



A Legacy of Trust

**Report of Consolidated Accounts
2021**

This report is a translation of the Portuguese original version of the Mota-Engil Group's 2021 Consolidated Report & Accounts, submitted at the CMVM website and [Mota-Engil institutional website](#) on April 7th, 2022, in ESEF format. In case of discrepancies between this version and the official ESEF version, the latter prevails.

Since 1946

A Legacy of Trust

The Mota-Engil World



2021 in numbers

412 M€

EBITDA

2,592 M€

Turnover

Turnover 2021

EUROPE AFRICA LATIN AMERICA



Backlog 2021

EUROPE AFRICA LATIN AMERICA



MOTA-ENGIL DISTINCTIONS

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 10 IN LATIN
AMERICA
#7 in the region

THE TOP 250

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

THE TOP 250



2021

Highlights

7.6

Billion Euro

**ROBUST BACKLOG
REACHING THE RECORD
FIGURE OF 7.6 BILLION EURO**

2.6

Billion Euro

**TURNOVER OF 2,592 MILLION
EURO, A GROWTH OF 7%
AGAINST 2020**

412

Million Euro

**EBITDA OF 412 MILLION
EUROS WITH A MARGIN OF
16%**

22

Million Euro

**CONSOLIDATED NET PROFIT
OF 22 MILLION EURO, AN
INCREASE OF 42 MILLION EURO
AGAINST 2020**

1,125

Million Euro

**NET DEBT OF
1,125 MILLION EURO, A DECREASE OF
117 MILLION EURO AGAINST 2020**

213

Million Euro

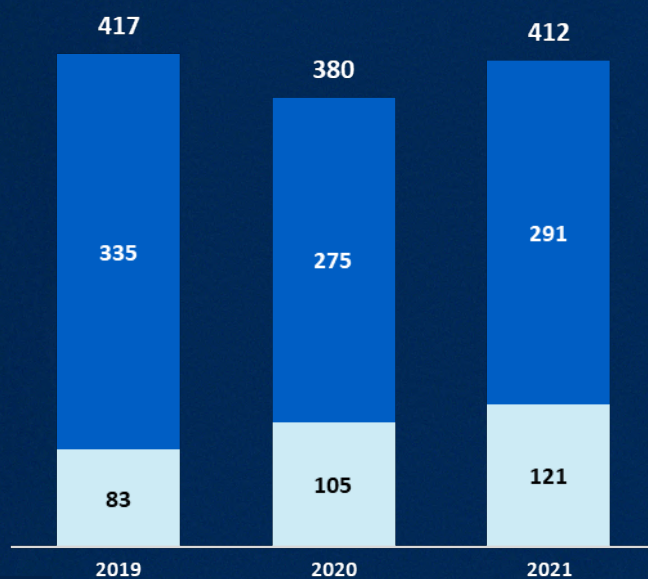
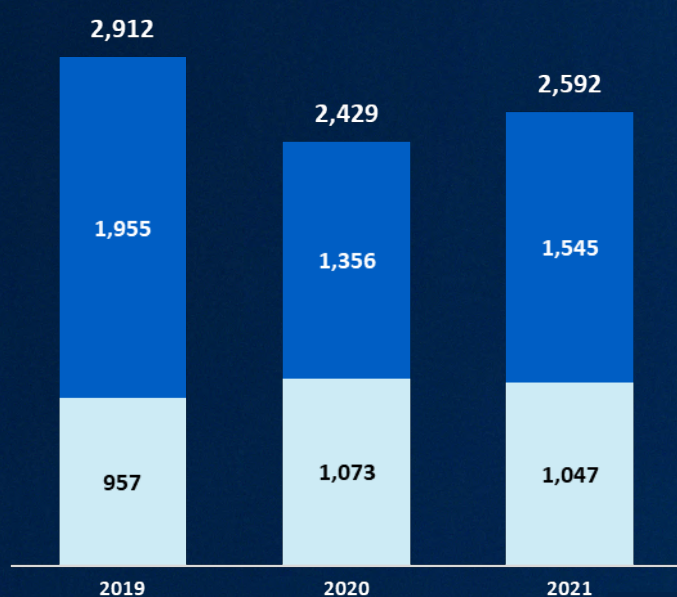
**INVESTMENT OF 213 MILLION
EURO**

Sales and Services Rendered

(million Euro)

EBITDA

(million Euro)



■ Europe (*)

■ Abroad (**)

(*) The Europe region and others, eliminations and intragroup are included

(**) The Africa and Latin America regions are included

INCOME STATEMENT

THOUSAND EURO

	12M20	% T	Δ	12M19	% T
Sales and services rendered (Turnover - T)	2,591,776		6.7%	2,429,134	
EBITDA(*)	411,632	15.9%	8.3%	380,256	15.7%
Amortizations and depreciations, provisions and impairment losses	-227,139	(8.8%)	3.7%	-235,770	(9.7%)
EBIT(**)	184,493	7.1%	27.7%	144,485	5.9%
Net financial results (***)	-126,344	(4.9%)	6.3%	-134,797	(5.5%)
Gains / (losses) in associates and jointly controlled companies	653	0.0%	-	-6,049	(0.2%)
Gains / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associates companies	49,213	1.9%	341.5%	11,146	0.5%
Net monetary position	11,124	0.4%	3.5%	10,748	0.4%
Income before taxes	119,140	4.6%	366.6%	25,534	1.1%
Consolidated net profit for the year	60,778	2.3%	678.3%	7,809	0.3%
Attributable to:					
Non-controlling interests	39,138	1.5%	41.0%	27,753	1.1%
Group	21,641	0.8%	208.5%	-19,944	(0.8%)

(*) 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"



The year of 2021 and the results presented represent a positive sign that the turbulent times we lived have now been overcome and that MOTA-ENGIL has resumed the path of growth and profitability.

I must admit I had expected to convey a more optimistic message, but if I express such feelings with regards to the COMPANY'S capacity and its future capacity, I cannot help but think about the shadows of the war that concern me.

I hope common sense prevails and that we may rapidly overcome this situation.

Message from the Chairman



Dear Shareholders,

António Mota

Chairman of the Board of Directors

The year of 2021 and the results presented represent a positive sign that the turbulent times we lived have now been overcome and that MOTA-ENGIL has resumed the path of growth and profitability.

If it indeed represents a sign of the unique capacity of the COMPANY and all its workers, we cannot help but praise the effort that all Humanity made in the fight against the pandemic, in particular the health services which were subject to an unsurmountable pressure.

Vaccines and the rate of success of vaccination in Portugal constitute a clear proof of all that commitment.

I must admit I had expected to convey a more optimistic message, but if I express such feelings with regards to the COMPANY's capacity and its future capacity, I cannot help but think about the shadows of the war that concern me.

I hope common sense prevails and that we may rapidly overcome this situation.

We are a company that throughout 75 years pushed through various adverse situations, but we have always managed to look out for the opportunities that appear following a crisis.

MOTA-ENGIL has a diverse presence in the world. with a cultural union that brings in me the feeling that we are growing and improving our performance, adapting ourselves and taking the decisions that at any given moment are required.

I thank all shareholders, partners, subcontractors, suppliers and financial entities for the support they have provided us.

Finally, to all workers: without you, none of this would be possible. Thank you.



The pandemic situation left a deep social crisis and economic downturn, which will take some years to overcome.

Despite this unusual context, the GROUP showed favourable, even notable, I would say, evolution and recovery, with a rebound in growth, increased profitability and organic generation of cash flows as well as commercial performance, reaching record figures in what hiring is concerned, which allows us to be very confident about the future.

Message from the CEO



**Gonçalo
Moura Martins**
CEO



Dear shareholders,

The year of 2021 was still incredibly demanding to the societies on account of the persisting pandemic situation, and its occasional aggravations, that left no one unscathed.

Naturally, the creation of various vaccines and the beginning of their massive use have carried an aura of hope and ongoing improvement that reality has recently satisfactorily confirmed, with the WHO considering the declaration of the end of the pandemic during the current year.

However, the pandemic situation left a deep social crisis and economic downturn, which will take some years to overcome.

Despite this unusual context, the GROUP showed favourable, even notable, I would say, evolution and recovery, with a rebound in growth, increased profitability and organic generation of cash flows as well as commercial performance, reaching record figures in what hiring is concerned, which allows us to be very confident about the future.

The GROUP'S attractiveness, despite the unfavourable context, allowed during 2021 for important accomplishments to take place, of which the following stand out:

1. The implementation of the strategic capital partnership with the sector's world giant CHINA COMMUNICATIONS CONSTRUCTION COMPANY, LDA., with the founding Family remaining the GROUP'S largest shareholder;
2. Following that partnership, it was possible to performe a capital increase of more than 100 million Euro;
3. The GROUP presented a challenging 5-year strategic programme, Building '26, which shall be the guide for its development in the upcoming years, containing ambitions and desirable ESG targets;
4. It issued, with remarkable success, a retail and institutional bonds programme, innovative in its classification as Linked to Sustainability, certified by Standard & Poor's, which permitted the increase of its average maturity and decrease of its average cost;
5. It consolidated its position in the core markets, with renowned commercial successes which allowed to build an unprecedented backlog of more than 7 billion Euro;

On the other hand, and already within the scope of its new strategic plan, an innovative programme for the global certification of its management and operating processes in sustainability and compliance was started, also with a view to fulfil its ESG targets, as well as to reinforce its path, treaded on for a long time, of digitalisation of its management processes.

All of this has been made and shall be continued, based on a committed, motivated and professional management that is aware of the challenges of a modern organisation that is integrated into the various communities in which it operates.

A path we are proud of and one which enables us, today, to present a sustainable improvement of the main economic and financial indicators of the GROUP, of which the operating profitability, the decline in net debt, the reinforcement of equity and the improvement of working capital stand out.

Naturally, very recent events related to the inconceivable return of the war to the European continent has cast doubts on the economic recovery and substantially increase the atmosphere of uncertainty to the economic players.

Fortunately, the GROUP is stronger and more resilient to face times of market volatility and has a renowned risk management system that makes it more capable of dealing with contexts of greater uncertainty.

A proof of that is the increase in 8 billion Euro from its backlog in the first months of the year, which fully demonstrates its commercial competitive and exceptional insertion in the markets in which it operates and, above all, allow me to underline it, the privilege of serving our clients, the core of our existence as an organisation.

However, all this would not be possible without the unusual capacity, motivation and dedication of its thousands of Workers, spread over countless markets, Co-workers to whom I do address a word of gratitude and recognition, as well as to our Clients, Shareholders, Financiers, Investors, Suppliers and all those with whom the GROUP relates and which, on a daily basis, help us and make us be a better company.



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The Future under Construction

To build trust

To consolidate the path of success built during 75 years of activity and capitalize our know-how to do more and better.

A Legacy of Trust.

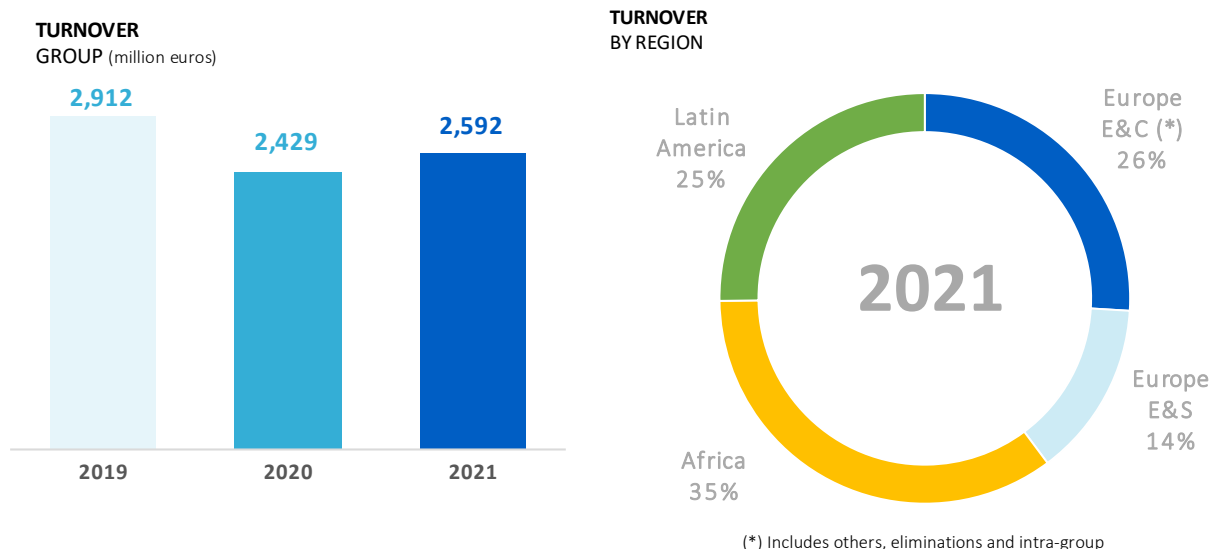


1998 Expo'98 Lisbon, Portugal.

01

Consolidated
Management Report

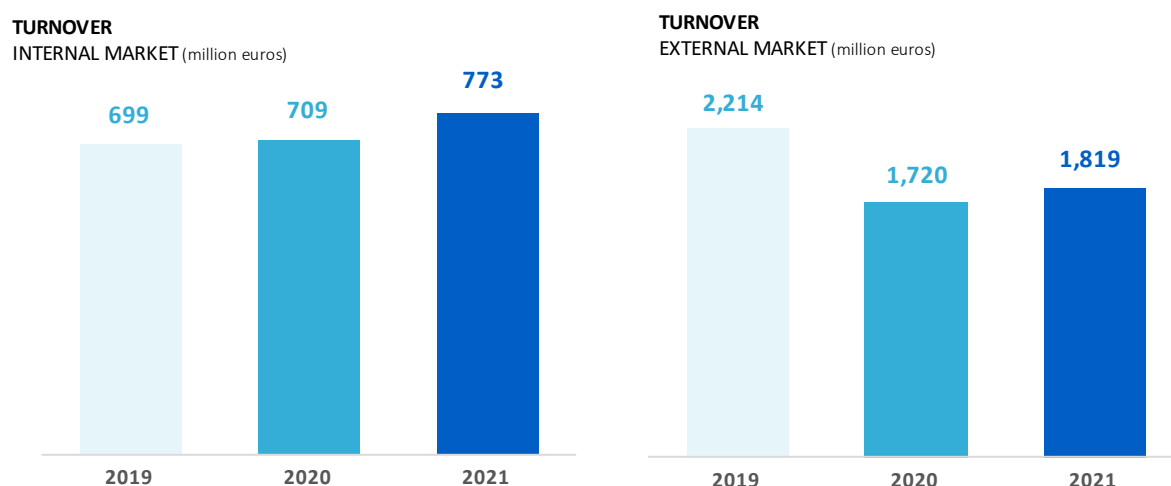
1.1 Analysis of economic-financial performance



In the financial year ended on 31 December 2021, due to the favourable evolution of the Covid-19 pandemic, namely with the dissemination and generalisation of the vaccination process, the Group's activity presented a strong recovery, with particular emphasis on the second semester, which made it possible to achieve a turnover (**) of 2,592 million Euro, an increase of 7% compared to 2020.

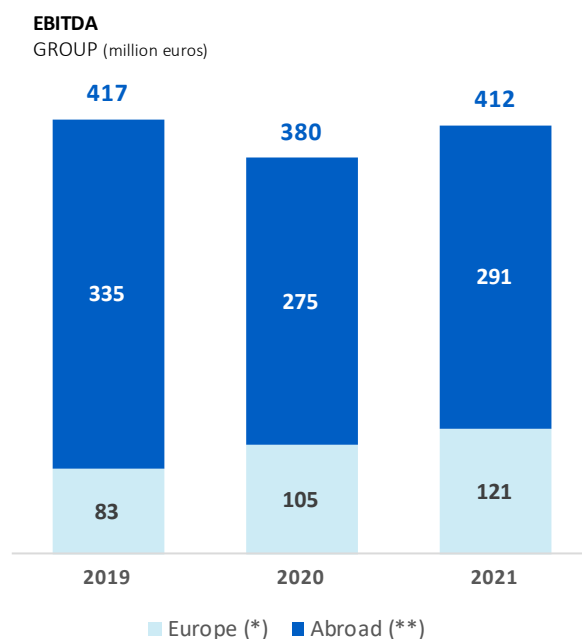
However, it is worth highlighting that the positive evolution of the turnover was not transversal to all regions, with Africa and Latin America contributing with increases of 18% and 9%, respectively, while Europe contributed with a slight decrease of 4%.

Following the described above, Europe remained in 2021 the region that most contributed to the Group's turnover, with 40% (44% in 2020), followed by Africa with 35% (31% in 2020) and Latin America with 25% (25% in 2020). Additionally, in 2021, in Europe, the E&C (Engineering and Construction) segment contributed with 27% to the Group's turnover (30% in 2020) and the E&S (Environment and Services) segment with 14% (14% in 2020).



In the financial year ended on 31 December 2021, the turnover presented both in the internal and the external market, an improvement of 9% and 6%, respectively, against 2020, largely explained by the improvement of the health context associated with the pandemic.

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



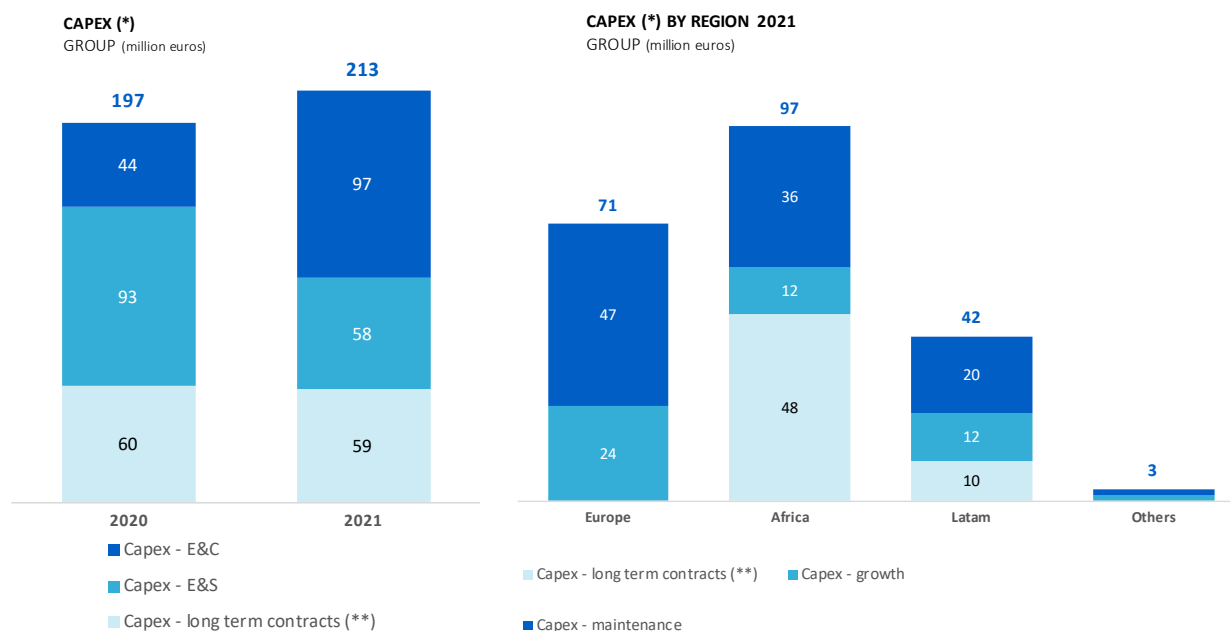
(*) The EBITDA generated in the Europe region and in other, eliminations and intragroup is included

(**) The EBITDA generated in the Africa and Latin America regions is included

In 2021, as a result of an increase in turnover, lesser restrictions associated with the health crisis, which had a positive impact on productivity and profitability, as well as some extraordinary corrections of tariffs occurred in EGF concessionaire companies, the GROUP's EBITDA reached 412 million Euro (380 million Euro in 2020), an increase of 8%, having benefitted from the positive contribution of all regions - a growth of 23% in Europe, a growth of 9% in Latin America and a growth of 4% in Africa. As such, as a result of the above mentioned, the EBITDA margin (EBITDA/Turnover) in 2021 reached 15.9% (15.7% in 2020).

On the other hand, in 2021, the EBITDA generated in E&C non-related business amounted to 35% of the total amount (29% in 2020).

In 2021, EBIT rose to 184 million Euro (144 million Euro in 2020), representing an increase of 28%, having been positively influenced by the increase observed in EBITDA and by the constitution of provisions and impairment losses in a lower amount and negatively influenced by the increase in amortisations, due to the revaluation made during the year to the heavy equipment allocated to the E&C business.

