment and External Trade of AICEP Portugal Global, EPE
- Member of the Municipal Board for Economy of Porto – “Casa dos 24”

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Member of the General Board of the AEP, in representation of Mota-Engil, SGPS, S.A., until 2019
- Member of the Portugal - Colombia Strategic Council, until 2019

Jingchun Wang (Deputy Chairman)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Member of the Board of Directors of Epoch Capital Investments BV
- Director-General of “Overseas Business Department (Foreign Affairs Office)” at China Communications Construction Company Ltd

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Chairman of the Board of Directors of Chuwa Bussan Company Ltd, until 2021
- CEO of “Overseas Business Business Division and CCCC International” at China Communications Construction Company Ltd, until 2021

Ana Paula Chaves e Sá Ribeiro (Independent member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022 and in the last five years

- Member of the Board of Directors of Vila Avenida Hotel, S.A.
- Member of the Board of Directors of Hotel Vista da Ponte, S.A.
- Member of the Board of Directors of Eaglestone Capital Partners - Sociedade de Capital de Risco, S.A. (pending approval by the CMVM)
- Manager of Sítio Valverde - Restauração e Eventos Sociedade Unipessoal, Lda.
- Manager of About Town, Imobiliária Lda.

Carlos António Vasconcelos Mota dos Santos (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Chairman of the Board of Directors of Mota-Engil, Latam Portugal, S.A.
- Chairman of the Board of Directors of Concesiones e Infraestructuras Andina, S.A.
- Chairman of the Board of Directors of Minería y Ingeniería Andina, S.A.
- Deputy- chairman of the Board of Directors of Empresa Construtora do Brasil, S.A.
- Member of the Board of Directors of Hygeia - Edifícios Hospitalares, SGPS, S.A.
- Member of the Board of Directors of Valorsul - Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisboa e do Oeste, S.A.
- Director of Flame Investments, BV
- Director of Mota-Engil Energy, BV
- Director of Mota-Engil, Latin America, BV
- Chairman of the General Meeting of Mota-Engil, Indústria e Inovação, SGPS, S.A.
- Member of the Statutory Audit Board of Mota-Engil Central Europe Česká Republika, A.S.
- Member of the Statutory Audit Board of Mota-Engil Central Europe, S.A.
- Member of the Statutory Audit Board of Mota-Engil Magyarország Beruházási És Építőipari Zrt
- Member of the Remuneration Committee of Empresa Geral do Fomento, S.A.
- Member of the Remuneration Committee of Hygeia - Edifícios Hospitalares, SGPS, S.A.
- Member of the Remuneration Committee of Largo do Paço - Investimentos Turísticos e Imobiliários, S.A.
- Member of the Remuneration Committee of Martifer, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Capital, S.A.
- Member of the Remuneration Committee of Mota-Engil Central Europe Management, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Concessões, S.A.
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção África, S.A.
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção, S.A.
- Member of the Remuneration Committee of Mota-Engil, Europa, S.A.
- Member of the Remuneration Committee of Mota-Engil Global Serviços Partilhados, Administrativos e Technical, S.A.
- Member of the Remuneration Committee of Mota-Engil, Indústria e Inovação, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Capital, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Railway Engineering, S.A.
- Member of the Remuneration Committee of Mota-Engil, Ambiente e Serviços, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil, Real Estate Portugal, S.A.
- Member of the Remuneration Committee of Oriental Hub, Reconversão e Exploração do Antigo Matadouro Industrial do Porto, S.A.
- Member of the Remuneration Committee of Suma – Serviços Urbanos e Meio Ambiente, S.A.
- Member of the Remuneration Committee of Suma Tratamento, S.A.
- Chairman of the Higher Council of Suma Tratamento, S.A.
- Member of the Higher Council of Suma – Serviços Urbanos e Meio Ambiente, S.A.

Other duties in other companies of the Mota-Engil Group held in the last five years

- Chairman of the Board of Directors of Empresa Construtora do Brasil, S.A., until 2020
- Chairman of the Board of Directors of Mota-Engil, Ambiente e Serviços, SGPS, S.A., until 2018
- Chairman of the Board of Directors of Mota-Engil America Latina, SAPI de CV, until 2021
- Chairman of the Board of Directors of Mota-Engil Central Europe Management, SGPS, S.A., until 2020
- Chairman of the Board of Directors of Mota-Engil Europa, S.A., until 2020
- Chairman of the Board of Directors of Mota-Engil Railway Engineering, S.A., until 2019
- Chairman of the Board of Directors of Mota-Engil Real Estate, SGPS, S.A., until 2020
- Chairman of the Board of Directors of Mota-Engil Renewing, S.A., until 2020
- Member of the Board of Directors of AMGP Agricultura, S.A., until 2021
- Director of Global Technical Services Latam, BV, until 2020
- Director of Mota-Engil Tourism, BV, until 2021
- Member of the Remuneration Committee of Belém Grid - Promoção Imobiliária e de Animação Turística, S.A., until 2021
- Member of the Remuneration Committee of Takargo – Transporte de Mercadorias, S.A., until 2021
- Chairman of the Higher Council of Suma - Serviços Urbanos e Meio Ambiente, S.A., until 2019

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Member of the Board of Directors of António Lago Cerqueira, S.A.
- Member of the Board of Directors of Dourowood - Entidade de Gestão Florestal, S.A.
- Member of the Board of Directors of Mota Gestão e Participações, SGPS, S.A.
- Member of the Board of Directors of Motawood - Entidade de Gestão Florestal, S.A..
- Member of the Board of Directors of Sem Par - Sociedade Imobiliária e Turística, S.A.
- Member of the Board of Directors of Sociedade Agrícola Moura Basto, S.A.
- Manager of Kepler, SGPS, Lda.
- Manager of Morada Certa – Sociedade Imobiliária, Lda.
- Manager of Motadossantoswood – Entidade de Gestão Florestal, Lda.
- Manager of Portuscale Trading, Lda.
- Manager of Cuore – Investments 4 Life, Lda.

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Member of the Board of Directors of Mota Global - Planeamento, S.A., until 2021

Di Xiao (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Member of the Remuneration Committee of Mota-Engil Global - Serviços Partilhados, Administrativos e Technical, S.A.

Other duties in other companies outside the Mota-Engil Group held in the last five years

- General Director of the Portugal Branch of China Communications Construction Company Ltd, until 2021
-

Francisco Manuel Seixas da Costa (Independent Member)**Other duties in other companies of the Mota-Engil Group held in the last five years**

- Independent member of the Board of Directors of Mota-Engil Engenharia e Construção Africa S.A., until 2021
- Member of the Strategic Advisory Board of Mota-Engil SGPS, S.A., until 2021

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Member of the non-Executive Board of Directors of Jerónimo Martins, SGPS, S.A.
- Chairman of the Statutory Audit Board of Tabaqueira PMM SGPS, S.A..
- President of "Clube de Lisboa"
- Chairman of the Advisory Board of A.T. Kearney Portugal
- Member of the Council of the Orders of Civil Merit, Presidency of the Republic
- Member of the Group of Studies on Strategic Security