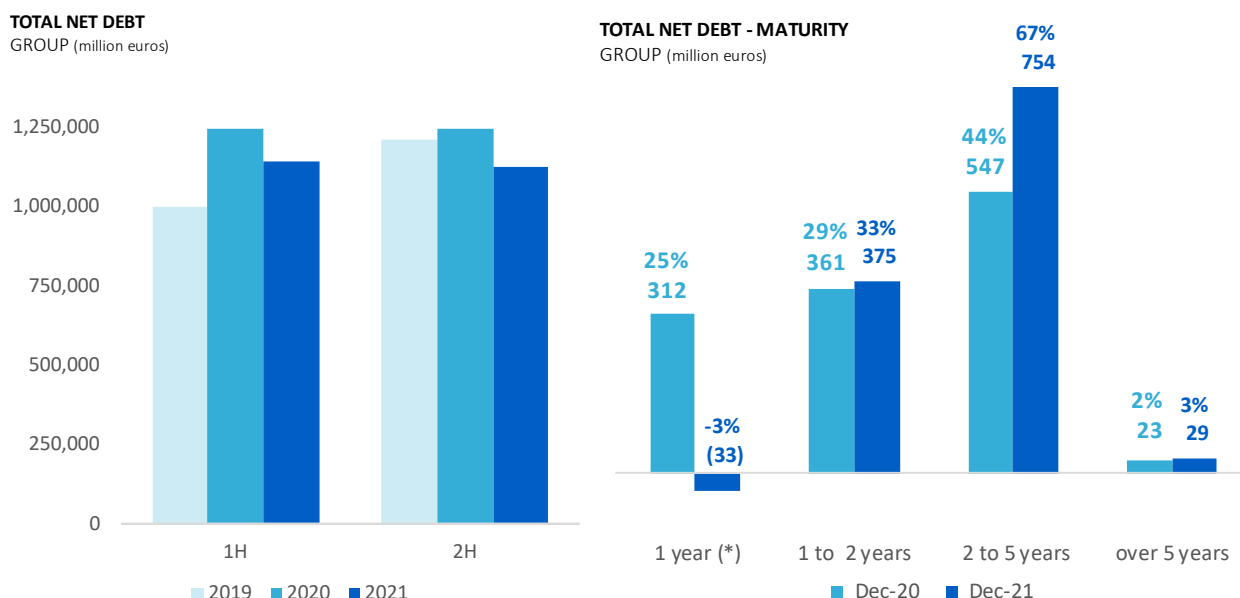


(*) Capex corresponds to the algebraic sum of the increases and disposals of tangible assets, intangible assets and rights of use of assets occurred in the year.

(**) Long-term contracts corresponds to the engineering industrial services in Africa and to the energy business in Latin America.

In 2021, following the year of 2020 marked by a slowdown and delay in investments (capex), and in order to be able to launch some relevant projects in different geographies, the GROUP has invested approximately 213 million Euro (an increase of 8% against 2020), 58 million Euro being allocated to the E&S business (of which 39 million Euro were invested by EGF concessionaire companies with a view to fulfil the investment plan approved by the regulator), 97 million Euro being allocated to the E&C business and 59 million Euro being allocated to long-term contracts (mostly directed towards engineering industrial services contracts in South Africa, Mali and Guinea Conakry).

On the other hand, it is worth mentioning that: (i) 45% of the total investment made was directed towards Africa, namely towards new long-term contracts and some relevant projects under execution; (ii) that 43 million Euro were invested in Latin America, namely in Mexico and especially in the Trem Maya project; and (iii) that the investment in maintenance amounted to 4% of turnover.



As at 31 December 2021, net debt⁽¹⁾ amounted to 1,125 million Euro, a decrease of approximately 117 million against 31 December 2020, essentially explained by the increase in share capital observed in May (about 103 million Euro) and by the controlled management of the working capital during the year.

As at 31 December 2021, added net debt from factoring⁽²⁾, leasing⁽³⁾ and confirming⁽⁴⁾ operations amounted to 1,799 million Euro, representing an increase of 31 million Euro against 31 December 2020.

As a result of debt evolution and the operating performance for the year, the ratio comparing the total net debt to EBITDA for the last 12 months reached 2.7x (3.3x as at 31 December 2020), thus returning to levels reached before the start of the pandemic.

Gross debt⁽⁵⁾ as at 31 December 2021 amounted to 1,791 million Euros, with 42% being contracted at a variable rate, its average cost being 5.1%. Furthermore, as at 31 December 2021, 86% of total gross debt was denominated in Euro and its average life was 2.3 years (2.4 years as at 31 December 2020).

Additionally, as at 31 December 2021, the GROUP kept contracted but unused credit lines worth 294 million Euro, resulting in a total amount of actual liquidity⁽⁶⁾ of 959 million Euro, corresponding to 54% of total gross debt.

Lastly, in 2021 the GROUP launched the first sustainability-linked bond issue in Portugal in the amount of 132 million Euro.

(*) Net debt at 1 year included all public debt securities from Angola and Mozambique (from Angola, Mozambique and Cote d'Ivoire in 2020) recorded under the captions "Other financial investments recorded at amortised cost" of the consolidated statement of the financial position.

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

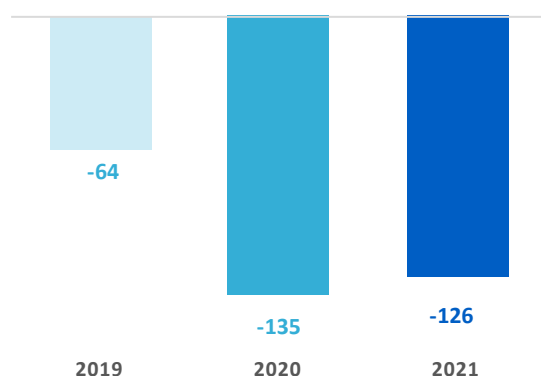
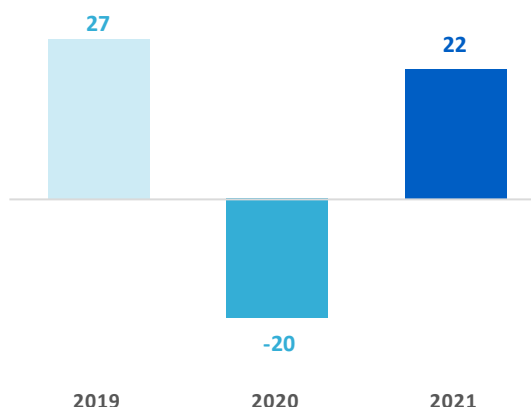
(2) Factoring operations are recorded in the consolidated statement of the financial position under the caption "Other financial liabilities".

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

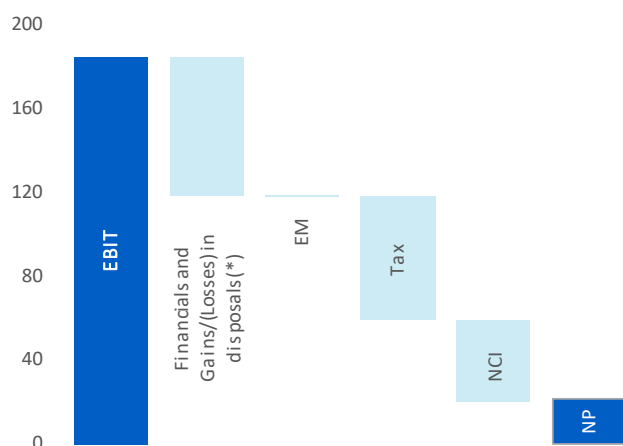
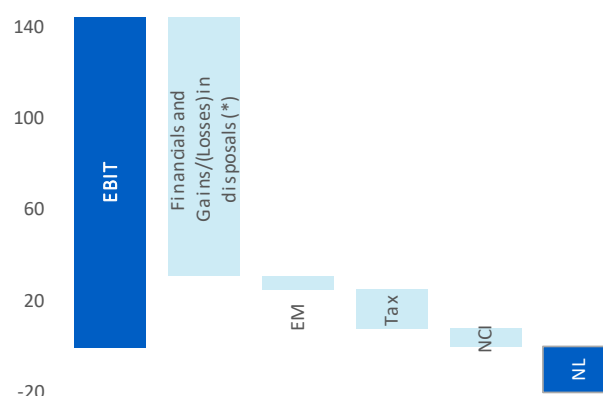
(4) Confirming operations are recorded in the consolidated statement of the financial position under the caption "Other financial liabilities".

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

(6) Effective liquidity corresponds to the algebraic sum of the following captions of the consolidated statement of the financial position "Cash and cash equivalents without recourse – Demand deposits"; "Cash and cash equivalents with recourse – Demand deposits"; "Cash and cash equivalents with recourse – Term deposits"; "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 2021, the financial results reached a negative 126 million Euro (negative 135 million Euro in 2020), a decrease of about 6%, essentially explained by the reduction in net financial charges (interest paid - interest received), which reached in 2021 87 million Euro (99 million Euro in 2020). Additionally, the reduction of net financial charges was mostly due to the reduction in the Group's average level of indebtedness and to the increase in income generated with treasury bonds held by the GROUP.

NET PROFIT COMPOSITION 2021
 GROUP (million euros)

NET LOSS COMPOSITION 2020
 GROUP (million euros)


(*) It includes 11 million Euro in 2021 and 2020 associated with part of the effect arising from considering Zimbabwe as a hyperinflationary economy (IAS 29)

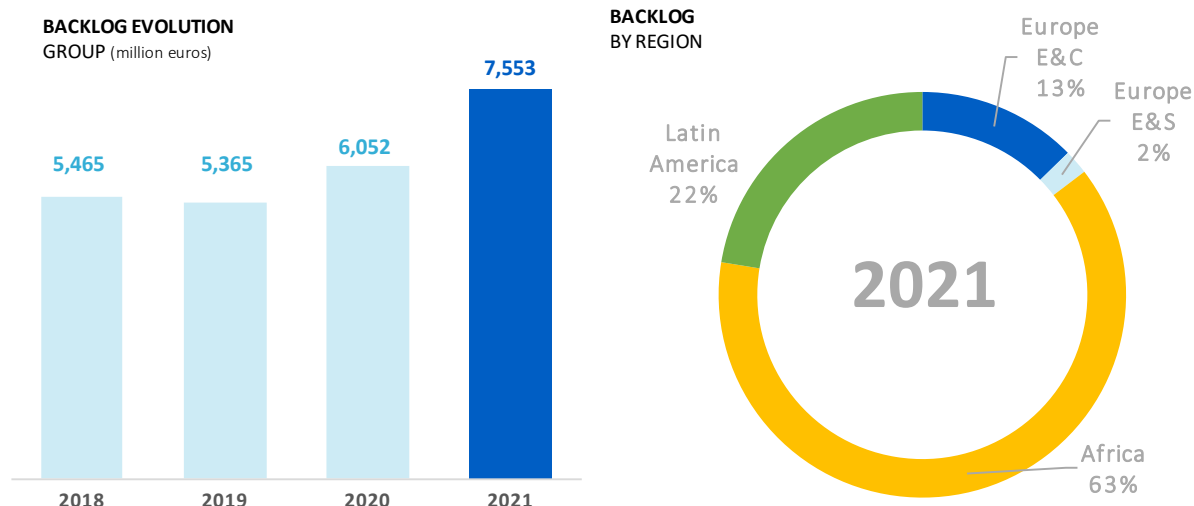
In 2021, the caption of Gains / (losses) in the acquisition and disposal of subsidiary, jointly controlled and associated companies (included in the column "Financial and Gains / (Losses) in disposals" in the charts) reached 49 million Euro (11 million Euro in 2020), heavily influenced by the gain generated by the partial disposal of the tourism business in Mexico.

On the other hand, in 2021, the caption "Gains / (losses) in associated and jointly controlled companies" ("EM") positively contributed with 0.7 million Euro to the net income (-6.0 million Euro in 2020), an improvement of approximately 7 million Euro, mostly explained by the positive performance of the MARTIFER GROUP.

In what income tax ("Tax") is concerned, in 2021 it amounted to 58 million Euro (18 million Euro in 2020), a raise essentially explained by the improvement observed in profitability. For additional information on this matter, we recommend reading Note 12 of the notes to the consolidated financial statements.

Lastly, with regard to non-controlling interests ("NCI"), in 2021 NCI rose to 39 million Euro (28 million Euro in 2020), essentially generated in the GROUP's companies in Mexico and in Portugal in the waste treatment and recovery area.

In this respect, following the operating and financial performance described above, the net income ("NP") attributable to the GROUP for the year ended on 31 December 2021 amounted to 22 million Euro, an improvement of 42 million Euro against 2020 (-20 million Euro).



(*) Contracts awarded to be executed at the exchange rate as at 31 December 2021.

The backlog(*) as at 31 December 2021 reached the record figure of 7,553 million Euro, a growth of 25% against 31 December 2020, essentially supported by Africa and by long-term contracts, with the Africa and Latin America regions contributing with approximately 85% of the total amount. Furthermore, it is worth highlighting that the backlog of the E&C business (7,165 million Euro) represents 95% of the total book and that the E&C ratio backlog / turnover reached 3.7x as at 31 December 2021.

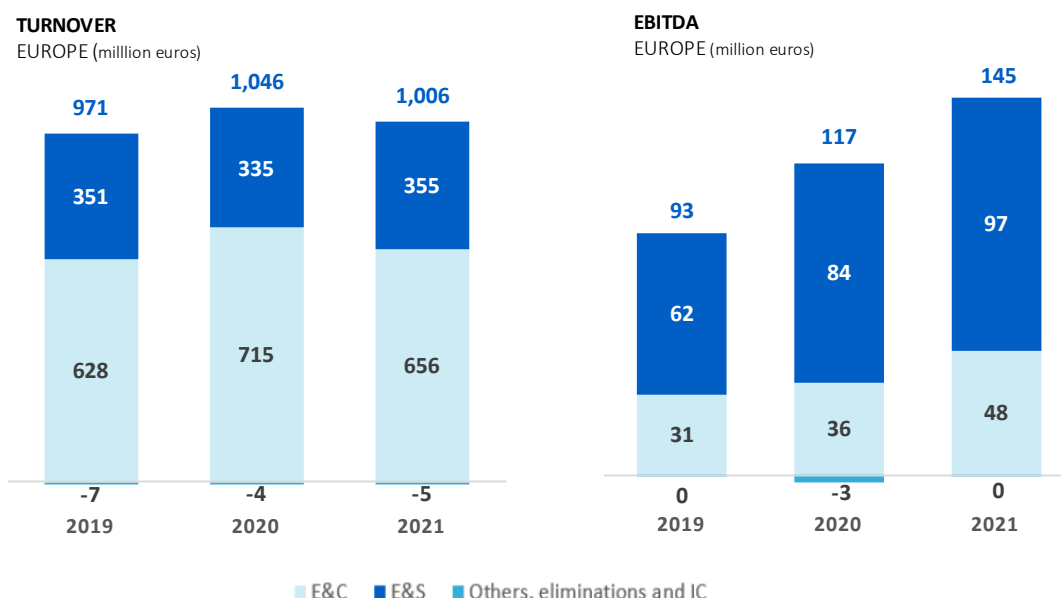
As at 31 December 2021, the E&S business contributed with 388 million Euro to the GROUP's backlog, not including the predictable revenues arising from the waste treatment and recovery contracts of EGF concessionaire companies and CLEAN EBURNIE (sanitary landfill in Cote d'Ivoire).

On the other hand, regarding the composition of the backlog, it is worth highlighting the weight of the long-term contracts, namely in the engineering industrial services and energy sectors, which as at 31 December 2021 represented 28% of the total E&C backlog (27% as at 31 December 2020).

Similarly, the award in 2021 of the GROUP's largest contract ever, in Nigeria, valued at about 1.5 billion Euro, and, already in 2022, the raise of new contracts in Uganda, Peru and Mexico, allowing the backlog as at the date of this report to exceed 8 billion Euro, are worthy of note.

1.2. Analysis by Business Area

EUROPE



The Europe region includes the E&C and E&S activities and companies that the GROUP holds in Portugal, Poland, Ireland and the United Kingdom or those which are managed by the management structure of that region. Waste collection activities (by SUMA) and waste treatment and recovery (by EGF) are essentially developed in the E&S segment.

In Europe, turnover in 2021 rose to 1,006 million Euro, a slight decrease of 3.8% against 2020 (1046 million Euro), with the E&C area showing a downturn of 6% and the E&S area showing an increase of 8%. In this respect, within the E&C area, the growth of 7% in the turnover in Portugal as well as the decrease of 27% in Poland, the latter explained by the launching stage of new projects, are worthy of note for the year. On the other hand, as regards the E&S area, the growth of 9% in the waste treatment and recovery, partly influenced by the extraordinary correction of tariffs in EGF concessionaire companies (27 million Euro) as well as the decrease of 1% in waste collection, essentially due to the cancelation of a contract in Angola, are worthy of note for the year.

In addition, in 2021, Portugal contributed with approximately 58% to the turnover of the E&C area (about 49% in 2020).

As regards operating profitability, the EBITDA in Europe in 2021 reached 145 million Euro, a significant increase of 23% against 2020 (117 million Euro), such increase being essentially explained by the positive performance of the E&C area (+12 million Euro), namely in Portugal and in Poland, due to the average increase of the projects' size and to the positive performance of the E&S area (+13 million Euro), namely in the waste treatment and recovery, due to the extraordinary correction of tariffs referred above. This way, the EBITDA margin reached 7% in the E&C segment and 27% in the E&S segment.

ENGINEERING AND CONSTRUCTION

PORTUGAL

In 2021, the Portuguese economy registered a growth of 4.4% (-8.4% in 2020) with an inflation rate of 1.2% (-0.1% in 2020).

In 2021, MOTA-ENGIL once again demonstrated its historic capacity and resilience in the immediate response to major adversities, having managed to ensure that none of the projects under execution were suspended or cancelled, in a year still deeply influenced by the Covid-19 pandemic.

However, the effects of the pandemic were still apparent, particularly in private investment, as investors naturally postponed the launch of major undertakings previously planned, while in public investment the State's difficulties in meeting the demands of all sectors of the economy and society at large were felt.

In the context of the Covid-19 pandemic, MOTA-ENGIL was quick to reinforce the recommended preventive measures, such as: protective equipment, sanitisation, distancing, teleworking and awareness-raising actions, among others. These measures resulted in much lower production losses than could have been expected in such an adverse context.

Moreover, the improvements that the GROUP has been making over the last few years in the execution of its projects, namely in terms of the adoption of the most advanced recommendations on Hygiene, Health and Safety at Work, have allowed the reinforcement of prevention measures to be naturally implemented in the operation in all the countries where the GROUP has a presence and, of course, in Portugal. This aspect was, in fact, very well received by all our clients, whose confidence in MOTA-ENGIL proved to be unshakeable.

This dynamism and proven ability to quickly respond and adapt to a new reality have generated a climate of security and satisfaction among our clients that has allowed not only the maintenance of the works that were already underway, but also the effective start of some extremely relevant projects during this period. In this regard, emphasis is given to the increasing number of repeat clients, a sign that MOTA-ENGIL develops its projects in a climate of partnership, based on fair contracts and founded on professionalism and engineering excellence.

Thus, in the first quarter of 2021, amidst the pandemic, it was possible to develop with normalcy two projects that together exceed 150 million euros: the Infinity Tower enterprise, for the client Vanguard Properties, projected to be one of the most prominent buildings in Lisbon, and the contract works of the Évora Line, Freixo - Alandroal subsection, for the client Infraestruturas de Portugal.

Furthermore, we also witnessed in 2021 the renewed confidence that our clients and the market continue to place in MOTA-ENGIL, translated into a volume of new contracts awarded in Portugal exceeding 350 million euros and which are expected to start in the short term.

In fact, throughout the year 2021, a series of public works of particular relevance were started, of which two contracts for Infraestruturas de Portugal stand out, namely the modernisation of the Beira Alta line, in the section between Mangualde and Celorico da Beira and the Évora / border track and overhead contact line and the construction of the Évora / Évora North subsection. In addition, for the Lisbon Metro, the contract works began for Lot 2 of the extension of the yellow and green lines - Rato/Cais do Sodré section, as well as for the execution of the drainage tunnels in the city of Lisbon, with the Lisbon City Hall as the client.

Additionally, during the year, a residential and student residence project was started in Lisbon, for Round Hill Capital, as well as a hotel in Vila Nova de Gaia for Abanca.

Finally, MOTA-ENGIL's technical staff, from senior management to the most qualified officers, remained practically unchanged and, even for those personnel with fewer qualifications, MOTA-ENGIL refused to follow a redundancy strategy.

POLAND

In the year 2021, the Polish economy registered a growth of 5.1% (-2.7% in 2020) with an inflation rate of 4.4% (3.4% in 2020).

As expected, the year 2021 proved to be a very demanding one due to the Covid-19 pandemic, which affected the entire world, and Poland was no exception. Thus, the impact of the pandemic was visible the increase in the inflation rate, particularly the increase in prices of materials and subcontracts, and greater market instability. However, in contrast, fresh public and European Union investments are expected in the near future to be channelled into the development of infrastructure projects and to support the growth and importance of the construction sector in the country's GDP.

Even so, in 2021, the development of the construction and road sectors was notable. Thus, despite the natural slowdown in investment in the residential market, the sector has remained stable with rising prices in major Polish cities. On the other hand, the road construction sector remained in a period of continuous expansion, with more than 4,600 km of expressways and motorways in operation by 2021, placing Poland in the fifth position among European countries in terms of total length of expressways and motorways, of which 425 km were provided in 2021.

Throughout 2021, MOTA-ENGIL maintained its strategy of constant development, of innovation in its main operations, of increasing and diversifying its portfolio and strengthening its position as a company of recognised quality. Thus, even in a pandemic climate, MOTA-ENGIL proved its resilience and managed to reinforce its position as one of the largest engineering and construction companies operating in Poland. All of this has been achieved, thanks to an active and reactive presence in the market, demonstrating flexibility in a rapidly changing environment, with a local approach and assurance of the best quality standards.

As a result of its strategy, MOTA-ENGIL managed to increase its backlog in 2021, namely with the award of the project and construction of the S19 Lubartów-Lublin motorway. In 2021, MOTA-ENGIL also continued to build motorways of foremost importance to the country's development, namely the S7 motorway in Krakow, the S19 motorway in Lublin and the S3 motorway in Polkowice.

At the same time, MOTA-ENGIL continued to consolidate its position in the construction market for external developers and investors, thus increasing its portfolio of raised projects in major Polish cities: Warsaw, Krakow, Gdańsk, Katowice, Szczecin, Łódź and Lublin. Within this segment, it should be noted that MOTA-ENGIL is broadening its scope of projects, namely through the construction of student residences, hotels and car parks. Thus, the following are the main ongoing projects being executed during 2021: a residential project in Katowice, La Scala boutique in Warsaw, a housing project in Wilanów, Warsaw; the "build to rent" "3-maja" project in Krakow (awarded at the end of 2021) and a residential project in the centre of Lublin. In addition, in 2021, the residential projects Arkona Residence in Szczecin and Esteio in Warsaw were completed.

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 focused on the development of its specialised internal resources, capable of managing increasingly demanding real estate projects.

IRELAND AND THE UNITED KINGDOM

Following internal discussions on the markets with the greatest development and growth potential, as well as on the allocation of resources within the GROUP, there was a decision to sell the operations in Ireland and the United Kingdom in 2021.

This transaction was successfully completed in February 2022.

ENVIRONMENT

In 2021 the MOTA-ENGIL GROUP began the process of consolidation and management of its business in the Environment area in MEAS (MOTA ENGIL AMBIENTE E SERVIÇOS), a company that will thus run as the management company for all national and international businesses in that area. This consolidation, reflecting the GROUP's new management and reporting structure, will allow greater management autonomy and information visibility in this business area.

In the year 2021, we briefly highlight the main events that occurred in the Environment area within the MOTA-ENGIL GROUP:

- Review of the organisation chart, with MEAS now being responsible for the management of all the national and international Environmental businesses of the MOTA-ENGIL GROUP;
- Definition of the Business Plan 2021-2026;
- Regulatory standardisation of EGF's activity, with the resolution of the extraordinary tariff review processes submitted to ERSAR and the preparation of the 2022-2024 regulatory period;
- 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;
- Acquisition of 100% of SUMA BRASIL and full takeover of its management;
- Award of a new contract in Itapevi to SUMA BRASIL, which is in the start and licensing phase to begin operating a landfill in the first months of 2022;
- Significant improvement in ECO-EBURNIE's results, and CLEAN-EBURNIE's submission of a proposal to extend the Abidjan landfill, which will include investment in electricity generation from biogas.

SUMA (Portugal)

Eighteen months after the implementation of the "new normalcy" inherent to the restrictions imposed by the Covid-19 pandemic, SUMA considers that the challenge of adjusting the way of working and managing teams has been accomplished, with the purpose of maintaining the same level of quality, demand, and productivity. On the other hand, the world is learning to live with this health crisis, while it is readdressing old concerns, such as the urgency of decarbonising the economy and the definition of community targets for waste management, with direct repercussions for the areas in which SUMA is active.

The resumption of issues such as the "Waste Package", the mandatory nature of recycling rates and the implementation of selective bio-waste collection networks by 2023, led in 2021 to an increase in SUMA's intervention in awareness-raising campaigns, as well as in the development and implementation of proximity and door-to-door collection systems, close to the populations, even in non-customer municipalities.

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

National plan

At this level, municipalities remain the main contractors for waste collection and urban cleaning services, with 228 tenders having been submitted at the time of writing this report, 68% of which were awarded to SUMA for a total value of more than 35 million euros. It should also be noted that, since 2021 was a year of local elections, commercial activity slowed down, having developed essentially in the first half of the year.

Among the new contracts awarded in 2021, a special mention should be made to the following:

- Tejo Ambiente, EIM, S.A. - Urban waste collection and transportation services, washing and disinfection of containers, for a period of 7 years;
- Valpaços City Council - Procurement of services for the collection of solid urban waste, for the period of 1 year - renewable two additional times;

- Leiria City Council - Collection and transportation to the appropriate final destination of urban waste (RU) and construction and demolition waste (RCD) - several 4-month contracts;
- Loulé City Council - Urban cleaning services in some areas of Almancil and Quarteira for a period of 2 years;
- Celorico de Basto City Council - Collection of urban solid waste, washing, maintenance, replacement and supply of containers, for the period of 1 year, subject to 3 renewals;
- Almada City Council - Urban cleaning services.

In addition, there was also a positive evolution in 2021 in the area of collection and management of industrial waste (large producers), both by SUMA and by the other companies that make up its business group.

The creation, at the end of 2021, of the Portuguese Association of Waste and Environmental Companies (APERA), which aims to promote synergies between companies in the sector of non-hazardous waste management for the implementation of best practices and greater discussion and public reflection on the issues related to this area, has a SUMA representative in the vice-chairman position of the board, thus reinforcing the importance of the structure in its market.

The continuing trend towards shorter intervention periods in contracts, in the past few years, has called for a constant adaptation and reinvention. Instead of larger customers and large-scale investment, SUMA's strategy has been to increase its readjustment capacity, with a greater volume of smaller contracts, which has allowed it to achieve the results outlined at the beginning of each cycle.

In addition to the experience and resilience of the teams, the area of innovation, regarding production support and remote control of operations, has greatly contributed to adaptability. In this context, SUMA has been investing, with a pioneering spirit, in a strong technological component of computer applications specific to various contracts or operations, developed internally, which have been operating in the domestic market since 2014 and have been successfully exported, for monitoring the activities developed by subsidiaries abroad. In addition to system and operation modules, which enable the continuous access, processing and analysis of information on a given contract, these tools also make it possible to locate teams and vehicles in real time, and issue alerts and reallocation of resources during a given event; to control information, such as speed, sudden stops and starts, in operations or on routes, contributing to safety or identifying training reinforcement needs; to identify and receive data on container collection or road cleaning services, resulting in better control and planning and efficiency of routes and collection; and in the management of contacts, requests and services, among others. Investments continue to evolve towards containerisation identification and the reinforcement of the huge advantage of having increasing information online.

Still in 2021, SUMA's presence has also been renewed online. Current events, dynamics, pro-activity, corporate social responsibility and vision are topics that portray the day-to-day life of the company in its different geographies and areas of intervention. The intuitive navigation, the engagement of the workers in this common project, and the obvious difference between pre- and post-action SUMA, guide the visits dedicated to the values of transparency and authenticity, through three channels: Suma institutional, Suma services and Suma information, interconnected and consolidated into the company's website.

Also in the field of external communications, namely in social networks, the role of SUMA's Facebook page for environmental education is highlighted, in continuing to disseminate relevant information about civic behaviour (environmental and individual and collective safety), as well as its LinkedIn page, which has nearly seven thousand followers and has weekly publications, namely in terms of dissemination of recruitment processes, dissemination of relevant news within the structure, and testimonials from employees in prominent positions.

EGF (Portugal)

At the sectoral level, the year 2021 was marked by continuing significant legislative changes for the waste sector through the republication of Law 52/2021 (of 10 August) which amended, through parliamentary appreciation, Decree-Law 102-D/2020 (General Waste Management Regime (RGGR)), the Legal Regime for the Landfill of Waste and the Regime for the Management of Specific Waste Flows.

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 prepare their 2030 action plans.

In terms of regulation, it is worth highlighting the conclusion by ERSAR, in August 2021, of the correction process of the reference costs for all EGF subsidiaries and the extraordinary review of the allowed revenues for 2019-2021 for four of those companies: Algar, Amarsul, Ersuc and Resinorte. It should also be noted that all these processes were instrumental in improving the economic and financial sustainability of the concessionaires.

Furthermore, the year 2021 corresponded to the year of conclusion of the 2019-2021 regulatory period and that of the definition of the next regulatory period, for the 2022-2024 period.

In this regard:

- the EGF concessionaires presented the investment plan for the 2022-2024 regulatory period in January 2021, which was approved by the Concession Authority in October 2021;
- the EGF concessionaires presented the draft 2022-2024 forward-looking regulated accounts and the respective reference costs in November 2021;
- ERSAR presented the preliminary assumptions, namely the non-definitive indication of a shareholder return rate on the Regulated Asset Base of 5.72%.

However, ERSAR also defined the application of a transitory tariff for the year 2022 and the postponement of the definition of the 2022-2024 allowed revenues in view of:

- The completion of the review process of the 2019-2021 forward-looking regulated accounts only in August 2021;
- Changes to the investment plan approval process, which is now the responsibility of the Concession Authority, instead of ERSAR;
- The sector's uncertainty 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, concomitantly, to structuring themes, such as the financing of the sector.

Also, in regulatory terms, ERSAR held a public consultation at the end of 2021 regarding the fourth generation of quality-of-service indicators.

In terms of current activity, during 2021, the focus of the EGF concession companies was on continuing operations and executing the ambitious investment plan defined for the 2019-2021 three-year period of around 200 million Euro, fulfilling their public service obligations under the concession contract, with added difficulties in a pandemic situation caused by the SARS-Cov2 virus. In this context, in 2021, the conclusion of the contract works to automate the Suldouro sorting facilities and the new TMB (Tratamento Mecânico Biológico - biological mechanic treatment) and sorting facilities at Resulima should be noted.

Furthermore, the impact of the Covid-19 pandemic on non-compliance with environmental targets and its consequences is still under analysis, and, within the scope of the regulatory model, that impact was restored in economic terms in the adjustment to the actual regulated accounts for 2020.

Also noteworthy in 2021 is the continuation of the computerisation projects of the companies (e.g., unified weighbridges and calculation of automatic tariff deviations in the SAP system), as well as the focus on harmonising management information and processes among the various concessionaires. In terms of human resources, continuity was given to the single evaluation system for the 11 concession companies, with standard procedures. In addition, with a particular focus on efficiency, the process of centralised procurement and the development and monitoring of technical direction in support of the operation of the concessionaires was also extended. In terms of communication, the communication campaigns with an impact on the sector and on the population at large were reinforced, for example, with the campaign "The future of the planet is not recyclable" and the launch of the Recycling Line. Finally, the Recycle BinGo app has continued to be successful, receiving several awards and distinctions.

However, the implementation of all these actions was a major challenge for the management of the concessionaires in view of: (i) the delay in disbursing the EIB loan; (ii) the increasing complexity of applying the regulatory model; (iii) the pandemic situation and the continuity of service provision as an essential service; (iv) the instability of the SIGRE given the performance of the managing entities; and (v) future environmental targets.

ECOVISION (Oman)

In the Middle East, Ecovision, a subsidiary of MOTA-ENGIL with operations in the market of the Sultanate of Oman, developed its activity in 2021 with normalcy and in a similar way to previous years.

Moreover, the extension of the current contract for a period of 5 years is under discussion, extending the current 2-year renewal. Finally, negotiations are also underway regarding possible new service and public tender awards.

CÔTE D'IVOIRE

After a period of economic, social, and political uncertainty in 2020, caused by the Covid-19 pandemic and the instability stemming from the death of the ruling party's candidate for the October 2020 elections, Côte d'Ivoire managed in 2021 to return to some normalcy. In this way, the government remained committed to creating substantial improvements in infrastructures to host the African Nations Cup (CAN) in 2023, and this event is expected to boost tourism in the country, as well as employment. On the other hand, the price of the main raw material for export, cocoa, was maintained, which meant that net exports made a positive contribution to the country's growth.

CLEAN-EBURNIE

In 2021, CLEAN-EBURNIE continued its activity of managing the landfill serving the city of Abidjan. In operational terms, the quantities of waste received at the Kossihouen landfill have continued to increase and are now around 4,200 tons per day. In addition, important steps were taken to improve the infrastructure, namely the 80,000 m² roof started to be installed in December, and the contract for additional osmoses is also being finalised. Furthermore, CLEAN-EBURNIE has submitted an investment proposal to the State of Côte d'Ivoire in 2021 to expand the capacity of the landfill it currently operates, as well as to generate electricity from biogas.

As for the near future, CLEAN-EBURNIE will face three main challenges: (i) completing the planned environmental and social infrastructure; (ii) conducting the regulatory review of the financial model in conjunction with the Concession Authority; and (iii) finalising negotiations for the construction of Casier 3 and the exploitation of biogas.

ECO-EBURNIE

In 2021, as in the past 3 years, there has been an increase in the average monthly activity of ECO-EBURNIE in its two main areas of activity: waste collection (tons) and sweeping (kms).

In addition, at the operational level, with a positive impact on the 2021 results, the following measures were adopted:

- Restructuring of production (by redesigning all the collection and urban cleaning circuits) with the implementation of procedures and controls that increased the efficiency of the production area;
- Implementation of SAP in the purchasing and maintenance process;
- Restructuring of the maintenance area, which made it possible to reduce fleet maintenance costs;
- Increased training and control by the safety, hygiene and quality department, with positive impact on quality and fewer work accidents;
- Reduction in the number of employees and definition of a new salary scale;
- Greater control and efficiency in the purchasing process.

Thus, given the stabilisation of ongoing operations, even in a challenging year such as 2021, and in view of the growing knowledge of the market, we foresee favourable conditions to boost ECO-EBURNIE's activity and profitability in the near future.

VISTA WASTE (Angola)

VISTA WASTE's activity in Angola was indelibly conditioned by the end of the contract for waste collection and public cleaning in the city of Luanda at the end of 2020. Despite this, VISTA WASTE, in the name of the social responsibility that has always guided its 13 years of presence in Angola, was part of the task force for cleaning the city of Luanda during the first half of 2021, having collected and landfilled around 77,000 tons of waste.

At the same time, the opportunity was taken to broaden and strengthen the scope of the business in the management of various waste streams, namely the collection and transportation of industrial and hospital waste, selective waste collection, and the segregation and recovery of recyclable waste.

Furthermore, it should be noted that Vista Waste established in 2021 an important agreement to settle its overdue debts with the Provincial Government of Luanda, which allowed it to receive part of that debt in cash and part in treasury bonds.

This way, VISTA WASTE's business was temporarily focused on the collection of industrial waste in 2021, although there is the prospect of returning to participate and perform contracts in waste collection and urban cleaning in the near future.

SUMA BRASIL (Brazil)

After having its name changed last year to SUMA BRASIL - SERVIÇOS URBANOS E MEIO AMBIENTE S.A. in 2021, this subsidiary became 100% owned and managed by SUMA, benefiting from the existing synergies and the knowledge acquired over decades of operations by its shareholder.

SUMA BRASIL operates essentially in the market for the collection of waste and the provision of environmental education and awareness-raising services. It is currently performing contracts in various States, namely the Federal District, Minas Gerais, São Paulo and Paraná, and has technologically advanced logistical resources at its disposal, a fact that has enhanced its immediate capacity to respond to the new demands of the market and to meet the high-quality standards required.

SUMA BRASIL and its subsidiaries currently provide services to a population of more than 5 million inhabitants, representing approximately 60 thousand tons of waste collected monthly, and have more than 4,000 employees and a fleet of about 400 vehicles.

In 2021, SUMA BRASIL maintained its focus on consolidating and optimizing the efficiency of its operations, thus enabling it to assert itself in the contracts it is currently performing in Brasília and São Paulo. Furthermore, the year was also marked by the start of operations of its first Public-Private Partnership (PPP) contract, of 25 years, with Itapevi City Hall.

In addition, in 2021, important developments occurred in connection to the process of obtaining the operating license for the Santa Luzia landfill, the operations of which are scheduled to start in the short term.

The projections for the solid waste business in Brazil point to a rapid expansion of revenues in the coming years, both due to growing social and environmental concern over proper treatment of waste and the significant population growth expected. Therefore, SUMA BRASIL will continue to focus on the possibilities of implementing and providing new services, on promoting the process of geographical diversification and on the development of new legal and economic models for PPPs, also keeping abreast of the opportunities for growth in the sector that are anticipated.

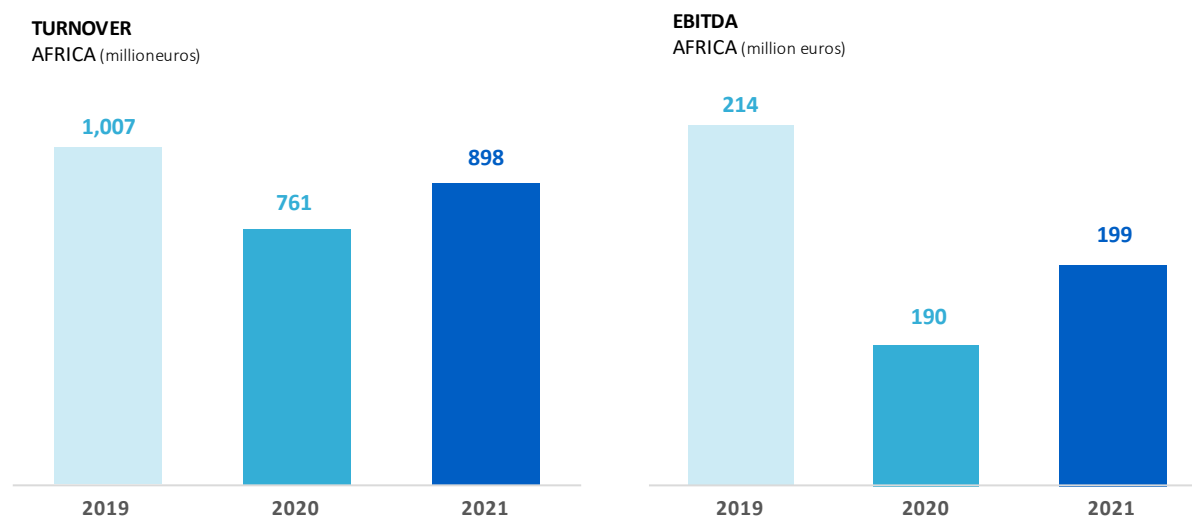
ECO LIFE (Mozambique)

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.

As a result of commercial investments and the quality of service evidenced over the last few years, a contract for the provision of waste collection and transportation services, supply, maintenance and washing of containers was signed with the Maputo Municipal Council in December 2019, for a total value of 573 million meticaís, which will run until 2024.

In 2021, under that contract, 63 tons of urban waste were collected and transported, also reflecting the impact of the Covid-19 pandemic.

AFRICA



In Africa, after some constraints of a varied nature, namely related to health and logistics, some social and political instability and some delays in the launch of significant projects, have been overcome in the second semester of 2021, turnover reached 898 million Euro, an increase of 18% against 2020 (761 million Euro). The simultaneous execution of seven projects of engineering industrial services, the launch of the project in Nigeria and the continuing execution of the construction project of Rwanda's new airport undoubtedly contributed to such performance.

In this context, it is worth highlighting that, in 2021, the region's new markets (other than Angola, Mozambique and Malawi) already contributed with 51% to turnover, although Angola remains as the main market of the region, with a weight of 23%.

As regards operating profitability, Africa's EBITDA in 2021 rose to 199 million Euro, representing a 4% increase against 2020, with the EBITDA margin reaching a value higher than 20% (22%).

In this respect, it should be noted that the region's new markets have already contributed with 54% to EBITDA and that Mozambique constitutes the main market of the region with regard to this indicator, with a weight of 31%.

ANGOLA

In 2021, the Angolan economy registered a decline of 0.7% (-5.4% in 2020) with an inflation rate of 24.4% (22.3% in 2020).

In the beginning of 2021, the Covid-19 pandemic eroded the positive impact of the development measures and structural reforms that had been implemented in the country and postponed the announced recovery of the Angolan economy. However, in the second half of 2021, and still amidst the pandemic, the country began to show signs of economic recovery after a long period of recession, primarily as a result of the positive evolution of the oil price, which recovered from historic lows observed in 2020, when the price of some US crude futures contracts fell to -\$37.63 per barrel.

In addition, and in parallel with a sound policy of foreign currency reserve management by the National Bank of Angola, there was a significant appreciation of the Kwanza in 2021, as well as a recovery of the country's balance of payments, substantiated by an increase in net foreign currency reserves and a decrease in the public debt to GDP ratio.

Furthermore, in 2021 Angola continued to receive support from the International Monetary Fund's Extended Financing Programme, and another disbursement was approved in late December, which at the time totalled approximately 4.5 billion Dollars.

In short, the progress in structural reforms, combined with debt relief and control measures, as well as the recovery in oil prices in 2021, resulted in an improvement in the sovereign rating assigned by the three main rating agencies and the strengthening of the national currency, the Kwanza.

In terms of operational activities in 2021, it is important to highlight the work conducted in the construction and equipping of the Cabinda General Hospital, the upgrading project of the Soyo Naval Base, the rehabilitation of Estrada Nacional 230, Malange - Saurimo section, as well as the rehabilitation of the runway of the 4 de Fevereiro International Airport.

By 2022, disregarding the possible effects that may be generated by the armed conflict between Russia and Ukraine, the high inflation is expected to start decreasing, which will consolidate and improve the short-term outlook. However, 2022 will still certainly be marked by the general elections scheduled for the last quarter of the year. Thus, given the quality and relevance of the current backlog, as well as the expected improvement of economic and financial conditions in Angola, 2022 is expected to be another year of consolidation of the growth trend in this market for MOTA-ENGIL.

MOZAMBIQUE

In 2021, the Mozambican economy registered a growth of 2.5% (-1.2% in 2020) with an inflation rate of 6.2% (3.1% in 2020).

The Mozambican economy saw its first contraction in nearly three decades in 2020. In addition, as early as the first quarter of 2021, terrorist movements and attacks led to the suspension of the largest ongoing investment in Mozambique and Africa, the natural gas exploration project led by Total in the Cabo Delgado province. Since then, the Mozambican government has made efforts to restore peace in the region, having in the interim supported the intervention of armed forces from the African coalition. Thus, the expectation of the Mozambican government is that conditions of safety and accessibility will be met with a view to resuming work on that project at the end of 2022, which will certainly be positive for the future development of MOTA-ENGIL's activity.

Furthermore, the offshore natural gas project of Italian ENI showed considerable progress in November 2021, with the departure of the "Coral-Floating" platform from South Korea to Mozambique. As such, the start of commercial production is scheduled for the second half of 2022, which will bring significant benefits to Mozambique.