Other duties in other companies outside the Mota-Engil Group

- Independent member of the Board of Directors of EDP Renováveis S.A., until 2020
- Chairman of the Statutory Audit Board of A.T.Kearney, until 2019
- Member of the Audit Committee of EDP Renováveis S.A., until 2020
- Chairman of the International Strategic Council of the Calouste Gulbenkian Foundation, until 2021
- Member of the Business Advisory Board of A.T.Kearney, until 2018
- Member of the Appointments and Remuneration Committee of EDP Renováveis S.A., until 2020
- Member of the Independent General Council of RTP, S.A., until 2020
- President of the "Lisbon Conferences", until 2019
- Member of the Advisory Board of the Faculty of Economics, University of Coimbra, until 2018
- Member of the Commission for the Portuguese participation in the Dubai International Exhibition / 2020, until 2020

Gonçalo Nuno Gomes de Andrade Moura Martins (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Chairman of the Board of Directors of Ascendi Douro - Estradas do Douro Interior, S.A.
- Chairman of the Board of Directors of Ascendi Operadora DI, Operação e Manutenção Rodoviária, S.A.
- Chairman of the Board of Directors of Ascendi Mexico S.A. CV
- Chairman of the Board of Directors of Lineas – Concessões de Transportes, SGPS, S.A.
- Chairman of the Board of Directors of Lineas Investimentos, SGPS, S.A.
- Member of the Board of Directors of Concessionária Urbana Arco Oriente, S.A. de CV
- Member of the Board of Directors of Lusoponte – Concessionária para a Travessia do Tejo SA
- Manger of Lineas – Serviços de Administração e Gestão, Lda.
- Member of the Remuneration Committee of Ascendi Douro – Estradas do Douro Interior, S.A.
- Member of the Remuneration Committee of Ascendi Operadora DI, Operação e Manutenção Rodoviária, S.A.
- Member of the Remuneration Committee of Largo do Paço - Investimentos Turísticos e Imobiliários, S.A.
- Member of the Remuneration Committee of Lusoponte – Concessionária para a Travessia do Tejo SA, in representation of Lineas Concessões de Transportes, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Ambiente e Serviços, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Capital, S.A.
- Member of the Remuneration Committee of Mota-Engil Central Europe Management, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Concessões, S.A.
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção, S.A.
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção África, S.A.
- Member of the Remuneration Committee of Mota-Engil Europa, S.A.
- Member of the Remuneration Committee of Mota-Engil Global, Serviços Partilhados, Administrativos e Técnicos, S.A.
- Member of the Remuneration Committee of Mota-Engil, Indústria e Inovação, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Next, SGPS, S.A.
- Member of the Remuneration Committee of Mota-Engil Railway Engineering, S.A.
- Member of the Remuneration Committee of Mota-Engil Renewing, S.A.
- Member of the Remuneration Committee of Oriental Hub - Reversão e Exploração do Antigo Matadouro Industrial do Porto, S.A.
- Member of the Supervisory Higher Board of Mota-Engil, Angola, S.A.

Other duties in other companies of the Mota-Engil Group held in the last five years

- Chairman of the Board of Directors of Mota-Engil África, SGPS, S.A., until 2020
- Chairman of the Board of Directors of Mota-Engil Engenharia e Construção África, S.A., until 2020
- Member of the Board of Directors of Ascendi - Serviços de Assessoria, Gestão e Operação, S.A., until 2019
- Member of the Board of Directors of Copexa - Concessionária Autopista Perote-Xalapa, S.A. de CV, until 2020
- Sole Director of Mota-Engil, Africa, NV, until 2019
- Director of Mota-Engil Nigeria, Limited, until 2021
- Member of the Remuneration Committee of Belém Grid – Promoção Imobiliária e de Animação Turística, S.A., until 2021
- Member of the Remuneration Committee of Takargo – Transporte de Mercadorias, S.A., until 2021

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Deputy Chairman of the Board of Directors of CCILM - Portuguese-Mexican Chamber of Commerce and Industry
- Manager of 2MCF - Serviços e Imobiliário, Lda.
- Member of the Board of Curators of the Manuel António da Mota Foundation
- Member of the International Advisory Board of Católica Lisbon School of Business and Economics

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Member of the Board of Directors of Dourowood - Entidade de Gestão Florestal, S.A., until 2020

Helena Sofia Salgado Cerveira Pinto (Independent Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Non-executive member of the Board of Directors of AEP
- Chairman of the Statutory Audit Board of Grupo Media Capital
- University Lecturer at Universidade Católica and Católica Business School
- Member of the International Advisory Board of SKEMA Business School
- Member of the International Advisory Board of Liverpool University Management School
- Independent Member of the Supervisory General Board of EDP - Energias de Portugal, S.A.
- Member of EQUIS Accreditation Board EFMD

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Director of Católica Porto Business School - Universidade Católica Portuguesa, until 2019
- Chairman of the Board of AEGE - Association for Business Management School, until 2019
- Member of the Board of EBRI European Bioproducts Research Institute, until 2019

Isabel Maria Pereira Aníbal Vaz (Independent member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Chairwoman of the Board of Directors of Capital Criativo HealthCare Investments II
- Chairwoman of the Board of Directors of Casas da Cidade – Residências Sénior, S.A.
- Chairwoman of the Board of Directors of CRB – Clube Residencial da Boavista, S.A.
- Chairwoman of the Board of Directors of H.M.E. - Gestão Hospitalar, S.A.
- Chairwoman of the Board of Directors of GLSMED Learning Health, S.A.
- Chairwoman of the Board of Directors of Hospital da Luz, S.A. (Lisboa)
- Chairwoman of the Board of Directors of Hospital da Luz - Arrábida, S.A.
- Chairwoman of the Board of Directors of Hospital da Luz - Aveiro, S.A.
- Chairwoman of the Board of Directors of Hospital da Luz - Centro Clínico da Amadora, S.A.
- Chairwoman of the Board of Directors of Hospital da Luz - Coimbra SA
- Chairwoman of the Board of Directors of Hospital da Luz - Guimarães, S.A.
- Chairwoman of the Board of Directors of Hospital da Luz - Oeiras, S.A.
- Chairwoman of the Board of Directors of Hospital Residencial do Mar, S.A.
- Chairwoman of the Board of Directors of Hospor – Hospitais Portugueses, S.A.
- Chairwoman of the Board of Directors of Luz Saúde – Serviços, A.C.E.
- Chairwoman of the Board of Directors of Luz Saúde – Unidades de Saúde e de Apoio à Terceira Idade, S.A.
- Chairwoman of the Board of Directors of RML – Residência Medicalizada de Loures, SGPS, S.A.
- Chairwoman of the Board of Directors of SGHL – Sociedade Gestora do Hospital de Loures, S.A.
- Chairwoman of the Board of Directors of Surgicare – Unidades de Saúde, S.A.
- Chairwoman of the Board of Directors of Vila Lusitano – Unidades de Saúde, S.A.
- Chairwoman of the Executive Committee of Luz Saúde, S.A.
- Deputy Chairwoman of the Board of Directors of Luz Saúde, S.A.
- Member of the Board of Directors of Hospital da Luz Funchal, S.A.
- Non-executive member of the Board of Directors of CTT
- Member of the International Advisory Board of The Lisbon MBA of Nova School of Business and Economics of Universidade Nova de Lisboa

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Chairwoman of the Board of Directors of Casas da Cidade – Residências Sénior de Carnaxide, S.A., until 2021
- Member of the Board of Directors of Genomed-Diagnósticos de Medicina Molecular, S.A., until 2021
- Member of the Board of Directors of Sonae Capital, SGPS, S.A., until 2021
- Member of the Faculty Council of Nova School of Business and Economics of Universidade Nova de Lisboa, until 2018

Leong Vai Tac (Independent Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Executive Chairman of the International Forum on Science, Technology and Innovation of the Boao Forum for Asia (BFA)
- Chairman of the Macao Committee for Guangdong-Hong Kong-Macao Greater Bay Area (GBA)
- Member of the Advisory Board of the Boao Forum for Asia (BFA)

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Secretary for Economy and Finance in the 4th Government of the Macao Special Administrative Region, until 2019
- MP at the 11th and 12th National People's Congress (China), until 2018

Manuel António da Fonseca Vasconcelos da Mota (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Chairman of the Board of Directors of Empresa Agrícola Florestal Portuguesa, S.A.
- Chairman of the Board of Directors of Mota-Engil Angola, S.A.
- Sole Director of Luso Global Mining, S.A.
- Sole Director of Global Mining Cameroon, S.A.
- Sole Director of Wouri Resources, S.A.
- Member of the Board of Directors of Mota-Engil África, SGPS, S.A.
- Member of the Board of Directors of Mota-Engil Engenharia e Construção África, S.A.
- Member of the Board of Directors of Mota-Engil Next, SGPS, S.A.
- Director of Luso Global Mining B.V.
- Director of Mota-Engil Magyarország Beruházási És Építőipari Zártkörűen Működő Részvénytársaság
- Director of Mota-Engil, Minerals & Mining, Limited
- Director of Mota-Engil Nigeria, Limited
- Manager of ME Lobito, SGPS, Lda
- Manager of Mota Internacional, Comércio e Consultadoria Económica, Lda
- Member of the Remuneration Committee of Mota-Engil Europa, S.A.
- Member of the Remuneration Committee of Mota-Engil Railway Engineering, S.A.
- Member of the Remuneration Committee of Oriental Hub– Reconversão e Exploração do Antigo Matadouro Industrial do Porto, S.A.
- Member of the Supervisory Higher Board of Mota-Engil, Angola, S.A.
- Member of the Statutory Audit Board of Mota-Engil Central Europe, S.A.
- Member of the Statutory Audit Board of Mota-Engil Central Europe Ceska Republika, AS
- Member of the Statutory Audit Board of Obol Invest Befektetési Es Uzletviteli Tanacsado Kft

Other duties in other companies of the Mota-Engil Group held in the last five years

- Chairman of the Board of Directors of Cosamo (PTY), Ltd, until 2020
- Chairman of the Board of Directors of Mota-Engil Central Europe, S.A., until 2019
- Chairman of the Board of Directors of Luso Global Mining BV, until 2020
- Chairman of the Board of Directors of Luso Resources Limited, until 2020
- Chairman of the Board of Directors of Nazare Resources PTY, Ltd, until 2020
- Member of the Board of Directors of Bugesera Airport Company, Ltd, until 2019
- Member of the Board of Directors of Cosamo (PTY), Ltd, until 2018
- Member of the Board of Directors of Mota-Engil África (PTY), Ltd, until 2021
- Member of the Board of Directors of Mota-Engil Central Europe Management, SGPS, S.A., until 2020
- Member of the Board of Directors of Mota-Engil Engenharia e Construção África (PTY), Ltd, until 2018
- Member of the Board of Directors of Mota-Engil Europa, S.A., until 2020
- Member of the Board of Directors of Mota-Engil Minerals & Mining (Zimbabwe) (Private), Ltd, until 2019
- Member of the Board of Directors of Mota-Engil Railway Engineering, S.A., until 2019
- Member of the Board of Directors of Nazare Resources (PTY), Ltd, until 2021
- Non-executive member of the Board of Directors of Mota-Engil Construction South Africa (PTY), Ltd, until 2018
- Non-executive member of the Board of Directors of Mota-Engil Investments South Africa (PTY), Ltd, until 2018
- Director of Cosamo (PTY), Ltd., until 2021
- Director of Luso Resources Limited, until 2021
- Member of the Statutory Audit Board of Obol XI Ingatlanhasznosiyasi Beruhazo Es Szolgáltato Kft, until 2022

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Manager of Kepler, SGPS, Lda.
- Manager of MAFVM Holding

Maria Paula Queirós Vasconcelos Mota de Meireles (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Chairwoman of the Board of Directors of Largo do Paço – Investimentos Turísticos e Imobiliários, Lda.
- Manager of Botelho, Silva & Abreu, Lda.
- Member of the Remuneration Committee of Mota-Engil Renewing, S.A..
- Member of the Supervisory Higher Board of Mota-Engil, Angola, S.A.

Other duties in other companies of the Mota-Engil Group held in the last five years

- Member of the Board of Directors of AMGP Agricultura, S.A., until 2021
- Member of the Remuneration Committee of Vibeiras – Sociedade Comercial de Plantas, S.A., until 2021

Duties in other companies outside the Mota-Engil Group as at 31 December 2022

- Member of the Board of Directors of FM – Sociedade de Controlo, SGPS, S.A..
- Member of the Board of Directors of Mota Gestão e Participações, SGPS, S.A.
- Member of the Board of Directors of Sociedade Agrícola Moura Basto, S.A.
- Manager of Edifícios Galiza – Sociedade Imobiliária, Lda.
- Manager of Mineira do Jarmelo, Lda.
- Manager of Verotâmega – Sociedade Imobiliária, Lda.
- Member of the Remuneration Committee of António Lago Cerqueira, S.A..
- Member of the Board of Curators of the Manuel António da Mota Foundation

Other duties in other companies outside the Mota-Engil Group held in the last five years

- Manager of Casal Agrícola de Parada, Lda, until 2019
- Manager of Mineira de Pensalvos, Lda., until 2021
- Manager of Sem Par - Sociedade Imobiliária e Turística, Lda., until 2020

Ping Ping (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022 and in the last five years

- Does not perform any other duties in other companies outside the Mota-Engil Group

Tian Feng (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022 and in the last five years

- Member of the Board of Directors of CHELBI Engineering Consultants, Inc.
- General Director at Chelbi Engineering Consultants Inc.

Xiangrong Wang (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2022**

- Does not perform any other duties in other Mota-Engil Group companies

Duties in other companies outside the Mota-Engil Group as at 31 December 2022 and in the last five years

- Does not perform any other duties in other companies outside the Mota-Engil Group

8 – REMUNERATIONS REPORT

The purpose of this report is to fulfil the provisions of Article 26-G of the Portuguese Securities Code and convey an overarching vision of the remuneration practices of the MOTA-ENGIL GROUP and the respective alignment with the Remuneration Policy approved for the 2022 period.

In that regard, the present report was organised so as to promote an understanding on the wages of the managing and supervisory bodies, the composition of the respective remuneration, the fulfilment of the Remuneration Policy in force, the evolution of the number of Workers and the average total amount of wages, as well as the compliance of the practices adopted with the good governance directives of the companies listed.

A. Remuneration of members of the managing and supervisory bodies

We hereby present the remuneration chart of the members of the management and supervisory bodies, with the proper segregation between fixed, variable, attendance fees and other remunerations, as well as the relative proportion of fixed and variable remuneration. Furthermore, the source of the remuneration of the various companies of the MOTA-ENGIL GROUP is also highlighted.