In 2021, MOTA-ENGIL maintained its involvement in structural projects for the development of the Mozambican economy, namely through the maintenance of one of the main sources of foreign exchange for its economy, the metallurgical and thermal coal mining 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 an operational structure and the stable position in the Mozambican market will allow it not only to overcome the challenges that lie ahead, but also, above all, to be in a privileged position to take advantage of opportunities that continue to arise.

MALAWI

In 2021, the Malawian economy registered a growth of 2.2% (0.9% in 2020) with an inflation rate of 9.5% (8.6% in 2020).

In 2021, the development of economic activity in Malawi was again highly constrained by the Covid-19 pandemic. Earlier this year, the country was severely hit by the second wave of the pandemic leading to the declaration of a state of calamity and lockdown of the country for the first time since its inception. The situation was apparently stabilized in March, but a third wave led to an increase in the number of cases from June to August, and the government stepped up its social distancing policies, which impacted the service (including construction) and industrial sectors. However, the favourable climate and the reinforcement of agricultural subsidies have contributed to a quantitative leap in the production of what continues to be the country's main source of income.

MOTA-ENGIL has been present in Malawi since 1990 and has developed some of the largest engineering and construction projects in the country. In 2021, MOTA-ENGIL continued to excel in the construction and rehabilitation of the country's road and rail communication routes, as well as in the rehabilitation and capacity increase of the Kamuzu dam.

SOUTH AFRICA

In 2021, the South African economy registered a growth of 5.0% (-6.4% in 2020) with an inflation rate of 4.4% (3.3% in 2020).

During 2021, MOTA-ENGIL secured and started a new contract for drilling, excavation and transportation at the "Gamsberg" mine in the Northern Cape Province, signed with another international reference client in the mining sector, Vedanta Zinc International, through its subsidiary Black Mountain Mining. Works began in April, with a maximum duration of 96 months and a total value of around 240 million euros.

CÔTE D'IVOIRE

In 2021, the economy of Cote d'Ivoire registered a growth of 6.0% (2.0% in 2020) with an inflation rate of 3.0% (2.4% in 2020).

Until the global shock triggered by the Covid-19 pandemic, Côte d'Ivoire had one of the most robust economies in Africa and the world, with an average annual growth rate of 8% since 2012, but the global health situation has negatively impacted the country, slowing down that growth. However, the recovery in domestic demand and the stability of exports will boost economic recovery as early as 2021.

In 2021, legislative elections were held without incident, bringing the incumbent party back to power. For the first time in a decade, all parties participated in the elections, evidencing the state of maturity and social development that the country is experiencing.

In recent years, the construction sector and public investment have been the main drivers of growth. By 2021, the diversification of the economy has allowed sectors such as industry, services, and exports to play an increasing role in economic growth.

Furthermore, the local government maintained its commitment in 2021 to make substantial improvements to the infrastructure in order to host the African Nations Championship (CAN) in 2023. This event is expected to boost tourism in the country, as well as employment, and the works have already begun on the surface metro in the capital Abidjan.

With a presence in the market since 2017, in 2021 MOTA-ENGIL continued the extension and rehabilitation works on the Bouaké Stadium and started the extension and rehabilitation of 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.

Thus, the stabilisation of the operations underway and the increasingly deeper 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 2021, Guinea's economy registered a growth of 5.2% (7.1% in 2020) with an inflation rate of 11.6% (10.6% in 2020).

Leveraged by foreign investment in the mining sector, Guinea managed to achieve an average annual growth of 8% in the years leading up to the pandemic crisis.

In September 2021, the Government of Guinea was overthrown by a military coup led by Colonel Doumbouya, who was then sworn in as president for an indefinite transitional period.

However, MOTA-ENGIL's operations in the country were relatively unaffected by these developments, not only because of the importance of the mining sector in generating foreign exchange for the country, but also because of the enormous resilience shown by MOTA-ENGIL on the ground, ensuring the continuity of operations. Thus, MOTA-ENGIL continued its mining operation in Siguiri and in Mandiana, without additional constraints, namely arising from the political event that took place in September.

Moreover, despite the political instability, there is a prospect of robust long-term growth for the country underpinned by increased investment and production in the mining industry. Finally, the potential of the Simandou iron deposit, considered to be the largest unexploited high-grade iron reserve in the world, represents a considerable opportunity in the medium to long term. Thus, MOTA-ENGIL continues to develop various commercial initiatives to boost its presence in the country, both in the mining area and diversifying its presence in the collection and treatment of urban waste and civil construction and infrastructure.

MALI

In 2021, Mali's economy registered a growth of 4.0% (-1.6% in 2020) with an inflation rate of 3.0% (0.5% in 2020).

During 2021, MOTA-ENGIL secured and kicked off the mining operation in Morila, worth a total of \$357 million Dollars. The contract, which underlying works that will take place in three gold mines, are scheduled to last 81 months, will have its invoicing and payments indexed to the US dollar and will involve a considerable number of technical and human resources.

RWANDA:

In the year 2021, Rwanda's economy recorded a growth of 5.1% (-3.4% in 2020) with an inflation rate of 2.4% (7.7% in 2020).

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 social distancing measures, key to controlling the Covid-19 pandemic, have drastically reduced economic activities in 2020 and 2021, having led, 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 conducting important economic and structural reforms aimed at sustained economic growth and is currently one of the sub-Saharan economies with the highest growth rate. Thus, the year 2021 will be marked by relevant public and private investment, even within a framework of relative uncertainty generated by the pandemic.

Supported by high investments in infrastructure, with a special focus on the construction of the new Bugesera international airport (project being executed by MOTA-ENGIL), economic growth in Rwanda is expected to increase in 2022, and the tourism sector is expected to recover as the effects of the pandemic dissipate. In addition, with the implementation of the "African Continental Free Trade Area", inter-regional trade is expected to increase, thus sustaining demand and economic growth and new opportunities for MOTA-ENGIL in this market.

UGANDA

In 2021, Uganda's economy registered a growth of 4.7% (-0.8% in 2020) with an inflation rate of 2.2% (2.8% in 2020).

Uganda's economy grew at a rapid pace during the first half of 2021, but a second wave of the Covid-19 pandemic led to further measures restricting the normal functioning of the economy and limiting economic recovery. Despite this, as a result of the investments made in the Oil & Gas area, namely in oil exploration and the construction of the East Africa Pipeline, it was possible to reverse the contraction of the previous year.

In 2021, in operational terms, MOTA-ENGIL completed works on the widening of the Northern Bypass motorway, located around the capital Kampala, and continued works associated with the NERAMP (North East Road Asset Management) project. Also in 2021, MOTA-ENGIL, through its subsidiary MOTA-ENGIL (UGANDA) LIMITED, extended its scope of activity to the development of projects in the energy sector, and in the last quarter of the year, began works on the first infrastructure project in the Tilenga area, in the west of the country, for the client Total. Furthermore, already in 2022, MOTA-ENGIL expanded its backlog in this sector, namely in projects to be executed for the same client.

Thus, a considerable increase in business volume in this market is expected for 2022, supported by the reopening and economic recovery of the country and, in particular, by the development of infrastructure related to the energy sector.

NIGERIA

In 2021, Nigeria's economy registered a growth of 2.6% (-1.8% in 2020) with an inflation rate of 16.9% (13.2% in 2020).

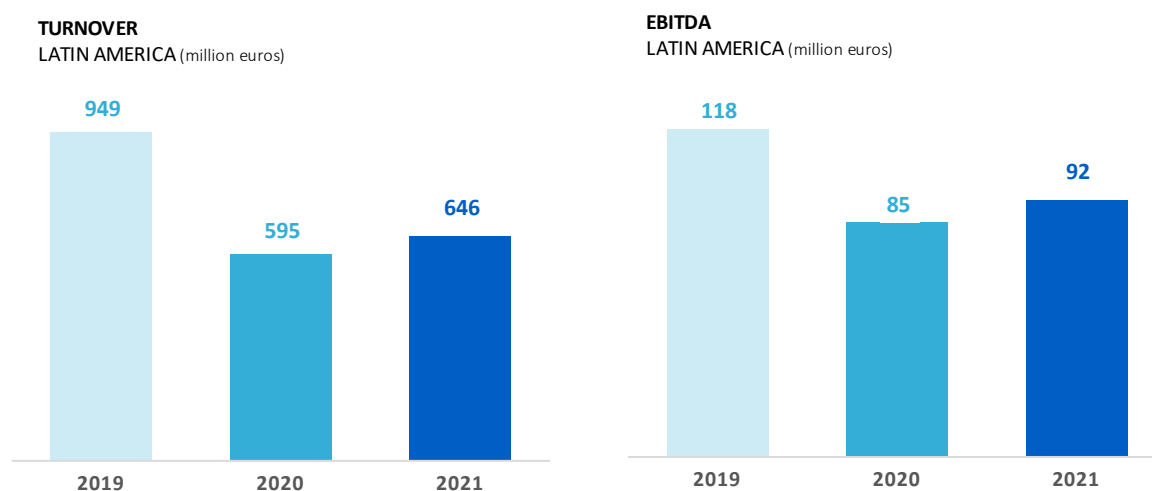
In 2020, Nigeria experienced its deepest economic recession in two decades. However, growth resumed in 2021 as the health restrictions associated with the Covid-19 pandemic eased, as oil prices recovered, and as government authorities implemented expansionary and supportive policies. However, it must be noted that oil accounts for more than 80% of exports, a third of banking sector credit and half of state revenues, making Nigeria highly vulnerable to global economic disruption such as that which occurred due to the pandemic, and the consequent decline in oil prices.

As part of the response to the Covid-19 pandemic, the Nigerian Government seized the opportunity to proceed with some long-delayed reforms, namely: the harmonisation of the foreign exchange market; the elimination/reform of petrol subsidies; the readjustment of electricity tariffs; the containment of non-essential spending; better management of public debt; and greater transparency in the public sector, particularly in operations related to the Oil & Gas sector.

For MOTA-ENGIL, the year 2021 will be invariably and definitively marked as the year of the GROUP'S entry into Nigeria, also widely known as "the giant of Africa", not only for its geographical size, but for being the largest and most important economy of the African continent.

On the other hand, important to highlight in the first half of 2021 was the fact that MOTA-ENGIL won and signed the largest contract ever in its history, associated with the construction of a railway line that will link the city of Kano to Maradi, in neighbouring Niger.

LATIN AMERICA



During 2021, the Latin American region showed a gradual recovery of its economic activity, after having been the GROUP's region most affected by the Covid-19 pandemic in 2020. This recovery was driven, essentially, by the following factors: (i) the improvement in external conditions at a global level; (ii) the (global and local) fiscal and monetary policies implemented; (iii) the increasing openness of economies; and (iv) the relaxation of health measures associated with the pandemic.

Overall, the negative effects of the pandemic had less impact on the Engineering and Construction business, when compared with 2020, having still impacted the normal operation in some markets due to the suspension of some activities and the slow reactivation of others. On the other hand, in the Energy business, an upturn in consumption was felt, translating in greater demand and an increase in market prices. Lastly, in the Environment business, activities ran without significant disruptions.

This way, in 2021 turnover in Latin America reached 646 million Euro, an increase of 9% against 2020 (595 million Euro), with the Mexico market being the one which contributed the most to this performance (an increase of 23%).

In terms of operating profitability, in 2021 the EBITDA of Latin America reached 92 million Euro, an increase of 9% against 2020 (85 million Euro), also underpinned by the positive performance of the Mexico market and Brazil's market recovery, now with a more selective and profitable book, which allowed the EBITDA margin of the region to reach a value of 14%.

MEXICO

In 2021, the Mexican economy registered a growth of 6.2% (-8.3% in 2020) with an inflation rate of 5.4% (3.4% in 2020).

During 2021, the Mexican economy, although affected by pandemic-induced limitations, showed a gradual recovery, mainly driven by exports to the United States and, to a lesser extent, by the gradual recovery of the domestic market.

In 2021, in operational terms, MOTA-ENGIL showed a positive performance, influenced by the execution of some projects it had won in the past, as well as by the start of construction of a Tren Maya lot. In addition, in commercial terms, MOTA-ENGIL was awarded an important set of new projects, namely: Conexión Oriente (financing, construction of 7 km, operation, exploration and maintenance of a viaduct); Las Varas III (intervention from km 54+000 to km 65+420); Libramiento de Campeche (railway work associated with the Tren Maya project); and Caseta Las Varas (construction of a base gantry and 4 auxiliary gantries on the Las Varas - Puerto Vallarta motorway).

For 2022, MOTA-ENGIL estimates the maintenance of the good performance of its activity despite the completion of the works in some road concessions. However, the works awarded in 2021 will partly underpin the market, namely works such as Red Carretera de Nayarit, Parque Aztlán and Libramiento Sur Oaxaca. In addition, MOTA-ENGIL will maintain its active participation in public and private tenders with the aim of winning new projects.

Regarding the energy business, particularly in the generation segment, for which MOTA-ENGIL operates in Mexico through GENERADORA FÉNIX, the year 2021 was marked by: (i) power generation of more than 940 GWh (positively impacted by the strong levels of rainfall that occurred during the summer); (ii) the sale of most of the clean energy certificates (CEL) awarded in 2021, mainly through long-term contracts; and (iii) the achievement of the improvement plan of the existing assets. In addition, in 2021, GENERADORA FÉNIX resumed the construction of the Jorge Luque project, a 110 MW combined cycle power plant, which will be performed in two stages and will have up to 37 MW of installed capacity available for operation by the end of 2022. On the other hand, in the energy supply segment, whose activity is conducted through SUMINISTRADORA FÉNIX, the year 2021 was marked by the expansion of the client portfolio for the purchase and sale of products (energy, power and clean energy certificates), both in number and in volume of energy traded, which exceeded 1,600 GWh/year.

Finally, during 2021, and in accordance with its policy of asset rotation and monetisation, MOTA-ENGIL completed the sale of 30% of its stake in the tourism area, namely through the partial disposal of Mota-Engil Turismo. However, after this transaction, MOTA-ENGIL still holds directly and indirectly a stake of about 20% in that business.

PERU

In 2021, the Peruvian economy registered a growth of 10.0% (-11.0% in 2020) with an inflation rate of 3.1% (1.8% in 2020).

The Peruvian economy showed a gradual recovery during 2021, driven by both external and internal factors, despite facing some uncertainty regarding the electoral process and the environment of political instability. Growth was thus resumed with the contribution of the productive sectors (after their reopening) and the recovery of aggregate demand, in particular 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 of commodities, namely copper, and the acceleration of the growth of trade (in particular with the United States and China).

During 2021, MOTA-ENGIL maintained its production levels, but increased its backlog, compared to the previous year, driven by the reactivation of the sector and the attraction of new projects, namely: Puerto del Callao (design and construction of Phase 2B of the Puerto del Callao expansion), Minera las Bambas Phase 5 (civil works), blasting and excavation of mountain for ZOP - Chancay Multipurpose Terminal (excavation and blasting of 5 million m³ of material for the construction of the new port of Chancay) and the start of DMI Valle Norte Presa de Relaves - fourth stage.

For 2022, MOTA-ENGIL estimates a favourable performance of its activity supported by the backlog already secured, which includes, among others, the following projects: Puerto del Callao, Minera las Bambas, Dique Corredor - Antamina, Establecimiento de Salud Huari, and Conservación Vial n° 8. In addition, MOTA-ENGIL will maintain its active participation in public and private tenders in order to secure new projects.

BRAZIL

In 2021, the Brazilian economy registered a growth of 5.2% (-4.1% in 2020) with an inflation rate of 7.7% (3.2% in 2020).

The Brazilian economy showed a gradual recovery during 2021, driven by the agricultural sector, services, household consumption, the recovery of investment, and the recovery of the global economy, which also contributed to an increase in exports. Thus, according to the Brazilian Chamber of the Construction Industry (CBIC), the construction sector in Brazil has grown more than in the last 10 years.

During 2021, ECB reduced its production levels, but improved its operational profitability, compared to the previous year, having executed relevant projects, namely: Torto Dam, UO - BC Lot 3, Esferas Interconnection - Comperj and BR 101/BA. In addition, an important set of new projects were awarded in 2021, of which the Decommissioning - ALSUB (engineering service, collection, processing and final disposal of flexible lines from the "Submarine Warehouse" areas in Campos Basin) stands out.

For 2022, ECB foresees a growing and positive operational performance based on the order portfolio already secured, where the following projects stand out: Decommissioning - ALSUB, UO - Rio Lot B, UO - Rio Lot A and Revamp Reduc. In addition, ECB will look to state infrastructure plans for opportunities to expand its backlog, as well as to new private clients, supporting them in the development of their strategic projects.

COLOMBIA

In 2021, the Colombian economy registered a growth of 7.6% (-6.8% in 2020) with an inflation rate of 3.2% (2.5% in 2020).

The Colombian economy showed a gradual recovery during 2021, driven by a slight increase in household consumption and by the dynamics of investment. Additionally, there was an increase in exports, induced by the recovery in external demand and the rise in oil and coffee prices.

During 2021, MOTA-ENGIL increased its production and profitability levels when compared to the previous year, strongly driven by the country's favourable sanitary and economic evolution and the improvement in the execution of ongoing projects, namely Estación Elevadora Canoas and the Cambao Manizales motorway.

For 2022, MOTA-ENGIL foresees a growing and positive operating performance based on the backlog already secured, as well as on the award of some relevant projects in the bidding phase.

OTHER COUNTRIES

In 2021, outside the four core markets of operation of the MOTA-ENGIL GROUP in Latin America, it is important to highlight: (i) the completion of the Port of Caucedo project in the Dominican Republic; and (ii) the completion of the project at Tocumen International Airport and the continuation of the Metro Line 1 extension project, both in Panama.

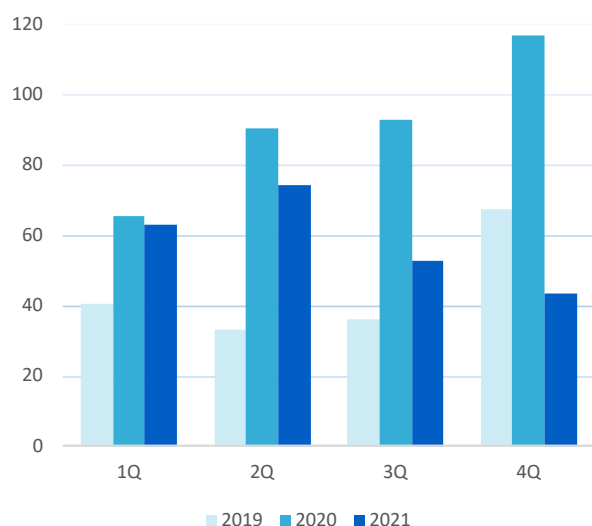
Finally, the MOTA-ENGIL GROUP will remain active in the search for and analysis of relevant business opportunities in the region, as long as they meet its strategic objectives.

1.3 Mota-Engil on the stock market

The evolution of MOTA-ENGIL's share price performance in 2021 can be analysed in the following charts:

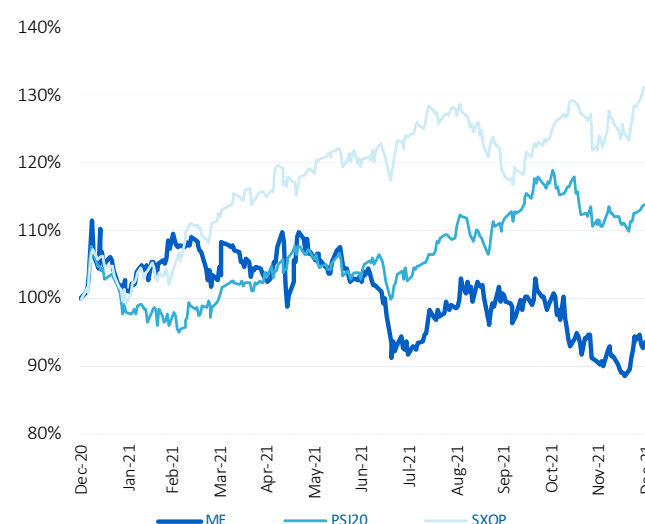
AMOUNT OF SHARES TRADED BY QUARTER

(million shares)



PERFORMANCE OF SHARE

2020



On 31 December 2021, the share capital of MOTA-ENGIL was composed 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 held 6.091.581 treasury shares, representing 1.99% of its share capital.

After 2020, which had a terribly negative economic and social impact as a result of the Covid-19 pandemic, 2021 was a year of recovery as the high level of protection of the vaccines developed against death from Covid-19 was proven. Thus, and although subject to a context of some uncertainty resulting from the continued pandemic situation, the year 2021 was marked by economic recovery worldwide. This recovery was reflected in the positive evolution of stock markets in general, despite the indicators of some inflationary pressure, a consequence of the increase in the price of several raw materials.

In the year 2021, MOTA-ENGIL shares presented a negative evolution of 6.5%, having closed the year at 1.276 euros corresponding to a market capitalisation of approximately 391 million euros. During that period, MOTA-ENGIL shares reached a high of 1.520 euros and a low of 1.208 euros. During the year, a total of 234 million shares were traded on Euronext Lisbon, corresponding to an average daily volume of 908 thousand shares.

In 2021, the Portuguese share index, PSI20, registered a positive performance of 13.7% and the European sectorial index of "Construction & Materials", SXOP, closed the year appreciating 31.1%.

Between 10 May and 25 May 2021, the period for subscription of new shares took place within the context of the share capital increase of MOTA-ENGIL, which included the issue of 69,270,809 new ordinary, registered and book-entry shares, with a nominal value of one euro each, at a unit subscription price of 1.50 euros. The new shares were admitted to trading on the Euronext Lisbon regulated market on 31 May 2021, having been made fungible with the existing shares.

The 2021 Annual General Shareholders' Meeting of MOTA-ENGIL was held on 30 June, and all the points considered at the meeting were approved, namely the deliberation on the election of the members of the Board of Directors for the mandate corresponding to the three-year period from 2021 to 2023.

1.4 Activity developed by the non-executive members of the Board of Directors

During the year, 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. Wherever necessary, they stayed connected with the teams of the Corporate Centre and of Shared Services Units, 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.

1.5 Proposals for the appropriation of profits

The Standalone Management Report presents the following proposals:

"The Board of Directors proposes to the annual general meeting the coverage of negative retained earnings in the amount of 28,100,076 euros and 99 cents, by transfer of the heading of "Other Reserves" and the following distribution of the net income for the year, in the amount of 42,340,980 euros and 16 cents, which already includes the amounts of 500,000 euros and 250,000 euros assigned to the distribution of profits, respectively, by the Board of Directors, pursuant to Article 27(2) of the Statute, and by employees:

- For the legal reserve, 5% of the net income of the period, amounting to 2,117,049 Euro and 1 cent;
- For immediately distribution to shareholders, 5.175 euro cents per share, tax captives, in the overall value of 15,875,655 euros and 41 cents; and
- For free reserves, the remainder, in the amount of 24,348,275 euros and 74 cents.

In the event of approval of the proposal above, the Board of Directors proposes additionally to the annual general meeting, subject to the condition set out below, an additional distribution to shareholders of 1.725 euro cents per share, in the overall value of 5,291,885 euros and 14 cents.

This additional distribution is subject to the condition that the consolidated net income attributable to the GROUP, to be verified at the end of the first half of 2022, is more than 50% of the 2021 consolidated net income attributable to the GROUP, i.e. more than 10,820.5 thousand euros.

Once the above-mentioned condition has been verified in light of the consolidated half-yearly accounts, the production of the effects of the resolution that takes place will take place on 1 October 2022.

In the event of such condition not being met, that amount of net income for the year shall remain, immediately after the non-verification of the condition, in the caption of free reserves, and shall not be distributed to the shareholders."

1.6 Prospects for 2022

Considering the current geopolitical framework and the impact of the pandemic situation on the various countries in which we operate, the MOTA-ENGIL GROUP's prospects for 2022 are as follows:

- 1 - Reinforcing the focus on profitability, organic generation of cash flows and optimisation, namely speeding up the implementation of the transversal efficiency programme;
- 2 - In the Engineering & Construction area:
 - a. In Europe, continuing to improve operating profitability and net income vs focus on turnover;
 - b. In Africa, transforming the backlog into production and consequently generating growth without losing efficiency and keeping traditional margins;
 - c. In Latin America, ongoing focus on the growth and performance of the core markets, with the improvement of the margins and stabilisation of cash-flow in the region;
- 3 - In the Environment area, maintaining leadership in the waste area in Portugal and boosting international portfolio;
- 4 - At MOTA-ENGIL CAPITAL, speeding up the creation of value from the existing portfolio of assets and speeding up the rotation policy;
- 5 - Overall, turnover may grow about 10%, with the operating margins remaining at the levels of 2021;
- 6 - Continuing to reinforce the capital structure of the GROUP through a strict policy of allocation of capital and management of exchange risks;
- 7 - Reinforcing the balance between the use of own means and recourse to subcontracting as a way of limiting investments, which should reach 250 to 300 million Euro;
- 8 - A backlog above 7 billion Euro based on a balanced reinforcement between business areas and regions.

As mentioned above, the current war situation in Europe does not allow us to have a normal degree of certainty regarding these perspectives, but it is important to mention that the GROUP does not carry out operations in the countries involved in the conflict. On the other hand, supplies to our projects will not be unaffected by the instability caused in the markets, both raw materials and financial, despite the set of mitigation measures implemented.

It should be noted that these prospects do not constitute an engagement regarding the future performance of the GROUP, but merely the better predictions, at this time, regarding the activity of its companies. Therefore, the actual performance achieved in 2022 may differ significantly from these forecasts. Moreover, the MOTA-ENGIL GROUP does not undertake to update or correct this information due to the modification of any endogenous or exogenous factor that could change its performance.

1.7 Relevant facts after the end of the financial year

In 2022, to the date of issue of this report, we highlight the following relevant fact, which was adequately disclosed as privileged information on the websites of MOTA-ENGIL and the CMVM:

3 February 2022

"MOTA-ENGIL INFORMS ON THE AWARD OF CONTRACTS IN UGANDA AMOUNTING TO 261 MILLION USD

MOTA-ENGIL informs that its affiliate MOTA-ENGIL UGANDA, Limited has been awarded a contract worth 162.4 million USD.

The above-mentioned contract, one of three already awarded to MOTA-ENGIL under the Tilenga Upstream Development project for the client TotalEnergies, project comprised in the most significant investment programme to take place in Uganda in the energy sector, corresponds to a phase called "Site for Preparing Infrastructure – Wellpads".

In addition to the contract above mentioned, two other contracts were also awarded in the same project, by TotalEnergies for the "Site preparation for Enabling Infrastructure – Industrial Area", in the amount of 37.9 million USD and by TotalEnergies' EPC, McDermott in consortium with Sinopec, for the "Upstream Facilities - General Civil Works" phase, in the amount of 60.3 million USD."

1.8 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, clients and all those who have had relationships with its various companies.

Porto, 5 April 2022

António Manuel Queirós Vasconcelos da Mota
Chairman of the Board of Directors

Jingchun Wang
Non-executive Vice-Chairman of the Board of Directors

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

Carlos António Vasconcelos Mota dos Santos
Member of the Board of Directors and
Member of the Executive Committee

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

Gonçalo Nuno Gomes de Andrade Moura Martins
Member of the Board of Directors and
Chief Executive Officer

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

Manuel António da Fonseca Vasconcelos da Mota
Member of the Board of Directors and
Member of the Executive Committee

Maria Paula Queirós Vasconcelos Mota de Meireles
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

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



02

Non-Financial
Information
Report



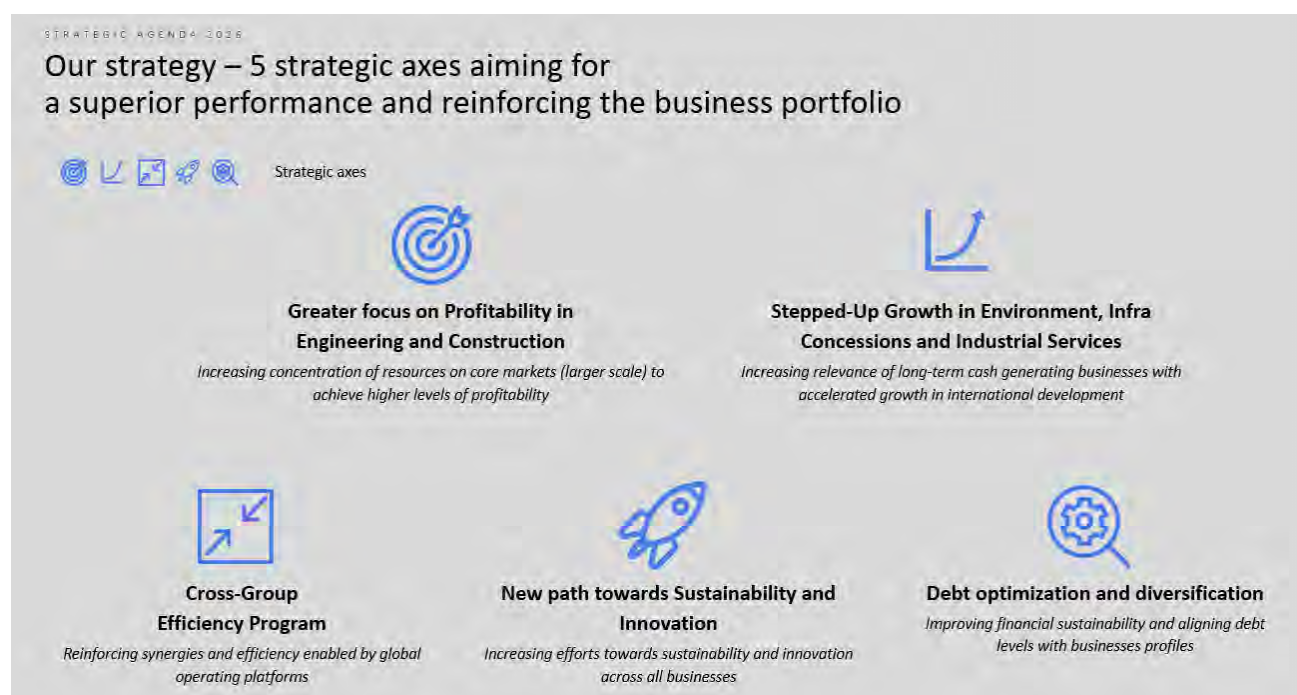
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I - INFORMATION ON POLICIES ADOPTED

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” and 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 strategic axes of the GROUP. Through this new strategic cycle – “[BUILDING 26 | For a sustainable future](#)” – the purpose is to achieve a better performance and to reinforce the competitive position of the GROUP, to that end benefitting from the solidity and cohesion provided by its two strategic shareholders, the Mota family and CCCC¹.



Against this background, the Group shall follow 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.

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.

¹ CCCC currently occupies the third position in the world's top 10 ranking of construction companies.

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

SDGs in focus and key targets (Base year 2020)



Group committed to achieve carbon neutrality by 2050

1. Includes preparation for reuse (checking, cleaning, or repairing operations), recycling and other recovery operations (in the context of waste reporting, recovery operations do not include energy recovery)

The MOTA-ENGIL GROUP strives to reach carbon neutrality until 2050.

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, a greater use of renewable energies and 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 and professional life and women's education;
- **Speeding up innovation:** increasing efforts focused on transforming and efficiency in current business and creating new sustainable business models; and
- **Empowering local communities:** supporting, educational, environmental and cultural causes, adapted to the context and needs of the countries in which MOTA-ENGIL operates.

MOTA-ENGIL will extend the scale of its investment in innovation throughout the whole GROUP, based on three types of initiatives:

- **Innovation Hub:** giving priority and monitoring innovation projects so as to ensure value capture;
- **Ecosystem of partners:** establishing partnerships with relevant partners (i.e., universities, start-ups, etc.) with relevant capacities for implementing pilot solutions, technologic developments and business models; and
- **Entrepreneurship:** Identifying and investing in start-ups of high potential; incubating start-ups, providing them with guidance, training and capacity for testing solutions in a real environment;

The centrality that sustainability assumes in the newly approved MOTA-ENGIL's strategy also translates into a new and reinforced structure of sustainability's governance, which has the goal of developing competences and guidelines within the GROUP and reach a position recognised in rankings, ratings and sustainability 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 MOTA-ENGIL GROUP. With the scope of further increasing its efficiency, a new Head of Sustainability at the GROUP was appointed, accumulating the Direction of the Safety, Health, Quality and Environment (SHEQ) areas, thus contributing to an economy of scale in terms of action, benefitting from the support of the current existing SHEQ focal points in each Market and Company, with an action focused on the environmental and social areas.

In addition, a Sustainability Committee, led by the CEO of MOTA-ENGIL and composed by the most strategic Boards of the GROUP where ESG subjects are concerned, seeking a broader comprehensiveness and efficiency of action, was created. A member of the Manuel António da Mota Foundation, a partner of the GROUP, was also appointed. The purpose of that appointment is to reinforce MOTA-ENGIL's Sustainability Strategy, based on the Foundation's know-how and activism in the Social and Environmental areas.

It should also be noted that, with a view to report the GROUP's performance in a transparent manner regarding the various sustainability aspects, MOTA-ENGIL releases, since 2006 and with an annual frequency, its Sustainability Report. The Sustainability Report is available on [MOTA-ENGIL'S](#) website and details and complements the information contained in the present document.

The non-financial information report of MOTA-ENGIL, whether through this document or the Sustainability Report, is drawn up according to the Global Reporting Initiative (GRI) Standards, in their "Essential" option, 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.

The multi-sectorial nature of the activities of the MOTA-ENGIL GROUP and its presence in very different geographic contexts turns the identification and reporting of performance information into a task of high degree of complexity, sluggishness and demand, depending upon various dozens of players for its ascertainment. In order to permanently improve the ESG report, through a regular and timely internal report that ensures the reliability of information and the access, on part of the central structures of the GROUP, to the necessary data to allow monitoring the GROUP's performance, MOTA-ENGIL started in 2021 a structuring process: (1) for the identification and revision of relevant indicators, in line with the strategy defined, legal and regulatory requirements; (2) for the consolidation of the methodology for ascertaining the mentioned indicators; (3) for streamlining sources of information, criteria, means and platforms, throughout the various markets/geographies, with the purpose of reporting information. The year of 2020 was chosen for this exercise as a base-year, wherefore previous history data is not presented. Since this process will still be taking place throughout 2022, for some of the indicators reported in the present document and at the date of their release (particularly where environmental and occupational health and safety data is concerned), the data presented is still preliminary. The process currently underway to consolidate the methodologies and standardize the sources and criteria for data collection, together with the clarification sessions held with the different focal points and changes that have taken place in the perimeter of information consolidation, led to data for 2020, contained in the previous report, to also be revised.

It should be noted that the indicators associated with the ESG targets defined in the Strategic Plan (base year 2020 and reporting year 2021) will also be subject to verification by an independent external entity, a process that will confirm performance in relation to them, and whose verification statement will be included in the Sustainability Report. Therefore, for a consolidated and more detailed information, refer to 2021 Sustainability Report, which should be released by the 1st semester of 2022. The GROUP intends that, through the undergoing process, and starting as of 2023 (and with reference to the previous year), ESG data may be reported quarterly, allowing timely analysis and adjustment of actions throughout the year.

It should be mentioned that the new Strategic Plan also entails the restructuring of the business units (see the following section "Business Model"), which will allow for, in the future, the reporting of the GROUP's financial performance and ESG based on the various business areas, this way more directly mirroring environmental, social and economic impacts specifically associated with each type of business. Since this restructuring is still under way, for purposes of the present report was considered:

- Still the previous model, which reflects the GROUP's management internal structure, organised by geographic areas (encompassing the Engineering & Construction and the Environment business segments): Europe, Africa and Latin America. Data concerning MOTA-ENGIL SGPS, MOTA-ENGIL CAPITAL and its mixed-ownership companies as well as other instrumental companies, included in the consolidation perimeter of ESG information of this report, was included as Holding and Capital, respectively (see section "2. Identification of the scope and methodology of calculation of indicators", in Part II of the present document).
- In addition, for the environmental and occupational safety and health indicators, information structured according to the business areas: Engineering & Construction (E&C); Environment; Others (which includes the Holding and Capital), since there is a direct link between the business areas and their respective environmental and social impacts. In this way, an attempt was made to bring the information presentation closer to its future structure.

B. Business Model

Founded in 2016, 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 worldwide and the Top 30 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, Environment and Services, Transport Franchises, Energy and Mining. It is present in three continents and 25 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.

Within the scope of the new Strategic Plan, a new organisational model is defined (see image below). However, and since the present report concerns the closure of the previous strategic cycle, the data presented is still according to the structure in force until 2021.

NEW ORGANIZATION

We will evolve into a new organization model combining Group guidance and supervision with dedicated Business Units



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).

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 experience, associated with a technical know-how for the development of various areas, such as:

² Source: Global Powers of Construction 2020 report - #76 Global Construction player

Engineering and Construction

Leader in Portugal and with a prominent position in various markets of Europe, Africa and Latin America, the GROUP has developed construction projects in about 50 countries, showing technical competence in each project and building a reputation of excellence in the technical areas of construction and public works, standing out in the construction of various infrastructures, such as roads, motorways, airports, ports, dams, buildings, railways, electromechanics, foundations and geotechnics, among other specialities.

Mining

MOTA-ENGIL is currently executing works in Africa and Latin America, building upon the long experience gained in the development of construction and earthmoving works that it carries out for some of the largest world mining companies, with emphasis on the operations in Peru, Malawi, Mozambique, Guinea Conakry, South Africa and Mali.

Waste Management

With a majority of the share capital of SUMA, company set up in 1995 for the management and urban collection of waste in Portugal, MOTA-ENGIL achieves the ambition of leading this sector, operating increasingly in Angola, Mozambique, Cape Verde, Brazil, Oman, and Ivory Coast. The MOTA-ENGIL GROUP operates, through EGF, in the treatment and recovery of waste, ensuring the capacity to perform the whole value chain in waste management, and possesses advanced technology for the treatment and organic recovery of waste, as well as for the production of energy through the collection of biogases in the landfill and of the plant of energy recovery.

Energy

The MOTA-ENGIL GROUP was the first private operator in the sector of the production of energy in Mexico, holding a set of assets being operated by Generadora Fenix, with a production capacity of 288 MW, having reinforced in 2018 the presence in the Energy Trading sector with the objective of promoting renewable energies.

Logistics

Takargo was the first private operator in Portugal in the rail transport of goods, focusing on logistics efficiency and the quality of service for providing integrated and competitive logistics solutions in the Iberian market.

Multi-services

In order to complement the infrastructure construction and management activity, MOTA-ENGIL carries out its activity in the maintenance area through Manvia, a benchmark company in Portugal operating in Africa and Northern Europe.

In the area of landscape architecture, the GROUP operates through Vibeiras, leader in Portugal in this segment and with relevant works in Africa.

Concessions of Transport Infrastructures

MOTA-ENGIL takes on an important position in the management of a road infrastructures concessionaire, with attention being drawn to the holding at LUSOPONTE, concessionaire of the two bridges in Lisbon (Portugal) and concessions in Latin America markets.

3. MARKETS IN WHICH IT OPERATES

More detailed information on this topic can be found in the [company presentation](#) and in MOTA-ENGIL's Sustainability Report of 2021.



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, compliance of laws and regulations, and a controlled environment that ensures the fulfilment of the GROUP's ethical principles 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 operates, with the promotion of study and implementation of strategies for the mitigation of the main risks.

In this chapter we present the structures responsible for the analysis and monitoring of the risk management process, with an identification of the main risks and opportunities to which the GROUP is exposed throughout the exercise of its activity. It should be noted that in 2021 there was no change in the structure of the identified risks.

Organization

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 function area of responsibility is assigned to an Executive Director.

Additionally, there is also a specialised Committee, the Risk and Internal Audit Committee, which reports to the Chairman of the Board of Directors and has the main competences:

- To monitor the GROUP's business, ensuring an integrated and permanent analysis of the risks associated with it;
- 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;
- 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 when 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 function;
- To monitor the implementation of recommendations contained in the Internal Audit reports or opinions, as per 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 fulfilment of the internal policies by the 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 the fulfilment of the Procedure for Reporting Irregularities, namely guaranteeing the whistle-blower's rights.

This Committee is composed, as a rule, by 1 (one) independent director, the Chairman and 2 (two) members who may not be executive administrators, thus ensuring their appropriate independence.

On the other hand, the Internal Audit function 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 observance by the GROUP and its employees of all the applicable regulations through an independent intervention, jointly with all the organic units of the GROUP.

Similarly, the main mission of the Compliance Corporate function is to ensure the application and universal respect by the whole GROUP of the compliance practices and rules in place, to guarantee that they are up-to-date, acting with a view to prevent and mitigate compliance risks that result in a risk of legal or regulatory sanctions, 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.

In order to ensure 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 a reflection on the level of exposure to risk of the GROUP and assessment of compliance with existing and applicable standards.

It should also be mentioned that, at MOTA-ENGIL, risk management is an integrating element of all organisational processes and decisions, 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, the global platforms of shared and technical services and the Company's corporate functions.

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

Across-the-board risk management

In the specific area of the across-the-board risks to which the GROUP is exposed, it is for the Corporate Risk function to ensure an independent analysis of the various risks, supported by an annually reviewed risk matrix approved by the Executive Committee, and to monitor risks through various risk parameters and models specifically produced for the GROUP's performance profile.

The across-the-board risk matrix of the MOTA-ENGIL GROUP is a work tool for purposes of the systematic monitoring of the risk level that is implicit in the different dimensions of risks to which the GROUP is exposed. This way, the matrix is broken down in three aspects: Business, Operating and Economic/Financial. Additionally, several key steps defining the development and maintenance of the across-the-board risk matrix of the GROUP were set, most notably:

- Identification of the main business risks with an impact on the GROUP's profitability;
- Assessment with the corporate areas and with the Business Units of the performance history of each KPI selected;
- Definition of Risk Appetite;
- Definition of the strategic objective for each type of risk; and
- Assessment, monitoring and definition of mitigation measures and their results.

The risk management process, coordinated by the Corporate Risk function, is characterised by the following macro activities:

- Gathering of information on the KPI defined: monitoring the risks defined as a priority;
- Assessment of the risk levels identified in the KPI: defining the priority of action;
- Estimate of impacts and probabilities associated: furthering the risk analysis;
- Definition of mitigation measures: minimising risk exposure; and
- Reporting and discussion at the Executive Committee: reporting main risks and mitigating measures.

The Corporate Risk function draws up quarterly reports, which are analysed by 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 reporting being equally shared with 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.

Risks related to the Covid-19 pandemic

The outbreak of the Omicron variant reminded us that the pandemic will not end until it ceases to exist all over the world. That means that the risks to health are still considerable and prevent a full return to normality. The main source of concern is the possibility of appearance of more aggressive SARS-CoV-2 variants before widespread vaccination is reached, which may even put pressure on countries with high vaccination rates.

The recovery from the deep recession brought about by the Covid-19 pandemic has been different between countries, 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, January 2022*), a 5% growth in 2021 and a 3.8% growth in 2022 is expected from the developed countries, a 5.2% growth in 2021 and a 4.2% growth in 2022 is expected from emerging and developing countries (with the exception of China) whereas low-income countries should register a 3.3% growth in 2021 and a 4.9% growth in 2022.