Members	Company	Fixed component	Other remunerations	Variable remuneration	Attendance fees	Total
Executive directors						
Carlos António Vasconcelos Mota dos Santos	Mota-Engil SGPS, S.A.	472,000	150,000	150,000		772,000
Di Xiao	Mota-Engil SGPS, S.A.	456,000	26,357			482,357
Gonçalo Nuno Gomes de Andrade Moura Martins	Mota-Engil SGPS, S.A.	561,000	205,984	200,000		966,984
Manuel António Fonseca Vasconcelos da Mota	Mota-Engil África GTS, BV.	480,000		300,000		780,000
Xiangrong Wang	Mota-Engil SGPS, S.A.	305,302	10,695	20,000		335,997
Non-executive non-independent directors						
António Manuel Queirós Vasconcelos da Mota	Mota-Engil SGPS, S.A.	570,000				570,000
Maria Paula Queirós Vasconcelos Mota de Meireles	Mota-Engil SGPS, S.A.	251,000	9,691			260,691
Independent non-executive directors						
Ana Paula Chaves e Sá Ribeiro	Mota-Engil SGPS, S.A.				75,000	75,000
Francisco Manuel Seixas da Costa	Mota-Engil SGPS, S.A.				70,000	70,000
Helena Sofia Salgado Cerveira Pinto	Mota-Engil SGPS, S.A.				75,000	75,000
Isabel Maria Pereira Anibal Vaz	Mota-Engil SGPS, S.A.				70,000	70,000
Leong Vai Tac	Mota-Engil SGPS, S.A.				35,000	35,000
Members of the Statutory Audit Board						
Cristina Maria da Costa Pinto	Mota-Engil SGPS, S.A.	16,769				16,769
Jose Antonio Ferreira de Barros	Mota-Engil SGPS, S.A.	30,000				30,000
Susana Catarina Iglesias Couto Rodrigues Jesus	Mota-Engil SGPS, S.A.	30,000				30,000
Members of the board of the General Meeting						
António Cândido Lopes Natario	Mota-Engil SGPS, S.A.	6,000				6,000
Rui Jorge Teixeira Carvalho Pedroto	Mota-Engil SGPS, S.A.	3,000				3,000
TOTAL		3,181,071	402,726	670,000	325,000	4,578,797

The year 2022 was exceptional in that the process of consolidation of the change of capital of the MOTA-ENGIL GROUP to a new partner took place, as well as the execution of the Strategic Plan - Building 26.

The remuneration structure was subject to revision, both in the fixed, variable and other remuneration components, as well as delimited to ensure its adaptation to the Strategic Plan - Building 26 under execution, fostering a long-term vision based on the responsibility of those involved.

The alignment of the remuneration structure with the Remuneration Policy in force at MOTA-ENGIL was also safeguarded.

B. Annual variation of the GROUP's performance and remuneration

The MOTA-ENGL GROUP has presented a consistent performance over the last 5 years, demonstrating a growing turnover and EBITDA, with the exception of the Covid period (between 2020 and 2021), which due to the inevitable downturn in activity and suspension of relevant projects, hindered the growth trajectory. It is thus possible to see that in 2022 the GROUP reached record levels of turnover and EBITDA.

	(thousand euros)				
	2018	2019	2020	2021 (restated)	2022
Group performance indicators (*)					
Turnover	2,801,749	2,912,440	2,429,134	2,591,776	3,804,258
EBITDA	407,077	417,071	380,256	411,632	540,704
Net profit / (loss)	23,612	26,728	-19,944	24,101	40,729
Average wage mass (**)					
Management and supervisory bodies members	190,500	184,243	187,572	187,427	206,239
Other workers	11,373	10,117	9,961	10,362	10,935

* Turnover corresponds to the heading "Sales and services rendered" of the consolidated income statement by nature; EBITDA corresponds to the algebraic sum of the following headings of the consolidated income statement by nature: "Sales and services rendered"; "Cost of goods sold, mat. cons. and changes in production"; "Third-party supplies and services"; "Wages and salaries"; "Other operating income / (expenses)", Net profit / (loss) corresponds to the heading of the consolidated income statement "Consolidated net profit of the year attributable to the GROUP".

** The concept of total amount of wages, contrary to the wages and salaries contained in the Report and Accounts, only covers fixed and permanent remuneration (excluding, among others, social security contributions, other similar pension schemes abroad, variable components of remuneration and other benefits, such as insurance schemes for accidents at work, health insurance and personal accident insurance). In the case of the management and supervisory bodies, this corresponds to the fixed remuneration earned during the term of office or as attendance fees.

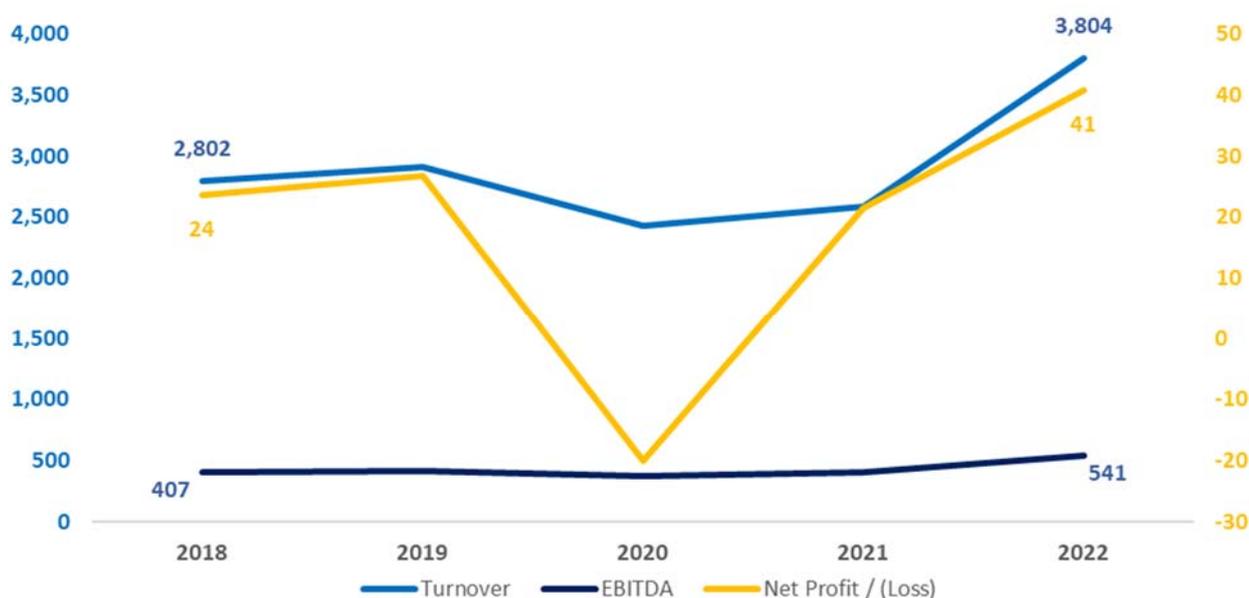
In terms of the variation in the number of employees, there was a substantial increase in the workforce in the post-Covid period, and the GROUP is in a phase of staff recovery (with 44,037 employees in 2022, a growth of 12%).

These changes in the personnel are consistent with the evolution of salaries, particularly in the Business Units with the greatest increase in activity and, consequently, in the workforce.

In the comparison between average remuneration by Business Unit, the main differences arise from the heterogeneity of the markets in which the Group operates, at the economic, social and labour level.

In effect, and in line with the Remuneration Policy in force in the GROUP, the remuneration systems adopted seek to ensure, on the one hand, the competitiveness of remuneration in light of the salary market in the geography in which it operates, and on the other hand, their fairness in comparison with comparable functional levels.