These divergences are the result of a large disparity in the access to vaccines and the economic and social disturbances caused by the increase in prices, especially in food, energy and fuels, a situation to which low-income countries are particularly vulnerable.

In many advanced economies, large vaccination progress was observed since April 2021, where about 75% of the population received at least one doses of the vaccine, compared to approximately 55% in emerging and developing countries and only 8% in low-income countries.

Therefore, it is possible that the economic impacts from the Covid-19 pandemic continue to be reflected in the profit and loss of the MOTA-ENGIL GROUP, as a result of the uneven pace of inoculation of the populations and the resumption of the pre-pandemic levels of the activity and, subsequently, due to the impact caused by the containment measures that might come to be applied in the various countries where the MOTA-ENGIL GROUP performs its activities.

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.

In addition, any quarantines or spread of the virus may affect the capacity of the suppliers, subcontractors and other stakeholders of the MOTA-ENGIL GROUP to carry out their operations normally, which, in turn, may negatively influence the capacity of the GROUP itself to develop its business.

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 counterparties and/or clients.

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 undertaken 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.

After the substantial recovery of growth observed in 2021, global prospects point to a 5.5% growth in 2022, albeit threatened by a context of high uncertainty, with various risks that may limit economic growth. In addition to the risks related to the Covid-19 pandemic, there are risks associated with the existing constraints in the global supply chains, the increase in inflation and the expected switch to the money policy in main world economies to more restrictive regimes.

These events threatening global growth may also bring about and/or aggravate 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.

Based on the recovery of the Eurozone in 2021, the World Bank's prospects for 2022 point to a 5.2% growth, which represents an improvement of 1.1% against the projections of June 2021. Furthermore, the International Monetary Fund's projections for Portugal point to an increase in GDP of 4.4%, an increase of 13% for Ireland and an increase of 5.1% for Poland.

Regarding the behaviour of inflation, the Eurozone registered an increase of 5% in 2021, although a slowdown to approximately 2% is expected for 2022.

Attention should also be drawn to the positive impact to the growth of the Eurozone resulting from the implementation of the "Recovery and Resilience Facility" of the European Commission (instrument to stimulate public and private investment) that will allow to leverage economic growth between 2022 and 2024.

In the Africa region, in the countries where the MOTA-ENGIL GROUP operates, GDP is estimated to have grown on average 4.0% in 2021, that group of countries being expected to register, on average, a 4.1% economic growth in 2022.

The countries which most grew in 2021 were Rwanda (10.2%), Cote d'Ivoire (6.2%), Kenya (5.0%) and South Africa (4.6%). As for Angola, a slight growth of GDP is projected for 2021 (0.4%); however, an acceleration is estimated in 2022 due to a 3.1% growth of GDP. On the other hand, following a GDP growth which should not go beyond 2.3% in 2021, the prospects of economic growth for Mozambique are considerably optimistic for 2022 and 2023, pointing to a GDP growth of 5.1% and 9.6%, respectively.

Lastly, in the set of Latin American countries where the MOTA-ENGIL GROUP is present, an economic growth of about 8.7% is expected for 2021, which is still insufficient to recover the GDP levels of 2019, which should only occur during 2022, the year in which an average growth of about 3.9% is expected. This situation is particularly evident in Panama and in Mexico, countries which should recover from the decrease in product registered in 2020 (17.9% and 8.2%, respectively) in late 2022 (Mexico) and in early 2023 (Panama).

Attention should be drawn to Peru's economy, which, after a GDP drop of 11.1% in 2020, is estimated to have grown 13.2% in 2021, and to Colombia's economy, which is estimated to have grown 9.9% in 2021, after GDP had fallen 6.8% in 2020.

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

MOTA-ENGIL, as a holding company (SGPS), 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, operating in a multitude of markets and regions (Europe, Africa, Latin America).

The fulfilment of the obligations assumed by MOTA-ENGIL 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 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 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 mining or infrastructure construction and maintenance works to be carried out above 2000 or even 5000 metres of altitude, which hinders the transport of the respective means of production and has consequences in terms of productivity.

Therefore, the economic profitability goals 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 variable, 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 infrastructural 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 the current 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 3 continents and 25 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 unfolding of the GROUP's activities and give rise to uncertainties as to the capacity of generation of cash flows and returns adequate to the remuneration of 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, reflected in various facets, demands special attention and concrete 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 Corporate Management 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 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 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 rates that serve as an index for the GROUP's financial 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 stagnation of the short and medium-term interest rates, which have stabilised at historically unprecedented low levels, new operations for hedging the interest rate risk have been carried out to a lesser extent. In cases where loan maturity is longer, the GROUP is, however, still conveniently analysing and assessing the contracting of hedging instruments that ensure possible future alterations to the interest rates, with the GROUP keeping an eye out for the inversion of the trend that will certainly accompany the recovery of economies or the expected reversion of the expansionary monetary policies that have been followed by part of the central banks as a response to the pandemic crisis.

Exchange rate risk

Considering its geographical diversity, the GROUP operates its business on an international scale through various companies and entities, a positioning which gives rise to the GROUP's exposure to different currencies and, consequently, to the interest 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 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 2021, there was a significant increase in the prices of oil, cement and steel, among others, that generated inflationary tensions, which, together with the changed prospects for the future evolution of interest rates, have contributed to the increased volatility in the quotation of the currencies of some countries where the GROUP operates, particularly in emerging markets, which are traditionally more affected by important changes to the volume of financial flows from an external source, by direct investment and/or financing, and which are also more exposed to the variation in the prices of oil, food or other commodities.

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 customers, 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. As a result, adverse fluctuations of exchange rates may give rise to a change in the relative value of the net assets whose payment currency is other than the GROUP'S functional currency.

In terms of exchange rate risk management, the aim, whenever possible or advisable, is to carry out natural hedging of exposed values by resorting to a financial debt denominated in the 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, structured financial instruments is 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 eliminate any volatility risk with value loss.

Liquidity Risk

Liquidity risk is defined as the risk of lack of capacity on part of GROUP companies to settle or fulfil their obligations within the established time period. 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 companies devoting to the engineering and construction area exhibit more important liquidity needs, given the payment deadlines observed in the industry from the moment the works are executed to their conversion into cash.

The GROUP'S policy for managing liquidity risk seeks to guarantee that there are funds available at every moment (cash on hand and financial inflows) in the GROUP, sufficient for them to meet, in a timely manner, all the financial obligations undertaken (financial outflows).

Obtaining high levels of financial flexibility, fundamental for managing this risk, has been achieved by using 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 and to create 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 – capturing funds from alternative sources, strengthening the strategic objective of obtaining greater banking disintermediation.

The new Strategic Plan “BUILDING 26 | For a sustainable future places sustainability and innovation as one of the priorities of 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, criteria 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.

MOTA-ENGIL GROUP aims 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 of the base of potential financiers of the GROUP.

In the embodiment of this space of new opportunities, it is worth highlighting, in the last quarter of 2021, the realisation by MOTA-ENGIL of a new financing operation involving offers for the exchange and issuance of Sustainability-Linked Bonds (MOTA-ENGIL 2026 Bonds), having registered a demand of approximately 155,6 million Euro and the GROUP having been distinguished in the 11th Edition of the “Euronext Lisbon Awards” (see “II. Social and fiscal policies”, point “iv. Responsible investment”). This operation allowed the GROUP to refinance its activity, step up the diversification of financing sources, reduce the financing average cost and keep an adequate maturity of its debt. MOTA-ENGIL’s commitment to acting towards reducing the rate of incidence of accidents in projects is associated with such issuance of bonds. In case the performance target 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 credit claims within the time periods established and/or negotiated to that effect.

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, particularly in the Angolan market.

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.

In addition, it should be noted that some of the largest projects that the GROUP has underway have as promoters some of the largest worldwide private conglomerates, which grants added safety where financial and credit hedging robustness is concerned. 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 where credit risk is concerned.

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.

Risks related to health and safety at work

In the main field of activity where the GROUP operates, the importance of the occurrence of accidents at work is absolutely undeniable, the GROUP being subject to legal provisions focused on health, safety at work and occupational risks.

The management of the risk of safety and health at work is coordinated by the SHEQ areas from each project and the various GROUP companies, thus ensuring an approach to the operation and an effective framework to prevent and minimize the prevention and minimization of accidents and health problems.

In order to face the imposed challenges associated, on the one hand, with the relevance of the incidence of labour risks in the various business areas and markets where the GROUP operates and, on the other hand, with the legal requirements associated with health and safety at work, the GROUP implemented, regarding all this aspects, a uniform methodology for identifying dangers and assessing risks, so as to plan and define the adequate control measures and applicable to the reality of the project / company.

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 assessment that act in the implementation of measures of control, such as:

- 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;
- Implementation of self-protection measures;
- Maintenance of insurance policies against occupational accidents;
- Carrying out of verification audits on the standards of security and health;
- Drawing-up of risks assessments;
- Investigation and analysis of accidents at work; and
- Conduction of health exams.

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

Finally, it is worth highlighting that the risk mitigating measures implemented and reinforced since 2020, as well as transversal campaigns of information and internal awareness, remain as a result of the pandemic crisis.

Legal, regulatory and compliance risks

Legal risks are those essentially resulting from the exercise of the GROUP's own activity, the assumption of legal obligations whose risk has not been adequately evaluated, and/or minimized, which can generate financial impacts or an increased litigation, in addition to legal risks arising from the diversity of jurisdictions in which the GROUP operates, as well as exposure to high levels of litigation.

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 regions 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.

Considering the presence in various markets (25 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 regulatory requirements and their own regulations of a state or sectorial (business) scope, thus guaranteeing their appropriate technical and legal capacity for executing the projects within the scope of the negotiations conducted with their 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.

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.

On the other hand, 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, there are also MOTA-ENGIL SGPS's bonds which are listed on the Luxembourg Stock Exchange, the supervision of which is the responsibility of the Commission de Surveillance du Sector Financier.

The Corporate Compliance area has 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 areas 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 internal controls and support in preventing and mitigating both control risk 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;
- 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 affiliated companies, 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/en/sustainability/code-of-ethics-and-business-conduct/>.

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 promoted by the Safety, Hygiene and Quality (SHEQ) and Sustainability corporate areas, being implemented by the local SHEQ teams of the various projects and GROUP companies, which are committed to adopt sustainable and efficient practices in all aspects of the activity.

In that regard, the GROUP has been reinforcing the actions developed within the scope of the promotion of responsible and proactive behaviours, distributing shared value to the business, environment and society, in areas considered to be a priority as is the case of waste management, resource conservation, and reduced emissions.

The importance of mitigating environmental risk in all operations of the MOTA-ENGIL GROUP was also reinforced, through the clear definition, in the Strategic Plan of MOTA-ENGIL, of strategic environmental objectives that will enhance awareness of the reduction of greenhouse gas emissions. greenhouse effect and enhance the recovery of waste.

Notwithstanding this approach to this type of risks, 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 the 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 they operate, as well as for ensuring appropriate 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. On the other hand, potential failures of the technologic and safety systems of the computer systems may render GROUP Companies to be vulnerable to fines and sanctions to be applied by the regulators, costs of information recovery, disruption in the supporting areas and operating activities.

However, the GROUP has implemented a Governance Model for data protection, and further 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 an aim to minimise the risks of data breaches.

On the other hand, to date no type of warning, fine or sanction on part of any governmental entity or regulator with regard to this area took place.

D. Implemented policies

I. Environmental policies

Currently, MOTA-ENGIL has in its Management system an Integrated SHEQ Policy (Safety, Health, Environment and Quality) based on legal, contractual, internal of MOTA-ENGIL and regulatory requirements, and this policy defines guidelines dedicated to: 1) the objectives and environmental programs; 2) supervision and reporting; 3) analysis of the risk and opportunities of the operation based on environmental impacts, with the definition of the respective mitigation actions; and 4) stakeholder consultation. The current policy also reinforces the skills needed for environmental functions, the promotion of training and awareness and the necessary digitization of processes, as a vehicle for continuous improvement.

However, and 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, 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.

Assuming a leading position in Portugal, MOTA-ENGIL intends to consolidate its Environment global business in a new business unit and boost its international growth through the implementation of five leverages: (1) restructuring urban services and (2) expanding the industrial segment's supply, as well as (3) capturing (from a financial and economic perspective) the value of the waste urban treatment business; in international markets, (4) consolidating the positioning in the current markets and (5) investing in new international projects. To that end, the know-how related to waste management, the geographic presence of the MOTA-ENGIL GROUP and the relations established with its local partners allow for a more efficient and added value performance combined with the growth of the business in the environment area.

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:

- Reduction by 40% of the greenhouse gas emissions (scope 1, 2 and 3), based on 2020;
- Recovery of 80% of waste produced.

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 the safeguard of biodiversity, among others, 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 2020 and 2021 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, enable the monitoring of the GROUP's performance and respond to CMVM's recommendations.

It should be noted that, with regard to non-compliance with environmental laws and regulations (Standard GRI 307 (2016)), in 2021 four fines were raised (above the €3,000), within the universe of companies of the MOTA-ENGIL GROUP. One of the fines was applied and paid in Portugal, in the amount of 3,000 euros), referring to a 2017 process and communicated in May of 2021, arising from a specific situation of non-compliance with the general noise regulation (Special Noise License – LER). Three were identified in Brazil – one concerns environmental irregularities, carried out within the scope of the landfill installation license (CTR) at the time of the former owner entrepreneur, and was applied retroactively, and the other two were raised within the scope of the environmental regularization of a project of duplication and improvements of a federal highway -, all of which are in an administrative defense process and representation before environmental agencies, which is why payments related to these infractions have not yet been made.

Non-compliance with environmental laws and regulations (GRI 307-1)

		2020	2021
Fines ranging from 3000 € to 10,000 €	No.	0	1
	Global amount paid	0	3,000€
Fines ranging from 10,000 € to 50,000 €	No.	0	2
	Global amount paid	0	0
Fines above 50,000 €	No.	0	1
	Global amount paid	0	0
Total fines	No.	0	4
	Global amount paid	0	3,000€
Total no. of non-monetary sanctions		0	4
No. of claims handled through arbitration mechanisms		0	4

The access to more detailed information on the GROUP's performance, forms of management and environment-related actions carried out is referred to the 2021 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 2021 Sustainability Report must be taken into account.

i. Sustainable utilisation 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.

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 significative. Within this scope, it should be mentioned that the consumption of materials can be very variable according to the geographies and years, since it depends upon the nature and size of the construction projects.

With a view to the optimisation of resources, particularly in the engineering and construction business area, where it is more intense, the GROUP expresses concern with:

- Increasing the course of life of the product constructed / the adoption of more durable solutions;
- Promoting the circularity of materials, for example, through the application of machined bores, in terms of construction and demolishing waste;
- Searching the market for materials with less environmental impact;
- Investing in innovation through the integration and participation in collaborative laboratories. It is worth highlighting, in this context, the participation in the Collaborative Laboratory for Circular Economy, CECOLAB.

The digitalisation of the processes, as an approach transversally applicable to the GROUP, also constitutes an important measure for resource optimisation.

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 certified, bearing CE marking, for utilisation in road construction – base and sub-base – and constitutes a perfect example of circular economy, preventing the recourse to natural aggregates, so 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 volume or weight, according to their characteristics (see notes indicated below).

	Renewable materials (tonnes)	
	2020	2021
Europe	25,319	46,490
Africa	1,986	1,900
Latin America	150	323
Others	314	1,006
Total	27,769	49,719

	Renewable materials (tonnes)	
	2020	2021
Engineering & Construction	2,238	3,814
Environment	25,217	44,900
Other business areas	314	1,006
Total	27,769	49,719

Note 1: The consumption of renewable materials essentially concerns AERIO aggregate – Artificial Aggregate coming from Waste Incineration Slags, wood and paper.

Note 2: Does not include data from MOTA-ENGIL, ENGENHARIA E CONSTRUÇÃO, S.A. and MOTA-ENGIL MEXICO, S.A.P.I DE C.V. (presently under calculation).

Note 3: The 2021 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

	Non-renewable materials (m³)		Non-renewable materials (tonnes)	
	2020	2021	2020	2021
Europe	113,414	136,208	5,019,674	2,546,012
Africa	99,338	52,591	2,717,619	2,336,496
Latin America	50,479	52,337	1,056,069	2,525,649
Others	36,552	13,055	145,739	114,531
Total	299,782	254,191	8,939,101	7,522,688

	Non-renewable materials (m³)		Non-renewable materials (tonnes)	
	2020	2021	2020	2021
Engineering & Construction	259,130	237,880	8,790,990	7,406,191
Environment	4,01	3,255	2,373	1,966
Other business areas	36,552	13,055	145,739	114,531
Total	299,782	254,191	8,939,101	7,522,688

Note 1: The materials indicated per unit volume (m³) encompass: concrete, paints/varnishes/enamel/diluent; lubricants/putties; chemicals; among others.

Note 2: The materials indicated per weight unit encompass: rock aggregates; cement; bitumen and emulsion; steel; explosives; accumulators; plastic bags; tyres; among others.

Note 3: It does not include data from MOTA-ENGIL, ENGENHARIA E CONSTRUÇÃO, S.A. and MOTA-ENGIL MEXICO, S.A.P.I DE C.V. (presently under calculation).

Note 4: The 2021 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

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.

Approximately 29% of the water abstracted comes from surface water (particularly relevant for companies of the engineering and construction sector), 37% of water purchased from third parties and 34% from underground water).

Water abstraction (GRI 303-3)

	Surface water (m³)		Underground water (m³)		Water purchased from third parties (m³)		Total water abstracted (m³)	
	2020	2021	2020	2021	2020	2021	2020	2021
Europe	20,168	17,133	557,589	519,156	522,587	389,788	1,100,344	926,077
Africa	151,125	219,653	69,984	159,055	161,781	290,594	382,890	669,302
Latin America	356,233	372,136	3,407	39,107	82,421	96,669	442,061	507,912
Others	0	0	8,280	8,280	6,613	6,198	14,893	14,478
Total	527,526	608,922	639,259	725,598	773,402	783,249	1,940,188	2,117,769

	Surface water (m³)		Underground water (m³)		Water purchased from third parties (m³)		Total water abstracted (m³)	
	2020	2021	2020	2021	2020	2021	2020	2021
Engineering & Construction	518,318	603,257	131,973	251,403	325,918	450,248	976,209	1,304,907
Environment	9,208	5,665	499,006	465,916	440,871	326,803	949,086	798,384
Other business areas	0	0	8,280	8,280	6,613	6,198	14,893	14,478
Total	527,526	608,922	639,259	725,598	773,402	783,249	1,940,188	2,117,769

Note 1: The reported figures concern the abstraction of water resulting from operations of companies of the GROUP. It does not include data on the activities of the Mexico Concessions and the company Takargo (presently under calculation).

Note 2: The figures of the Europe region, with regard to surface water, do not include the water abstracted 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: The source "Water purchased from third parties" comprehends the supply of water by municipal managing entities.

Note 4: The 2021 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

CONSUMPTION OF ENERGY

MOTA-ENGIL is highly dependent upon fossil fuels (with emphasis on diesel), due to their use in light-duty and heavy-duty vehicles, generators and different machinery, among others, particularly relevant in the engineering and construction, logistics (rail transport of goods) and waste management. Regarding energy purchased, it essentially concerns the consumption of electricity, but it is also worth mentioning the energy self-generated by the organisation itself for own consumption (for instance, recourse to a solar photovoltaic system) and also the sale of energy, associated with cogeneration processes, with emphasis on the Energy Recovery Central of Valorsul (EGF, Portugal). It should also be added that the MOTA-ENGIL GROUP operates in the energy production sector in Mexico (values not included in the table).

The search for a 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. In 2020 and 2021, the COVID-19 pandemic, on account of the imposition of restrictions on travelling and the implementation of teleworking, contributed to the reduction of local and international travels for work purposes and the commuting movements of the workers themselves, which reinforced the travelling minimisation policy.

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

Energy consumption within the organisation (GRI 302-1)

Energy (GJ)	2020					2021				
	Europe	Africa	Latin America	Others	Total	Europe	Africa	Latin America	Others	Total
Consumption of fuels from non-renewable sources	2,000,384	1,582,849	1,257,777	143,779	4,984,789	2,023,671	1,614,657	1,168,921	146,991	4,954,239
Consumption of fuels from renewable sources (bioethanol)	0	0	8,232	0	8,232	0	0	1,899	0	1,899
Self-generated energy for consumption (e.g., solar energy)	2,378	0	5	2	2,385	12,823	0	0	2	12,825
Indirect energy purchased for consumption (e.g., electricity)	254,005	36,152	9,486	8,654	308,298	263,875	44,900	10,393	8,363	327,531
Total energy sold	1,608,163	0	0	43,902	1,652,065	1,826,249	0	0	31,238	1,857,486

Energy (GJ)	2020				2021			
	Engineering & Construction	Environment	Other business areas	Total	Engineering & Construction	Environment	Other business areas	Total
Consumption of fuels from non-renewable sources	3,290,350	1,550,660	143,779	4,984,789	3,272,579	1,534,669	146,991	4,954,239
Consumption of fuels from renewable sources (bioethanol)	7,051	1,180	0	8,232	1,285	614	0	1,899
Self-generated energy for consumption (e.g., solar energy)	354	2,029	2	2,385	360	12,463	2	12,825
Indirect energy purchased for consumption (e.g., electricity)	107,037	192,606	8,654	308,298	127,119	192,049	8,363	327,531
Total energy sold	80	1,608,083	43,902	1,652,065	69	1,826,179	31,238	1 857,486

Note 1: Does not include data from two Engineering and Construction projects in Angola (Luarica and Moquita), from the Mexican Concessions and from the company TAKARGO (presently under calculation).