Evolution of the GROUP 's performance (values in million Euro)



Evolution of the Headcount and average remuneration per Region (values in thousand Euro) (excluding the members of the management and supervisory bodies over the last five years)



The average remuneration presented above is based on the concept of total amount of wages which, contrary to staff costs depicted in the Report and Accounts, only includes the fixed and permanent components of the employees' remuneration (excluding, among others, social security contributions, other similar pension schemes abroad, variable components of remuneration and other benefits, such as insurance schemes for accidents at work, health insurance and personal accident insurance), constituting the dimension adopted for external and internal comparison of remuneration and its evolution over time.

C. Restitution of variable remuneration

As provided for in the Remuneration Policy of the Mota-Engil Group, there is a mechanism for returning compensation paid as variable remuneration in the event of a restatement of the GROUP's accounts. The purpose of this mechanism is to safeguard the long-term interests of the stakeholders.

In the year to which this report refers, no such situations were verified and, therefore, no restitution of remuneration occurred.

D. Information on the application of the Remuneration Policies and derogations

The GROUP's record performance levels in terms of turnover and EBITDA triggered the decision to reward some members of the management bodies more directly involved in the executive management of the business.

E. Share and share option schemes

The GROUP has no share option schemes in place.

F. Assessment and disclosure of the Remuneration Report

This Remuneration Report shall be submitted to the General Meeting and will be published on MOTA-ENGIL's institutional website (www.mota-engil.com) for a period of no less than 10 years, so that it is available for public consultation, within the framework of the principles of transparency and disclosure of relevant information.

06

Fiscalization
Reports

MOTAENGIL

Actions for a sustainable future.



Statutory Audit Report and Auditors' Report

(Free translation from the original in Portuguese)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Mota-Engil, S.G.P.S., S.A. (the Group), which comprise the consolidated statement of financial position as at 31 December 2022 (which shows total assets of Euros 6,397,899 thousand and total shareholders' equity of Euros 530,683 thousand including a consolidated net profit of the year attributable to the Group of Euros 40,729 thousand), the consolidated income statement by natures, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly in all material respects, the consolidated financial position of Mota-Engil, S.G.P.S., S.A. as at 31 December 2022, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and other technical and ethical standards and recommendations issued by the Institute of Statutory Auditors. Our responsibilities under those standards are described in the "Auditor's responsibilities for the audit of the consolidated financial statements" section below. In accordance with the law we are independent of the entities that are included in the Group and we have fulfilled our other ethical responsibilities in accordance with the ethics code of the Institute of Statutory Auditors.

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Construction contracts revenue recognition

Disclosures related to construction contracts revenue presented in notes 1.4 I), 1.4 v), 2, 24 and 34 to the consolidated financial statements.

The Group operates part of its activities in the construction industry, which is characterized by the existence of pluriennial contracts. The amount of revenue related to the business unit of Engineering and Construction, which includes construction contracts and the mining and infrastructure operation and maintenance services, as of 31 December 2022, is Euros 2,852,812 thousand.

The Group recognizes revenue according to the guidelines of IFRS 15 – Revenue from contracts with customers. In what regards the construction contracts, revenue and margins related to ongoing contracts are recognized in accordance with the percentage of completion method, which corresponds to the proportion of incurred costs to the total estimated contract costs.

Determining the percentage of completion of the contracts requires significant estimates and judgements, namely the total contract income, expenditure to incur until completion and the impact of work to be performed differently from the agreed work, delays in execution and existent or future claims. Additional revenue amounts are estimated when established as contractual rights and assessed as highly probable. These estimates are reviewed in each reporting period, based on management's best knowledge, and material changes in recognized revenue and margins can arise from that review.

Due to the magnitude of the amounts and uncertainty and complexity of the judgements involved in the estimates, we consider this issue as a key audit matter.

The work performed over pluriennial construction contracts revenue recognition included the following procedures:

- understanding and evaluating the control activities related to revenue recognition of construction contracts, and testing control effectiveness, when relevant;
- obtaining construction contracts reports that support revenue recognition of pluriennial construction contracts, and its reconciliation with the accounting records;
- confirmation of total estimated income as stated in the reports with contracts agreed with clients and other terms and conditions, and of the total estimated costs with production budgets, for a sample of contracts;
- obtaining and analyzing the incurred costs supporting information, for a sample of transactions, and measurement reports of work performed, for a sample of contracts;
- analysis of management assessment regarding the identification of the existence or not of a significant financial component in the price of contracts and different performance obligations, for a sample of contracts;
- reasonableness tests to the percentage of completion, considering the underlying assumptions;
- analytical review procedures of the estimates and judgements of management, concerning the recognized margin, through: (i) analysis of the reliability of historical estimates, considering the final amounts of completed contracts, if possible and comparable; (ii) inquiring of changes in total income and total estimated costs, as well as in incurred costs in comparison with budgeted costs; and (iii) evaluating the sufficiency and strength of the supporting evidence for additional revenue values that result from contractual rights but whose amount is not yet approved by the client; and

Key Audit Matter

Summary of the Audit Approach

- analysis of the need to recognize provisions for expected losses in contracts, through inquiry of management or key personnel, as well as through examination of significant contracts and management minutes, external disclosed factors, litigation and disputes with the counterparties or the outcomes of events after the reporting period.

We have also revised the disclosures related to construction contracts presented in the consolidated financial statements.

Non-current assets impairment and valuation

Disclosures related to non-current assets impairment and valuation presented in notes 1.4 e), 1.4 i), 1.4 v), 8, 15, 16 and 20 to the consolidated financial statements.

At 31 December 2022 the Group holds non-current tangible and intangible assets allocated to the following cash generating units (CGU), and for which impairment indicators were identified:

Intangible assets

- waste treatment and recovery (EGF), in the amount of Euros 307,312 thousand;
- solid waste collection and treatment in Abidjan (Ivory Coast - EcoEburnie), amounting to Euros 19,411 thousand;
- agricultural and forest exploitation right in Cabinda (Angola – AMGP) amounting to Euros 48,128 thousand; and
- combined cycle power plant under an energy concession contract in Mexico in the amount of Euros 82,120 thousand.

Tangible assets

- logistics operation to develop in *Malawi Gateway Project*, amounting to Euros 17,749 thousand.

The analysis of the evaluation of these assets' impairment losses and of the equity instrument's fair value consisted of:

- evaluate the underlying criteria to identify the cash generating units (CGU);
 - obtain the models made to determine the recoverable amount of the CGU and the fair value of the equity investment, in order to determine its accordance with the accounting standards;
 - re-execute the model's calculations;
 - critically evaluate, and whenever possible in a corroborative manner, the assumptions used in the models, namely the projection periods used, estimated cash flows, cash flows growth rates in projection period and perpetuity, discount rates, market share adjustments, multiples and comparable transactions considered, involving internal experts, whenever relevant;
 - ensure that recoverable amounts based in intentions for future use match the assets/CGU present condition, as well as the viability and consistency with all available information known to date; and
 - review the sensitivity analysis to the models most significant assumptions, whenever the value in use or market value obtained is close to the carrying amount.
-

Key Audit Matter

As prescribed in the Group's accounting policies, impairment tests were performed in order to estimate the recoverable amount of those assets.

The Group also holds an equity instrument in an entity that, during 2022, has started being listed in a recent regulated market, with a low level of liquidity, amounting to Euros 40,000 thousand. This instrument is valued at its fair value, through other comprehensive income, and a positive fair value variation amounting to Euros 3,700 thousand was recognized in the consolidated statement of other comprehensive income.

The execution of the abovementioned CGU's impairment tests, as well as the determination of the equity instrument fair value, involve significant uncertainties and judgements, namely predictions of future profitability and investment amounts, growth rates, adjustments made to the market share price, obtaining and selection of market benchmarks, discount rates, as well as analysis of the documentation related to assets future use.

Consequently, the analysis of the fair value of these assets was considered a key audit matter due to its complexity and judgement involved in management's estimation of its recoverable amount.

Summary of the Audit Approach

We have also revised the disclosures presented in the consolidated financial statements related to non-current assets impairment and fair value.

Accounts receivable valuation and impairment recognition

Disclosures related to Accounts receivable presented in the notes 1.4 i), 1.4 v), 8 and 23 to the consolidated financial statements.

At 31 December 2022 the Group presents accounts receivable from Customers and Other Debtors – Others amounting to Euros 1,423,130 thousand (net of cumulative impairment losses of Euros 233,600 thousand, of which Euros 570 thousand were recognized,

Work performed over recognition and measurement of accounts receivable impairment included the following procedures:

- understanding and evaluating control activities related to recognition and measurement of accounts receivable impairment, and tests to the effectiveness of controls, when relevant;
- obtaining the calculation of matrices of expected impairment loss rates by country,

Key Audit Matter

net of reversals, in the consolidated income statement).

The Group assesses, in each reporting period, the amount of impairment losses to be recognized under IFRS 9 – Financial instruments. For this purpose, impairment losses are recognized for the estimated non recoverable amount of aged receivables or receivables for which other impairment indicators exist (incurred losses), as well as potential expected impairment losses, using an uncollectibility matrix based on the credit history of the Group's debtors, over the past five years, adjusted for specific debtor issues, as well as for macroeconomic conditions that are estimated for the future.

The identification of impaired accounts receivable, determining its recoverable amount, and the modelling of matrices for determination of potential impairment losses by type of customer, industry / sector or country, involve significant management judgement, namely in regards to (i) the debtors ability to settle the debt, probability of default of agreed conditions and collection prospects; and (ii) the segmentation of the portfolio of customers and other debtors in different groups of credit risk profiles and subsequent determination of estimated impairment loss rates. The existence, in the many geographies the Group operates in, of significant accounts receivable from government entities, state or entities considered as public entities, raises an additional level of subjectivity and uncertainty to those judgements.

Moreover, and as reported in 1.4 i), the Group estimates the present value of accounts receivable whenever it is expected that payment extends beyond 12 months. In this case, the estimates made by management require judgement, namely concerning the settlement date and the discount rate to use.

Summary of the Audit Approach

industry and customer segments at the reporting date, in case of existence of historical losses or credit risk;

- discussion with the management of the main assumptions used in determining expected impairment losses, namely segmentation of matrices by different groups of credit risk profile, adjustments made to specific debtors, selection of historical periods and base information, as well as expectations of future macroeconomic conditions;
- obtaining ageing accounts receivable reports and reconciling with recognized impairment losses;
- discussing with management, comparing with previous year, the assumptions used to determine accounts receivable incurred impairment losses, namely for significant amounts outstanding for long time periods;
- obtain and analyze available supporting information, used by management in the assessment performed;
- verify receipts after the closing date, when relevant; and
- in the particular case of significant long time past due accounts receivable of government entities, state or entities considered as public entities, external confirmations, formal correspondence documentation with those entities, measurement reports or other evidence supporting the sale/service rendered were attested, in order to assess if the evidence is consistent with the recognized impairment losses.

In what regards the calculation of the present value of accounts receivable, the procedures performed were mainly as follows:

- understanding and evaluation of control activities related to measurement of accounts receivable past due over one year and tests of the controls effectiveness, when relevant;
- assessment of the completeness of accounts receivable with settlement conditions beyond normal terms considered by management for recognition at present value; and

Key Audit Matter

Estimates of accounts receivable impairment and present value are a key audit matter because they require a high level of judgement by management.

Summary of the Audit Approach

- test of the calculation of present value measurement impacts and assessment of the management's assumptions reasonableness, concerning the expected settlement date and discount rate used.

We have also revised disclosures related to the valuation and impairment of accounts receivable presented in the consolidated financial statements.

Real estate inventory and investment properties valuation

Disclosures related to real estate inventory and investment property presented in 1.4 g), 1.4 k), 1.4 v), 6, 8, 21 and 22 to the consolidated financial statements.

At 31 December 2022, the Group holds real estate inventory ready for sale or for real estate development and future sale, amounting to Euros 154,000 thousand, measured at the lower of acquisition or production cost and net realizable value. The Group also holds investment property at fair value, amounting to Euros 103,471 thousand. Real estate inventory and investment property include some projects for which there are no prospects for immediate development or whose sale has been delayed.

Determination of the net realizable value or fair value of these assets requires estimations involving the use of management assumptions, namely market benchmarks, future cash flow projections (sales prices and construction costs to be incurred until completion of the asset), market rents and discount rates.

The high level of judgement embedded in the assumptions used in the net realizable value and fair value estimates, and the related uncertainty, justifies this issue as a key audit matter.

Audit procedures performed, concerning inventory and investment property valuation included:

- assessment of the inventory and investment property presentation reasonableness, considering the expected way of realization, based on meetings with management;
- independence and competence assessment of the internal and external experts that perform/analyze the appraisals;
- review of real estate valuation, namely through the following procedures: (i) meeting with the Group's real estate managers and, when necessary, with the Group's internal and external experts, in order to analyze and discuss the evidence presented and conclusions withdrawn; and (ii) analysis of the reasonableness of the underlying data used in appraisals, considering our knowledge and experience, including the comparison with industry and transaction benchmarks, involving in this exercise, whenever necessary, our internal experts.

We have also revised the disclosures related to real estate inventory and investment property presented in the consolidated financial statements.

Provisions and contingencies

Disclosures related to provisions and contingencies presented in 1.4 q), 1.4 v), 8, 12, 37 and 40 to the consolidated financial statements.

The Group recognizes provisions for contingencies, namely claims and other liabilities related to construction contracts, including construction guarantees. At 31 December 2022 provisions presented in the consolidated financial statements amount to Euros 141,275 thousand, of which Euros 16,201 thousand were recognized in the 2022 consolidated income statement, net of reversals.

Moreover, due to the dimension, structure and geographical dispersion of its operations, the Group is exposed to different tax and legal frameworks, which originate an increased complexity of the procedures of tax and legal nature. Consequently, the Group has a variety of open tax issues and ongoing legal proceedings, for which no liabilities were accounted for and that are contingent liabilities. Contingent liabilities related to tax proceedings in favor of the Portuguese tax authority amount to Euros 86,000 thousand. Contingent liabilities related to open tax proceedings in favor of other countries' tax authorities and legal proceedings, both over Euros 500 thousand, individually, amount to Euros 12,000 thousand and 126,000 thousand, respectively.

In accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, and presented in note 37, the Group recognizes provisions whenever an unfavorable outcome is expected for the regarded contingency. The assessment of the outcome probability is based on management's judgement about those matters, as well as in Group's tax and legal advisors' opinion.

Concerning the provisions and contingent liabilities for obligations regarding construction contracts, the procedures we performed included, among others:

- validation of the listing of recognized provisions for obligations arising from construction contracts, considering our knowledge of the business, management inquiries, minutes of meetings and other documents and events after the closing date;
- assessment of the reasonableness of management's assumptions for provisions measurement, namely by comparing previous periods estimates with actual incurred costs; and
- analysis of the calculation of provisions and the supporting documentation.