Note 2: The 2021 Sustainability Report must be consulted for access to the methodological notes regarding the calculation of the indicator (assumptions, exclusions, among other information).

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.

At MOTA-ENGIL, the consumption of non-renewable fuels is the factor that most contributes to direct emissions (Scope 1) – see previous paragraph. As regards to indirect emissions arising from the purchase of energy (Scope 2), this emissions essentially result from the consumption of electric power.

As referred to in the previous paragraph, the search for a 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. At this level, it is worth highlighting:

- The growing investment in a solar photovoltaic system;
- The growing focus on vehicles with electric engines and installation of electric charging points at the GROUP's facilities (MOTA-ENGIL RENEWING);
- The optimisation of the production process, particularly through the reduction of unnecessary movements, through a more efficient planning of operations;
- The conduction of studies for determination of the optimal time for changing oils and lubricants, without compromising the lifetime of the equipment;
- Optimization of the use of tires in order to reduce their consumption and increase their useful life, consequently reducing the production of associated waste;
- The GPS monitoring of equipment, promoting the optimisation of the route with the reduction of fuel consumption;
- The concern with the construction of energy-efficient buildings;
- The reinforcement of the introduction of ecologically more efficiently solutions (from a life cycle perspective) with designers;
- The general conditions for subcontracting and the supply of materials, envisaging internal environmental requirements and the recourse to more efficient materials and with a smaller carbon footprint;
- The integration and participation in Collaborative Laboratories, as the BUILT CoLAB, which aims to promote digital and climate transition of buildings and infrastructures, making them adaptable, intelligent, resilient and sustainable.



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 and 305-2 of GRI Standard 305: Emissions (2016)) is, as at the date of release of the present report, under consolidation; for more information, consult the 2021 Sustainability Report.

Where atmospheric pollutants are concerned, it is worth mentioning the emissions resulting from activities of waste companies, resulting from their provision of services, with emphasis on those of EGF (Portugal) which, as a result of the energy recovery process, is monitored in continuum of atmospheric emissions. The data indicated below concerns the emission, of 2020 and 2021, resulting from direct measurements in motor generators (electrical production centers of energy from landfills and anaerobic digestion), as well as from Valorsul's Energy Recovery Plant, located in Portugal. Measures of control/recovery and monitoring of the emissions are implemented in each case, 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 collection and analysis of 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 reveals no negative impact to the environmental quality of the surrounding area.

Atmospheric emissions (tonnes)	2020	2021
Nitrogen oxides (NOx)	710.0	826.8
Sulphur oxides (SOx)	26.3	36.8
Volatile Organic Compounds (VOC)	159.3	156.3
Toxic pollutants (HAP)	0.3	0.3
Particulates with a diameter less than 10 µm (PM10)	1.7	4.1
Carbon monoxide	303.5	339.9
Hydrogen sulfide (H ₂ S)	0.4	0.2
Non-Methane Volatile Organic Compounds (NMVOC)	20.0	22.3

Note: The 2021 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

Other sources of atmospheric emissions associated with the activities of the GROUP are essentially controlled by punctual monitoring (in accordance with current legislation), therefore not considering significant emissions – e.g. boilers in buildings, chimneys in shipyards and equipment for bituminous mixtures.

iii. Circular economy and waste management

With regard 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 the appropriate final destination is fundamental for reducing the negative impacts associated with waste both for the environment and local communities. It is MOTA-ENGIL's concern to ensure that appropriate final destination, with particular emphasis on recovery operations, whenever the characteristics of waste and the existing infrastructures in the geographies in which it operates permit so. Waste recovery was considered one of the strategic environmental objectives in 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.

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)

	2020					2021				
	Hazardous waste (tonnes)		Non-hazardous waste (tonnes)		Total (tonnes)	Hazardous waste (tonnes)		Non-hazardous waste (tonnes)		Total (tonnes)
	Recovery op.	Disposal op.	Recovery op.	Disposal op.		Recovery op.	Disposal op.	Recovery op.	Disposal op.	
Europe	3,188	9,507	231,213	28,407	272,315	2,590	4,941	250,315	11,711	269 557
Africa	5,499	982	47,118	122,764	176,363	10,351	678	11,703	43,734	66 466
Latin America	93	253	755	2,327	3,428	111	186	541	1,749	2 587
Others	14	65	7,094	142	7,316	65	9	13,212	402	13 687
Total	8,794	10,806	286,180	153,640	459,421	13,117	5,814	275,771	57,595	352 296

	2020					2021				
	Hazardous waste (tonnes)		Non-hazardous waste (tonnes)		Total (tonnes)	Hazardous waste (tonnes)		Non-hazardous waste (tonnes)		Total (tonnes)
	Recovery op.	Disposal op.	Recovery op.	Disposal op.		Recovery op.	Recovery op.	Disposal op.	Recovery op.	
Engineering & Construction	5,702	5,909	277,541	148,950	438,102	10,566	1,303	260,664	51,681	324,214
Environment	3,078	4,832	1,545	4,548	14,003	2,487	4,502	1,895	5,512	14,395
Other business areas	14	65	7,094	142	7,316	65	9	13,212	402	13,687
Total	8,794	10,806	286,180	153,640	459,421	13,117	5,814	275,771	57,595	352,296

Note 1: The reported quantities concern waste produced by the own activities of the Group's companies. They do not contemplate waste treated by waste management companies. It does not include data from the Engineering and Construction activities in Colombia, the Concessions in Mexico and the company Takargo (presently under calculation).

Note 2: In the Europe region, the non-hazardous waste, intended for recovery operations, are of very high value when compared with other regions, 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 2021 Sustainability Report should be consulted for accessing the methodologic notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

iv. Protection of biodiversity

Most of MOTA-ENGIL's operating facilities are not located in protected areas or in areas of a high index of biodiversity outside the protected areas (GRI Indicator 304-1, GRI Standard 304: Biodiversity (2016)). Exception made to some facilities of EGF (in the waste management sector) and to the CAPSFIL company:

- 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): Site of Community Importance Caldeirão (PTCON0057) and Special Protection Zone Caldeirão (with the same code), of Rede Natura 2000 (RN2000), and also in the Damp Area with conversational international interest (Ramsar Convention), Vascão Creek;
- In the case of Resiestrela, it is located within the Serra da Estrela Natural Park. (Quarry facilities, partially within the National Ecological Network);
- In the case of Capsfil, it 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, situations of projects being carried out within or in adjacent areas to protected areas may take place.

The projects, in particular construction and mining, in which the GROUP is involved, may have significant impacts. Potential impacts include pollution, reduction in the number of species, fragmentation or conversion of habitats, among others.

In any of these cases, the companies of the MOTA-ENGIL GROUP work towards reducing the impact of their operations to the biodiversity in the ecosystems and towards protecting the environment. They comply with the legislation in force, the requirements defined in environmental and operating licenses, as well as the requirements of the developers and the measures of monitoring and minimisation, defined within the scope of the environmental impact assessment (where applicable), with a view to safeguard the habitats and species. Among the most common measures are reforestation actions with native species and monitoring and preservation of species (eg monitoring of birds fauna, rescue 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 performed by GROUP companies.

v. Green taxonomy of the European Union

In June 2020, with the approval of the Taxonomy Regulation, the European Union established as sustainable economic activities those that substantially contribute to at least one of the six environmental objectives identified in the regulation and that do not significantly harm any of the other objectives. The regulation provides for the adoption of a set of delegated acts that will establish the technical criteria for this classification.

With the adoption of the Delegated Climate Act, referring to the objectives "mitigation of climate change" and "adaptation to climate change", non-financial entities, such as the MOTA-ENGIL GROUP, are now covered by the obligation, in their statements not financial statements, reporting the proportion of economic activities eligible and ineligible for the taxonomy in relation to their total turnover, capital expenditures (CAPEX) and operating expenses (OPEX), which are presented below.

In the year ended 31 December 2021, around 50% of turnover^(*), 40% of capital expenditure^(**) and 50% of operating expenses^(***) originated from eligible economic activities.

Among these, the following stand out as the ones that most contributed to the aforementioned percentages:

- Infrastructure for road transport and public transport;
- Construction of new buildings;
- Rail transport infrastructure;
- Water supply, sanitation, waste management and decontamination activities; and
- Infrastructure for water transport.

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

(**) Capital expenditures corresponds to the algebraic sum of the increases and disposals of tangible assets, intangible assets and rights of use of assets occurred in the year.

(***) Operating expenses 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)" and "Amortisations and depreciations".

II. Social and tax policies

i. Commitment of the company to the community

Within the scope of the new strategic cycle – “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. The GROUP realises its action on behalf of the community through:

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

It is worth mentioning the following initiatives developed by MOTA-ENGIL's local teams:

- Constructions and renewal works. These works are a natural extension of MOTA-ENGIL's activity, an inherent part of the GROUP's responsible form of existing and operating, and a reflection of the skills and will of its workers. By directing the material resources to these interventions, for example, remaining materials from its construction works, it also makes it possible to minimise the quantity of waste generated and, as such, to reduce the environmental impacts associated with their treatment. The involvement in these initiatives fosters even further the civic feeling of the workers towards the pursuance of the common good, which makes up an important motivational factor and personal fulfilment, promoting the corporate identity of the GROUP;
- Awareness campaigns carried out by local companies and projects with communities, in the area of safety, health and environment, with the aim of promoting awareness of the safety hazards and environmental impacts associated with the company's projects and activities;
- Technical training aimed at local workers from the communities, with the aim of transmitting the GROUP's knowledge to the communities adjacent to the MOTA-ENGIL operation;
- In some of the actions, the concern to always promote partnerships with other entities.

For more information regarding the initiatives carried out by the GROUP and its Foundation, refer to the 2021 Sustainability Report (and, for the Foundation, also FMAM's [website](#)).

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

Action of the Manuel António da Mota Foundation

The Manuel António da Mota Foundation (FMAM) is a natural corollary of the philanthropic traditions and the legacy of its founder, Manuel António da Mota. In 2020 it celebrated a decade of existence. Based on the city of Porto, it carries out its action throughout the whole national territory and in the countries in which the MOTA-ENGIL GROUP is present.

The FMAM is an important social responsibility policy instrument for MOTA-ENGIL that reflects the organisation, ethic and social commitment of the GROUP, in the name of an active and participatory business world. It seeks to fulfil a strategic vision that generates long-term value and is rooted on the principles of sustainable development.

Notwithstanding the constraints it had to face in 2021, that hindered some of its activities, 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 the most emerging questions did not prevented the pursuance of a strategy focused on projects, programmes and initiatives of a pluriannual nature that generate social impact.

FMAM believes that this mode of action boosts the capacity of the institutions supported to invest in producing transforming and long-lasting effects with the people who benefit from their strengths and services. It also pursued the granting of aids, in various sectors, together with its beneficiaries and partners of the social economy.

	2020	2021
No. of institutions supported by FMAM	80	75
Amount invested by FMAM	472,310 (€)	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 2021, at the 12th edition of the Manuel António da Mota Award, the Foundation, under the motto "Portugal Resists!", awarded institutions that stood out in the fight against the pandemic and its consequences in the areas of fight against poverty and social exclusion, health, education, employment, innovation, and social entrepreneurship, digital inclusion, and technologic and family support. The Manuel António da Mota Award, in the sum of 50,000 €, was given to APAC Portugal - "Associação de Proteção e Apoio ao Condenado" (Association for the Protection and Support of Inmates) for the "Reshape Ceramics" project. This project, created in late 2020, is a social business which purpose is to produce and sell hand-made ceramics goods, at a specific workshop and at the ceramics workshop of Caxias Prison Establishment, the proceeds of their sale reverting to APAC. Apart from the economic impact to the revenues of the association, the project employs former inmates and promotes their social and labour reinsertion, in addition to generating positive environmental impacts inspired by the principles of circular economy with regard to the utilisation of raw materials aimed at producing the articles.

In addition to APAC Portugal - "Associação de Proteção e Apoio ao Condenado" (Association for the Protection and Support of Inmates), winner of the Award, nine other national institutions were distinguished, the 2nd and 3rd places being attributed, respectively, to Associação Portuguesa de Surf For Good (Surf For Good Portuguese Association) and AGA – Associação Geoparque de Arouca, the remaining seven honourable mentions being attributed to Associação Bagos d'Ouro (association), Associação Portuguesa Contra a Leucemia (Portuguese Association Against Leukaemia), Conselho Português para os Refugiados (Portuguese Council for Refugees), Centro Paroquial de Seia (Seia Church Centre), Portuguese Red Cross – Tavira Delegation, O Fio de Ariana – Educação e Terapia, C.R.L. (teaching and therapy association) and Ponto de Apoio à Vida (association of support to life).

The global sum of awards attributed amounted to 120 thousand Euro.

Social development

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 solidarity effort, to fight poverty and exclusion and to promote social insertion and full citizenship. Through the programmes and assistance given in the areas of social solidarity, disability, health, housing, sports, among others, the Foundation thereby seeks to contribute to the strengthening and sustainability of the third sector, supporting projects of renowned social relevance and impact.

This scope also encompasses social and family support to workers of the MOTA-ENGIL GROUP, volunteer actions and the international projects of the Foundation. On an international level, particularly in Africa, with the creation of the programme "MOTA-ENGIL African Initiatives", under which all the social responsibility projects occurring in the African continent are designed and executed, it was FMAM's intent to develop and conclude in 2021 the first edition of the "Manuel António da Mota Award - A life in Angola", announced one year before. This initiative was postponed due to the pandemic crisis.

Among the initiatives carried out within this scope, the following stand out: Porto Amigo (Friendly Port); Uma Obra, Um Projeto (One Work, One Project); DOMUS Project, FMAM/Liga Portuguesa Contra o Cancro (Portuguese League Against Cancer) Protocol; Mobilidade Integrada (Integrated Mobility).

Education and Training

Achieving one of its strategic objectives, the Foundation maintained its support to the education, training and qualification of young people and adults, particularly for the more disadvantaged, valuing human potential and promoting social and professional integration. The "Cantinho do Estudo" (Study Corner) programme should be mentioned as an example.

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. As examples of initiatives supported/developed, the following stand out: CRIDEM – Concurso Nacional de Obras de Expressão Plástica de Pessoas com Deficiência Intelectual (National Contest of Plastic Arts Works of Mentally Disabled People); Coro Sênior da Fundação (Senior Choir of the Foundation).

Opening of the Foundation's facilities to the community

The Foundation continued to pursue a policy of use of its facilities characterised by the spirit of service and openness to the community. Apart from the activity of FMAM itself, FMAM regularly hosts at its facilities (free of charge) the organisations of the civil society and of the third sector which, due to insufficient material or financial resources, express the wish to hold therein their meetings, working sessions, training actions or other activities.

The exhibition rooms of the Foundation were once more the venue of cultural initiatives, such as the Santa Cecilia International Contest, although in a number below then what had been initially expected, due to the containment measures of the sanitary crisis.

ii. Subcontracting and suppliers

MOTA-ENGIL currently has a broad network of local and international suppliers. It should be mentioned that, within the scope of the Engineering & Construction business, it aggregates and consolidated in Portugal, South Africa and China three cross-cutting points for supplying goods and services to the various markets, thus guaranteeing a uniform structure of support to its chain of supply. Additionally, each of the markets has self-supplying autonomy, mostly through local suppliers.

In 2021, a total of 1353 million Euro was spent in supplies and services rendered (value with purchase order associated), an amount that demonstrates the magnitude of the economic, social and environmental impacts inherent to the procurement decisions of the GROUP and that strengthens the vital nature of its supply chain, in order to ensure the long-term sustainability of MOTA-ENGIL'S business.

The Procurement and Logistics area is currently governed by a governance model rooted on a structure of global services, with the bundled corporate functions with a view to ensure standardisation of policies and transversality of processes, synergy with the remaining functional areas and local services, monitoring of performance, efficiency and profitability of markets / businesses of the GROUP.

In line with the goals of the Strategic Plan 2022-2026, particularly the third axle "Efficiency Programme at the level of the GROUP", two guiding lines, already under development, regarding the management and organisation of the Procurement Process stand out, being aimed at reinforcing the pillars of efficiency and sustainability of the plan, namely:

1. Promoting local purchasing as a factor of proximity (encouraging short circuits of distribution and the inherent reduction of the carbon footprint) and profitable availability of goods and services to the projects (total cost of ownership approach) as well as the empowerment of competences from local resources. This approach promotes the active involvement in the development of the commercial and industrial network of the local economic agents, promotion of employment and the inherent social responsibility;
2. Developing Strategic Sourcing and the professionalising of the purchase of core categories, as differentiating and segmentation factors, that encourage a more intelligent and sustainable purchase and the rationalisation of the pool of suppliers, focusing on them, and with them, the efforts of long-lasting partnerships and the negotiation emphasis on the streamlining of commercial conditions that are not solely aimed at balancing cost and quality, but rather allow for incorporating selection and qualification requirements that promote technologic innovation and the adoption of practices with an environmental and social positive impact.

The general / specific terms of supply / subcontracting were revised and updated, including social requirements, environmental requirements, and requirements of promotion of the life cycle of products, in order to encourage better solutions at the development/purchase of products stage that cause a lesser impact to the Environment and promote workers' safety.

MOTA-ENGIL makes a clear commitment to its partners and suppliers regarding, on the one hand, the search for new partnerships and ensured standards of excellence in terms of innovation and differentiation, and on the other hand, the promotion of long-term relations already established and guided by values of trust, integrity and sustainability.

With regard to risk management in the suppliers chain, the GROUP strengthened the integration of the Procurement, Compliance, and Internal Audit corporate areas, in order to review some of the fundamental principles of the Procurement process and monitor indicators that mitigate risk situations and allow for the implementation of preventive and corrective measures. Within this scope, the supplier's management model reinforces the requirements and procedures of qualification and performance assessment.

The GROUP does business with companies and individuals, communicating its Code of Ethics and Business Conduct, and shares its compliance and integrity standards for which there are no reported practices of human rights violations.

It is worth mentioning that in 2021 three confirmed incidents of corruption, concerning procurement processes in the construction sector were identified: three alleged attempts of extortion of suppliers by employees of the GROUP with the purpose of influencing awards of contracts. In the three cases, the employees responsible were dismissed.

The year of 2020 saw the integration of the Third Parties Procedure (KYS – Know Your Supplier) in the procurement processes, underpinned by the MOTA-ENGIL GROUP's tool for assessing Integrity - Securimate. Since this is a procedure universally newly integrated into the procurement processes, only in 2022 will it be possible to carry out a consistent analysis of the evolution of the performance indicators, 2021 constituting the baseline and reference year.

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, being this information decentralized in each of the markets / companies.

It must also be mentioned that the GROUP companies, whose quality management systems are certified, regularly conduct satisfaction surveys to their clients. The process of centralizing information in Africa has already begun, with the aim of identifying the main needs and acting transversally in order to increase the level of satisfaction of our customers. With the current process of expanding the GROUP's global certification (using the ISO 9001 benchmark), the respective centralization of information at a corporate level will be reinforced.

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

iv. Responsible investment

In late 2021, MOTA-ENGIL issued 132 million Euro worth of bonds admitted to trading at Euronext Lisbon, having achieved demand in the amount of around 155.6 million euros.

The issuance of **Sustainability-Linked Bonds** by MOTA-ENGIL consisted of an innovative operation that allowed for launching an unprecedented offer of sustainability-linked bonds aimed at the Portuguese retail market. This issuance won the "Finance for the Future" category of the 11th edition of the Euronext Lisbon Awards. These awards are aimed at highlighting all issuers, financial intermediaries and other institutions and people who stood out for innovation in the Portuguese capital market.

These bonds are linked to sustainability, to the extent that MOTA-ENGIL has committed to act in order to promote the improvement of a key performance indicator (KPI), the rate of non-lethal occupational accidents with leave, with an aim to reach a sustainability performance target (SPT) with reference to 31 December 2025. The target in question implies the reduction of the aforementioned accident rate in Engineering & Construction projects by 50% by 2026., according to the target defined within the scope of the Strategic Plan 2022 - 2026 of MOTA-ENGIL ("Building 26 | For a sustainable future"). To calibrate the SPT, a benchmarking³ exercise was carried out, which included the performance and commitments assumed by a group of 13 international peers from the Engineering & Construction sector (11 of which are part of the "Global Powers of Construction 2020" study, prepared by Deloitte).

In the sectors of activity in which the MOTA-ENGIL GROUP operates, in particular Engineering & Construction, the accident rate in projects is absolutely relevant. According to a recent study by the Center 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 show a significantly above average accident rate of all other sectors, in the order of 29.2%. The importance of ensuring that workplaces are safe and healthy is explicitly enshrined in Agenda 2030 of the United Nations, 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. Safety and health at work is also crucial for fulfilling SDG 3 - Quality Health, since occupational accidents and diseases significantly contribute, on a global level, to the growing problem of non-communicable and chronic diseases.

³ The benchmarking exercise took into account similar companies in the Engineering & Construction sector: Acciona, ACS, BAM, Bouygues, Eiffage, FCC Construcción, Ferrovial, Porr, Sacyr, Skanska, Strabag, Vinci, Webuild.

⁴ Source: <https://www.cpwr.com/wp-content/uploads/DataBulletin-December2020.pdf>

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 issuance of these bonds is 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 confirming the alignment with the SBLP by S&P Global Ratings, which is available on the MOTA-ENGIL GROUP website at: <https://www.mota-engil.com/sustainability/>.