Concerning the provisions and contingent liabilities for obligations arising from tax and legal litigation, we have performed, among others, the following procedures:

- understanding the procedures to assess contingencies and tax and legal litigation made by management;
- obtaining and analysis of the listings of tax and legal litigation involving the Group;
- obtaining and analysis of the confirmations received from internal and external lawyers, regarding the proceedings of which they are in charge;
- analysis of correspondence exchange with tax authorities, namely regarding claims and appeals by the Group;
- analysis of the minutes of the Board of Directors and Executive Committee and monitoring of media news that mention the Group or group perimeter companies or related;
- analysis of tax or legal opinions obtained from external consultants or lawyers that support management's positions regarding potential contingencies or existing litigations, promoting meetings directly with those

Key Audit Matter

Considering the level of judgement involved in the assessment of contingent liabilities and estimation of outflows amounts to settle the present obligation, and the high degree of uncertainty of the outcome of the proceedings, we consider this issue as a key audit matter.

Summary of the Audit Approach

- whenever necessary to debate the most significant judgments;
- inquiry to management and to key personnel of tax and legal departments, with the support of our specialists, regarding the most significant estimates and judgements, aiming, whenever possible, to corroborate the assumptions in the classification and measurement of the amounts of provisions recognized and contingent liabilities disclosed; and
 - scanning of expenses incurred after the reporting date, in order to identify non-circularized lawyers or external consultants for which confirmation requests were not sent and/or possible new tax proceedings or litigation.

We have also revised the disclosures related to provisions and contingencies presented in the consolidated financial statements.

Reclassification of Lineas investment

Disclosures related to the reclassification of Lineas investment presented in Notes 1.2, 1.4 h), 10 and 19 to the consolidated financial statements.

During the year of 2022, the investment in the subgroup Lineas was reclassified from Non-current assets held for sale to Financial investments in Joint Ventures, due to occurrence of difficulties in the sale of the two main concessions: Lusoponte and Douro Interior.

Consequently, as of 31 December 2022 the Group financial statements were restated in order to reflect the remeasurement impacts of applying the equity method to Lineas investment in the comparative period as from the date of its classification as a non-current asset held for sale. This exercise was performed based on the consolidation as from that date of the financial statements of the

Our audit procedures performed regarding the reclassification of the Lineas investment included, among others:

- analysis of the factors that caused the end of the classification of the investment as a non-current asset held for sale;
- verification of the adequate accounting treatment of the Lineas investment remeasurement in accordance with IFRS 5 – non-current assets held for sale;
- obtain the restatement exercise by entity of the subgroup Lineas and its conciliation with the restatement consolidated impacts disclosed; and
- for the main entities that make part of the subgroup Lineas consolidation perimeter: (i) collection and analysis of the financial statements related to the comparative period, and, whenever necessary, to previous periods; (ii) capture and understanding of the main events occurred in 2021, and previous periods, whenever relevant, in order to verify,

Key Audit Matter	Summary of the Audit Approach
<p>several entities included in the consolidation perimeter of the subgroup Lineas in accordance with the Group's accounting policies.</p> <p>According to note 1.2, the restatement exercise affected negatively the Reserves and retained earnings as of 1 January 2021 and 31 December 2021 in Euros 60,496 thousand and Euros 20,171 thousand, respectively, and positively the net profit of the year in Euros 2,461 thousand.</p> <p>The complexity of the investment remeasurement exercise as from its classification as a non-current asset held for sale, as well as the magnitude of its impact in the comparative financial statements, led us to consider the Lineas restatement as a key audit matter.</p>	<p>based on supporting evidence, its correct accounting treatment in accordance with the Group's accounting policies, when applying the equity method to the consolidated comparative financial statements; (iii) communication and change of information with the auditors of that entities for a better understanding of the previous conclusions; and (iv) re-execution of the remeasurement exercise.</p> <p>We have also revised the disclosures related to the restatement presented in the consolidated financial statements.</p>

Responsibilities of management and supervisory board for the consolidated financial statements

Management is responsible for:

- a) the preparation of the consolidated financial statements, which present fairly the consolidated financial position, the consolidated financial performance and cash flows of the Group in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union;
- b) the preparation of the consolidated Management report, the Report on corporate governance, the consolidated non-financial information and the remunerations report, in accordance with the applicable law and regulations;
- c) the creation and maintenance of an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error;
- d) the adoption of appropriate accounting policies and criteria; and
- e) the assessment of the Group's ability to continue as a going concern, disclosing, as applicable, events or conditions that may cast significant doubt on the Group's ability to continue its activities.

The supervisory board is responsible for overseeing the process of preparation and disclosure of the Group's financial information.

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

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- a) identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- b) obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- d) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- e) evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- f) obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion;
- g) communicate with those charged with governance, including the supervisory board, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit;

h) of the matters we have communicated to those charged with governance, including the supervisory board, we determine which one's were the most important in the audit of the consolidated financial statements of the current year, these being the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure; and

i) confirm to the supervisory board that we comply with the relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Our responsibility also includes verifying that the information included in the consolidated Management report is consistent with the consolidated financial statements and the verification set forth in paragraphs 4 and 5 of article No. 451 of the Portuguese Company Law on corporate governance matters, and verifying that the consolidated non-financial statement and the remunerations report were presented.

Report on other legal and regulatory requirements

Consolidated Management report

In compliance with paragraph 3 e) of article No. 451 of the Portuguese Company Law, it is our opinion that the consolidated Management report has been prepared in accordance with applicable requirements of the law and regulation, that the information included in the consolidated Management report is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment about the Group, no material misstatements were identified.

Report on corporate governance

In compliance with paragraph 4 of article No. 451 of the Portuguese Company Law, it is our understanding that the Report on corporate governance report includes the information required under article No. 29-H of the Portuguese Securities Market Code, that no material misstatements were identified in the information disclosed in this report and that it complies with paragraphs 1 c), d), f), h), i) and l) of that article.

European Single Electronic Format (ESEF)

The Entity's consolidated financial statements for the year ended on 31 December 2022 must comply with the applicable requirements established in Commission Delegated Regulation (EU) 2019/815, of December 17, 2018 (ESEF Regulation).

The management is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

- a) obtaining an understanding of the financial reporting process, including the annual report presentation in valid XHTML format; and
- b) the identification and assessment of the risks of material misstatement associated with the tagging of information in the consolidated financial statements, in XBRL format using iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to tag the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material respects, in accordance with the requirements of the ESEF Regulation.

Consolidated non-financial statement

In compliance with paragraph 6 of article No. 451 of the Portuguese Company Law, we hereby inform that the Group prepared a separate report of the consolidated Management report that includes the consolidated non-financial statement set forth in article No. 508-G of the Portuguese Company Law, which was disclosed together with the consolidated Management report.

Remunerations report

In compliance with paragraph 6 of article No. 26-G of the Portuguese Securities Market Code, we hereby inform that the Entity included in a separate section, in its corporate governance report, the information set forth in paragraph 2 of that article.

Additional information required in article No. 10 of the Regulation (EU) 537/2014

In accordance with article No. 10 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014, and in addition to the key audit matters referred to above, we also provide the following information:

- a) We were first appointed auditors of Mota-Engil, S.G.P.S., S.A. in the Shareholders' General Meeting of 24 May 2017 for the remaining period from 2015 to 2018, being in charge till the present moment. Our last appointment was in the Shareholders' General Meeting of 23 May 2019 for the period from 2019 to 2022.
- b) The management has confirmed to us it has no knowledge of any allegation of fraud or suspicions of fraud with material effect in the financial statements. We have maintained professional scepticism throughout the audit and determined overall responses to address the risk of material misstatement due to fraud in the consolidated financial statements. Based on the work performed, we have not identified any material misstatement in the consolidated financial statements due to fraud.
- c) We confirm that our audit opinion is consistent with the additional report that was prepared by us and issued to the Group's supervisory board as of 4 April 2023.

d) We declare that we did not provide any prohibited non-audit services referred to in paragraph 1 of article No. 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council, of April 16, 2014 and that we remain independent of the Group in conducting our audit.

4 April 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Joaquim Brochado Correia, ROC no. 1076
Registered with the Portuguese Securities Market Commission under no. 20160688

REPORT AND OPINION OF THE STATUTORY AUDIT BOARD

(Translation of a report originally issued in Portuguese)

To the Shareholders of Mota-Engil, SGPS, S.A.

In compliance with the legal and statutory requirements, the Statutory Audit Board of Mota-Engil, SGPS, S.A. (“Company”) presents the report of its activities during the year 2022, as well as, its opinion regarding the file under the ESEF format (European Single Electronic Format) that contains the documents associated with the consolidated financial report, including the Management Report and the Consolidated Financial Statements related to that year presented by the Company’s Board of Directors.

The Statutory Audit Board met regularly and accompanied the progress of the Company, particularly through contacts with the Board of Directors and its members and with the main persons responsible for the Group's services, who have provided all the information and justifications requested.

The Statutory Audit Board also accompanied the activity of the Statutory Auditor / Auditor gathering elements that were useful in the performance of its supervisory responsibilities. It also supervised the activity of the Statutory Auditor / Auditor, including its independence, in compliance with the subparagraph d), paragraph 2, of article 420 of the Portuguese Commercial Companies Code, and its exemption, verifying the adequacy and approving the provision of non-audit services.

We accompanied the process of preparing and disclosing consolidated financial information, as well as the legal revision of the accounts. As far as we are aware, the legal revision of the accounts has positively contributed to the integrity of the process of preparing and disclosing financial information.

In addition, the Statutory Audit Board analysed the aforesaid documents associated with the consolidated financial report, included in the above referred file, as well as the Consolidated Legal Certification of Accounts / Audit Report, issued by the Statutory Auditor / Auditor.



MOTAENGIL
SGPS, S.A.

The Statutory Auditors / Auditor firm forwarded to this Board the Additional Report to the Statutory Audit Body with the results of the audit of the financial statements, relating to the financial year ended on 31 December 2022, in compliance with the provisions of article 11 of the Regulation (EU) No. 537/2014 of the European Parliament and of the Council, of 16 April 2014, which was analysed by the Statutory Audit Board.

Pursuant to the terms of Art. 29(1)(c) of the Securities Market Code, the members of the Statutory Audit Board hereby declare that, to the best of its knowledge, the information contained in the Consolidated Report and Accounts for 2022 was prepared in accordance with the applicable accounting principles and that they give a true and fair view of the assets and liabilities, the financial position and the results of Mota-Engil, SGPS, S.A. and the companies included in its consolidation perimeter, and that the Management Report faithfully describes the progress of the business, the financial and non-financial performance and the consolidated position of Mota-Engil, SGPS, S.A., and the companies included in its consolidation perimeter, including a description of the main risks and uncertainties that they face.

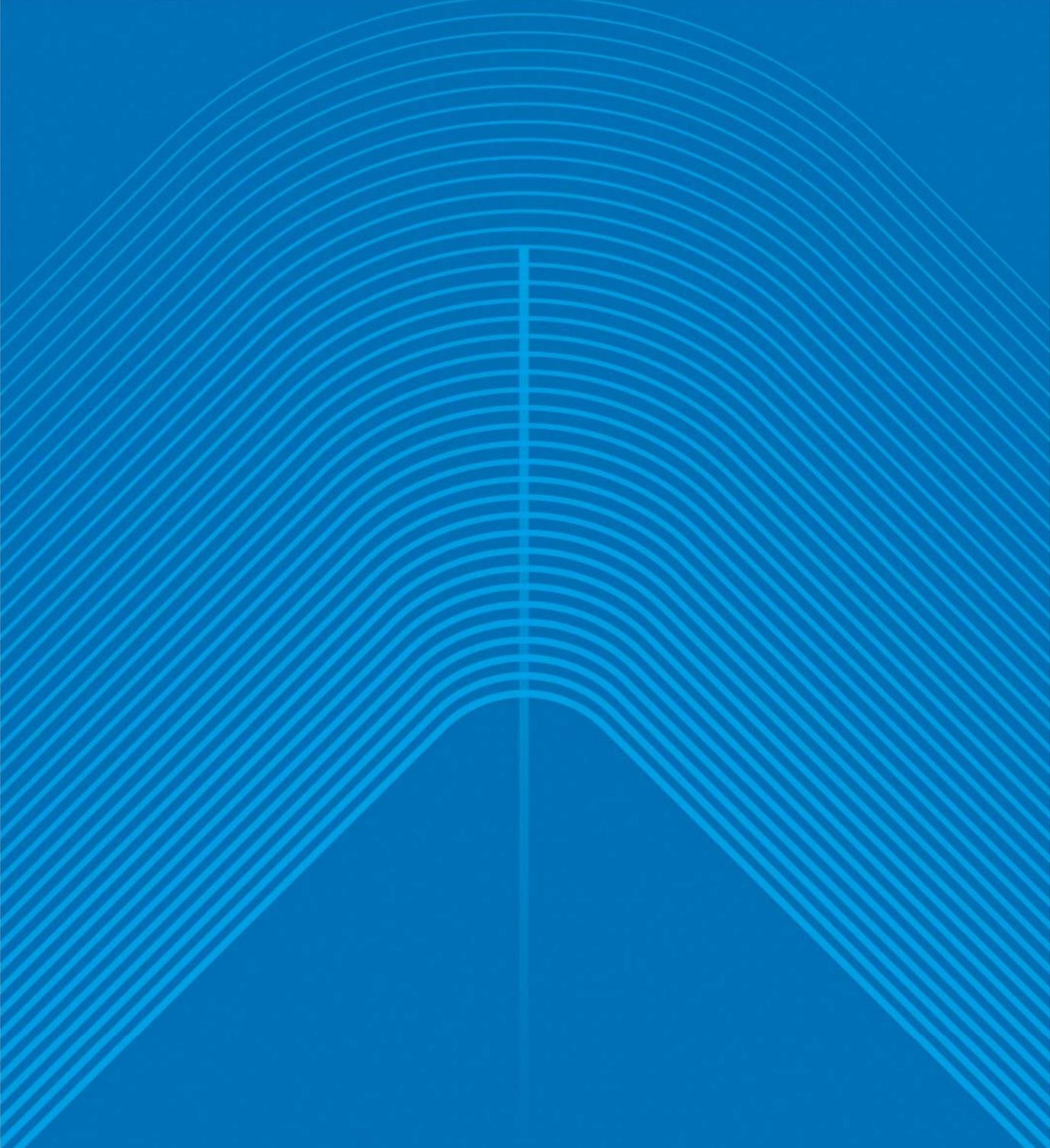
Consequently, the Statutory Audit Board is of the opinion that the aforementioned documents associated with the consolidated financial report presented by the Board of Directors should be approved.

Porto, April 4, 2023

José António Ferreira de Barros

Susana Catarina Iglésias Couto Rodrigues de Jesus

Cristina Maria da Costa Pinto



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