In this context, the MOTA-ENGIL GROUP also undertakes to:

- Disclose, in its sustainability report, relevant information for the analysis of the performance of the KPI and its sustainability strategy;
- Include in its annual sustainability reports information that allows assessing the performance of the MOTA-ENGIL GROUP in the selected KPI, by reference to the base value verified in 2020;
- Request, annually, a statement of independent external verification that confirms the performance in relation to the selected KPI, which will be integrated in the respective sustainability report; and
- Request an independent external verification statement that confirms whether the envisaged SPT was effectively achieved in 2026, leading to the appointment of an external verifier to be disclosed on the GROUP's website (www.mota-engil.com/sustainability/), by 30 days before this last date.

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. In this scope, it identified 12 groups of stakeholders, as a result of an internal consultation process promoted with the main heads of the Business Units and regions in which the GROUP operates.

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 project developed and/or company. As communication channels transversal to the groups of stakeholders, the emails, the website and the social networks of the GROUP and its companies, as well as the corporate channel for reporting irregularities must be mentioned.

MOTA-ENGIL, through its various companies, is a part of sectorial 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.

Groups of stakeholders of Mota-Engil and main communication channels and forms of engagement



Shareholders

- Meetings and general meetings
- Delivery of results
- Periodic financial reports
- Other communications



Customers

- Customer satisfaction surveys
- Direct consultation of customers
- Complaints
- Call Centre



Financial sector

- Meetings and general meetings
- Delivery of results
- Periodic financial reports
- Other communications



Regulatory entities

- Submission of mandatory legal information
- Responses to notifications
- Meetings



Public entities

- Report and accounts
- Satisfaction surveys
- Conclusion of protocols



Associations

- Work groups
- Participation in the Managing Bodies of the associations
- Other initiatives



Workers

- Management meetings and knowledge-sharing forums
- Newsletters and regular publications (example: SYNERGY)
- Training courses
- Posters and information leaflets (example: safety and health at work)
- Mota-Engil TV
- Talent management through Success Factors
- Internal job opportunities, through CareerME
- ONME corporate portal
- Meetings/consultation of people
- Inquests
- Toolbox talks
- Safety, Health, Environment and Quality Committees



Suppliers/Partners

- Training initiatives
- Satisfaction surveys
- Due diligence/qualification of suppliers mechanisms and pre-requirements
- Development of general supply partnerships/agreements



Media

- Magazine and newspaper articles and news
- Press releases and public clarifications
- Press conferences with local authorities
- Media campaigns



Local community

- Communication and awareness-raising campaigns
- Participation in thematic events
- Openness to visits to the companies' facilities
- Newsletters
- Apps specific to some business areas
- Programmes aimed at specific target audiences (schools, clinics and hospitals, commerce, markets, among others)
- Meetings and committees within the scope of some projects
- Campaigns assessment survey



Universities

- Protocols with universities
- Partnerships for the development of specific studies and projects
- Young talent programmes via CareerME



Unions

- Occasional telephone contacts
- Meetings

vi. Tax information

MOTA-ENGIL has a Tax risk management policy. This document formalises the tax risk management policy of the MOTA-ENGIL GROUP, establishing 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, regions 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 Tax 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 take the risk of disputes, provided that such disputes are likely to be resolved 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 business involve the local, regional and/or corporative tax 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 regional tax 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 tax 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 Tax 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 tax payable corrections as a result of any inspection action are based on a cost-benefit analysis, considering the following aspects:

- 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 Board 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 Tax area potential tax contingencies observed in the respective reporting period. This process is inserted into the processes for Monitoring of Cross-Section Risks implemented by the GROUP.

- Sharing of good practice and tax information

The local companies and regional and corporate taxation team 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 Tax 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.

III. Workers, gender equality and non-discrimination

i. Employment

With more than 38,500 employees and present on three continents and 25 countries, MOTA-ENGIL is a multinational and multicultural organization, with employees with 76 different nationalities. In a global and highly competitive market, attracting and retaining qualified and motivated people is crucial to the success of the mission and objectives of the MOTA-ENGIL GROUP. In a framework of rigor and commitment, we encourage excellence, merit and career progression, and we value the permanent desire to learn and improve, making the universe of GROUP companies true, dynamic and progressive work communities, able to calmly face, but with determination and enthusiasm, the challenges of the future.

The People Management Policy thus constitutes a central pillar in supporting the development, diversification and international expansion of the MOTA-ENGIL GROUP. In line with its Strategic Plan, the People Management Policy is structured around four key areas:

- **Culture of merit** – Ambition is an intrinsic value of MOTA-ENGIL'S DNA, and, in this sense, a philosophy based on the management and recognition of merit is promoted, which encourages its People to seek new challenges, to grow and to overcome barriers.
- **Reinforcement of the organizational culture and model** – Under the motto “a single GROUP, a single Project, a single Strategy”, MOTA-ENGIL invests in the implementation of a uniform organizational model that is transversal to the GROUP, which is an element that facilitates communication, that increases the efficiency of processes and encourages mobility between markets and regions.
- **Development and transversality of skills – “We are what we do”** – MOTA-ENGIL believes that its main distinguishing factor lies in People, accumulated experience and know-how, diversity and intelligence distributed within the GROUP and, in this sense, works in the preparation, training and development of the skills of its employees in order to guarantee the transversality of knowledge within MOTA-ENGIL.
- **Global Staff Mobility** – The GROUP'S diversification and internationalization challenges have increasingly demanded the ability to transform mobility into a unique vector for the Company's presence with Customers, Partners and Communities and a factor of cohesion, exchange and growth of your People.

The GROUP has established the following objectives in this area:

Human capital management

- Translating the human dimension and respect for people into the People management strategy and policies.
- Enhance employment and career progression, encouraging the acquisition of skills through continuous training and lifelong learning.
- Create motivating and rewarding working conditions, through remuneration and incentive policies that favor excellence and merit.
- Ensuring the highest standards of health and safety at work.
- Adopt non-discriminatory recruitment and selection practices that promote equal opportunities.
- Develop a work environment recognized for promoting respect for diversity, personal and professional development, reflecting the balance between personal and professional life.
- Actively support the transition from school to working life, promoting qualifying training.
- Encouraging active aging, aiming at the generational balance of People within the framework of a responsible and socially sustainable People Management Policy.

Career Model:

Goals:

- Valuing technical careers in the GROUP, defining a “Y” model, in which there is room, on the one hand, for evolution to more complex / responsible technical roles and, on the other, for management / executive roles.
- To speed up mobility and progression, establishing a transversal model to the different realities of the GROUP, through which all employees are positioned at a career level with common principles of progression and valorisation.
- Clarify career paths and levels, giving clarity to the career structure and allowing an understanding of the horizon of evolution in the GROUP.

Scope: the Career Model applies to all companies mostly managed by the MOTA-ENGIL GROUP and their employees who have a contractual relationship.

Evolution and progression criteria: evolution along the GROUP'S Career Model will result from the combination of the following criteria:

- Seniority: Employee's level of experience in one or more areas of knowledge, translated into know-how and autonomy in the performance of an operational, technical and/or management function.
- Mobility: performance of functions in a context of mobility that can be translated (1) between different functional areas, (2) between different geographies and (3) between different businesses.
- Merit: level of performance evaluation obtained in relation to the performance shown in previous years in the exercise of their previous / current functions.
- Potential: assessment level designed for the performance of other functions (1) of a different nature, (2) of greater complexity, and/or (3) of greater responsibility in the GROUP.

Performance evaluation:

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

Scope: all GROUP employees (includes all GROUP geographies / businesses).

Methodology: Performance focuses on measurable results and desirable behaviors and attitudes:

- Qualitative Assessment: skills with 50% weighting.
- Quantitative Assessment: goals weighted 50% (alignment of business goals with individual performance).
- Process with several stakeholders: Managers; Peers, Customers and Partners; Self-evaluation.

Operationalization: annual evaluation process consisting of several stages to ensure the continuous monitoring of the performance of our people.

Steps: definition and confirmation of goals; continuous evaluation; self-evaluation; evaluation of the previous year; harmonization and communication of the evaluation.

Production Incentive System:

Objective: a significant part of our success as a construction GROUP is directly linked to the effectiveness of our operations, that is, to the proper execution of construction contracts, which is based on three basic pillars:

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

With a view to recognizing and encouraging the development of these three pillars, the GROUP defined a Production Incentive System (SIP) whose application is described below.

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

Methodology / operationalization: the budget will be allocated through the combination of 4 factors:

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

The identification of recipients of the incentive system should be based on the following cumulative criteria:

- Impact on the work, if they made a relevant contribution to its execution.
- Proficiency, level of performance demonstrated throughout the work.
- Allocation, degree of allocation during the work cycle.

Variable Remuneration:

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

Scope: all GROUP employees (includes all GROUP geographies / businesses).

Methodology / operationalization: a set of guidelines were defined that encourage meritocracy:

1. Definition of the variable remuneration ceiling: definition of the ceiling per company that will be calculated annually taking into account the following rationales: 1) To encourage the generation of results; 2) Enhance compliance with the GROUP's annual budget; 3) Appreciate those who exceed the GROUP's annual budget.

The application of the above mentioned criteria will be deployed according to a GROUP and market/business/company vision, in order to encourage a philosophy of global sharing and, at the same time, reward individual performance of each market/business/company:

- GROUP Result: it will take as reference the Net Result of the GROUP and will be distributed in proportion to the global salary mass of each company.
- Market/business/company result: will take as a reference the market/business/company Net Result.

2. Distribution of the ceiling by people: The distribution by People must take into account the performance evaluation and the principles of differentiation advocated.

3. Recognition of merit: The amount to be distributed will be a % of the annual reference salary that will assume, by default, the indexes conditioned to the ceiling established for each company.

Some of the main indicators concerning employment and that characterize MOTA-ENGIL's workforce in 2021 are presented as follows (Standards: GRI 102: General Contents (2016); GRI 202: Market Presence (2016); 401: Employment 2016; GRI 405: Diversity and Equal Opportunities (2016)).

Information on workers and other collaborators (GRI 102-8)

Total number of workers per duration of contract and per gender		2020	2021
Permanent contract	Men	12,989	15,860
	Women	2,533	2,769
	Sub-total	15,522	18,629
Fixed-term contract	Men	17,644	17,480
	Women	2,165	2,322
	Sub-total	19,809	19,802
Trainees	Men	0	92
	Women	0	51
	Sub-total	0	143
Total Workers		35,331	38,574

Note 1: No temporary workers and interns were included.

Note 2: There is no data for 2020 regarding the trainees, since their data, at the time, were not entered into the system.

Note 3: The data reports to the no. of existing workers as at 31/12/2021.

Total number of workers per duration of contract and per region		2020	2021
Permanent contract	Europe	5,459	5,840
	Africa	3,383	4,907
	Latin America	6,003	7,197
	Holding	280	258
	Capital	397	427
	Sub-total	15,522	18,629
Fixed-term contract	Europe	3,092	2,822
	Africa	12,172	12,215
	Latin America	4,158	4,378
	Holding	43	65
	Capital	344	322
	Sub-total	19,809	19,802
Trainees	Europe	0	36
	Africa	0	65
	Latin America	0	19
	Holding	0	17
	Capital	0	6
	Sub-total	0	143
Total Workers		35,331	38,574

Note 1: No temporary workers and interns were included.

Note 2: There is no data for 2020 regarding the trainees, since their data, at the time, were not entered into the system.

Note 3: The data reports to the no. of existing workers as at 31/12/2021.

Total number of workers per type of contract and per gender		2020	2021
Full time	Men	30,633	33,432
	Women	4,698	5,142
	Total	35,331	38,574

Note 1: No temporary workers and interns were included.

Note 2: There is no data for 2020 regarding the trainees, since their data, at the time, were not entered into the system.

Note 3: The data reports to the no. of existing workers as at 31/12/2021.

With regard to the percentage of the workforce receiving the national minimum wage, and since not all countries have this concept defined, its calculation is presented only for markets where there is a defined national minimum wage.

Percentage of employees receiving the local minimum wage (Adapted from GRI 202-1)		
Percentage of employees receiving the local minimum wage (%)		2021
Angola	Men	10.8%
	Women	20.6%
	Total	11.6%
Colombia	Men	33.3%
	Women	27.4%
	Total	31.5%
Mexico	Men	0.0%
	Women	0.9%
	Total	0.2%
Mozambique	Men	0.4%
	Women	0.0%
	Total	0.3%
Poland	Men	1.3%
	Women	4.8%
	Total	2.1%
Portugal	Men	11.6%
	Women	10.2%
	Total	11.4%

Note: The data reports to the no. of existing workers as at 31 December.

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).

Hiring of new workers and rotation of workers (401-1)													
Percentage of entries and exits, by location, gender and age group		2020						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
Europe	Men	75%	27%	18%	40%	18%	20%	72%	26%	15%	59%	26%	20%
	Women	64%	23%	15%	32%	18%	12%	69%	20%	13%	35%	18%	17%
	Total	73%	26%	18%	38%	18%	20%	72%	25%	15%	54%	24%	20%
Africa	Men	51%	34%	21%	67%	54%	50%	62%	39%	24%	35%	30%	24%
	Women	51%	38%	14%	69%	68%	54%	60%	27%	10%	28%	23%	52%
	Total	51%	35%	20%	68%	56%	50%	61%	38%	23%	34%	30%	26%
Latin America	Men	86%	35%	37%	110%	118%	124%	109%	69%	38%	70%	54%	39%
	Women	47%	28%	55%	77%	55%	30%	83%	40%	13%	52%	29%	12%
	Total	80%	34%	38%	104%	110%	118%	106%	65%	35%	68%	51%	35%
Holding	Men	22%	4%	0%	33%	10%	4%	68%	27%	7%	25%	19%	27%
	Women	27%	6%	2%	42%	10%	15%	64%	18%	6%	26%	13%	18%
	Total	25%	5%	1%	38%	10%	9%	66%	22%	7%	26%	16%	23%
Capital	Men	48%	23%	21%	32%	18%	24%	73%	24%	20%	48%	24%	24%
	Women	29%	10%	0%	43%	14%	9%	64%	29%	8%	27%	15%	17%
	Total	46%	21%	20%	33%	17%	23%	72%	25%	19%	45%	23%	24%
Total Entries and Exits (per Age Group)		57%	32%	20%	67%	53%	39%	77%	43%	23%	48%	35%	26%
Rate of Entries and Exits (per Gender)	Men	35%			54%			47%			37%		
	Women	33%			47%			34%			25%		
Total Entries and Exits (per Location)	Europe	28%			21%			27%			26%		
	Africa	37%			58%			41%			30%		
	Latin America	43%			110%			68%			51%		
	Holding	8%			15%			29%			20%		
	Capital	23%			20%			28%			26%		
Rate of Entries and Exits		35%			53%			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 number of employees existing on December 31, relative to each geography, gender and age group.

Diversity at the governing bodies and workers (GRI 405-1)

(See also section vi. Gender equality)

Percentage of workers per functional category and age		2020			2021		
		< 30	30 to 50	> 50	< 30	30 to 50	> 50
Europe	Board of Directors / Technical and Management Department	1%	47%	52%	1%	48%	51%
	Specialisation and Coordination	1%	73%	26%	1%	72%	28%
	Supervision and Techniques	11%	52%	37%	16%	63%	21%
	Operating and Support	15%	64%	22%	11%	51%	38%
Africa	Board of Directors / Technical and Management Department	0%	51%	49%	0%	57%	43%
	Specialisation and Coordination	1%	63%	36%	2%	60%	39%
	Supervision and Techniques	22%	69%	9%	17%	56%	26%
	Operating and Support	17%	57%	26%	22%	68%	9%
Latin America	Board of Directors / Technical and Management Department	0%	58%	42%	0%	67%	33%
	Specialisation and Coordination	1%	71%	27%	1%	67%	32%
	Supervision and Techniques	18%	64%	18%	14%	75%	11%
	Operating and Support	12%	76%	12%	20%	63%	17%
Holding	Board of Directors / Technical and Management Department	0%	45%	55%	0%	53%	47%
	Specialisation and Coordination	3%	82%	15%	5%	80%	14%
	Supervision and Techniques	29%	38%	33%	33%	52%	15%
	Operating and Support	24%	57%	19%	35%	41%	24%
Capital	Board of Directors / Technical and Management Department	0%	27%	73%	0%	38%	62%
	Specialisation and Coordination	0%	76%	24%	2%	81%	17%
	Supervision and Techniques	9%	64%	27%	15%	74%	11%
	Operating and Support	16%	75%	8%	10%	63%	27%
MOTA-ENGIL GROUP	Board of Directors / Technical and Management Department	1%	53%	47%	0%	53%	46%
	Specialisation and Coordination	1%	71%	28%	1%	68%	30%
	Supervision and Techniques	15%	65%	21%	16%	64%	20%
	Operating and Support	18%	63%	19%	19%	63%	18%

Note: The data reports to the no. of existing workers as at 31 December. Includes Executive and remunerated Board Members.

Percentage of workers per functional category and length of service (years)		2020				2021			
		< 3	3 to 10	11 to 20	≥ 20	< 3	3 to 10	11 to 20	≥ 20
Europe	Board of Directors / Technical and Management Department	18%	20%	28%	34%	19%	20%	23%	39%
	Specialisation and Coordination	14%	19%	41%	25%	14%	18%	39%	30%
	Supervision and Techniques	42%	25%	24%	10%	32%	24%	24%	19%
	Operating and Support	32%	25%	26%	18%	40%	25%	24%	11%
Africa	Board of Directors / Technical and Management Department	15%	25%	25%	36%	8%	25%	32%	35%
	Specialisation and Coordination	35%	32%	14%	19%	37%	33%	13%	16%
	Supervision and Techniques	67%	26%	5%	1%	45%	34%	10%	11%
	Operating and Support	50%	28%	10%	12%	68%	26%	5%	1%
Latin America	Board of Directors / Technical and Management Department	25%	38%	23%	15%	18%	36%	33%	13%
	Specialisation and Coordination	39%	47%	9%	5%	37%	47%	11%	5%
	Supervision and Techniques	88%	12%	0%	0%	58%	38%	3%	1%
	Operating and Support	56%	42%	1%	1%	88%	12%	0%	0%
Holding	Board of Directors / Technical and Management Department	19%	19%	29%	33%	19%	28%	22%	31%
	Specialisation and Coordination	7%	39%	39%	15%	12%	29%	42%	17%
	Supervision and Techniques	32%	16%	26%	26%	29%	29%	20%	21%
	Operating and Support	28%	26%	21%	24%	47%	16%	16%	21%

Percentage of workers per functional category and length of service (years)		2020				2021			
		< 3	3 to 10	11 to 20	≥ 20	< 3	3 to 10	11 to 20	≥ 20
Capital	Board of Directors / Technical and Management Department	0%	27%	36%	36%	0%	23%	46%	31%
	Specialisation and Coordination	7%	40%	43%	10%	11%	32%	45%	13%
	Supervision and Techniques	61%	29%	8%	2%	52%	30%	16%	2%
	Operating and Support	45%	35%	20%	0%	53%	34%	11%	3%
MOTA-ENGIL GROUP	Board of Directors / Technical and Management Department	14%	26%	29%	31%	15%	25%	28%	32%
	Specialisation and Coordination	22%	30%	29%	19%	25%	29%	26%	19%
	Supervision and Techniques	43%	32%	14%	11%	44%	31%	14%	11%
	Operating and Support	66%	22%	8%	3%	68%	22%	7%	3%

Note: The data reports to the no. of existing workers as at 31 December. Includes Executive and remunerated Board Members.

Percentage of workers per functional category and qualifications		2020			2021		
		Primary	Secondary	Further Education	Primary	Secondary	Further Education
Europe	Board of Directors / Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	4%	8%	88%	4%	7%	89%
	Supervision and Techniques	15%	22%	62%	13%	20%	67%
	Operating and Support	73%	25%	3%	72%	25%	4%
Africa	Board of Directors / Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	11%	13%	76%	11%	17%	71%
	Supervision and Techniques	31%	33%	36%	26%	30%	43%
	Operating and Support	76%	20%	4%	75%	21%	4%
Latin America	Board of Directors / Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	3%	11%	85%	3%	6%	91%
	Supervision and Techniques	5%	33%	63%	3%	26%	71%
	Operating and Support	51%	44%	5%	41%	53%	6%
Holding	Board of Directors / Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	0%	15%	85%	4%	13%	83%
	Supervision and Techniques	5%	20%	75%	2%	20%	78%
	Operating and Support	32%	41%	27%	28%	45%	27%
Capital	Board of Directors / Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	0%	2%	98%	0%	0%	100%
	Supervision and Techniques	4%	16%	80%	5%	16%	79%
	Operating and Support	48%	49%	3%	50%	46%	4%
MOTA-ENGIL GROUP	Board of Directors / Technical and Management Department	0%	0%	100%	0%	0%	100%
	Specialisation and Coordination	5%	10%	84%	6%	10%	84%
	Supervision and Techniques	17%	28%	54%	14%	25%	61%
	Operating and Support	67%	29%	4%	63%	32%	5%

Note: The data reports to the no. of existing workers as at 31 December. Includes Executive and remunerated Board Members.

ii. Work organisation

The reconciliation between professional and personal life, a need resulting from the social and corporate transformations occurred over the past few years, aggravated in 2020 and 2021 due to the COVID-19 pandemic, strengthening the social responsibility of companies in this regard.

Promoting the balance between personal and family life of its employees is a measure that contributes to better productivity and to increase the personal and social well-being of employees. It should be highlighted that MOTA-ENGIL increasingly assumes a role of promoting the conciliation of work, personal and family life, integrating policies and practices related to this matter in its management.

The GROUP, through the Manuel António da Mota Foundation, grants direct benefits to workers and their relatives. Following up on the social and family support programmes, the Manuel António da Mota Foundation has met in 2021 a broad range of needs:

1. Study grants

Support to the access to higher education for children of workers of less economic means.

2. Financial consultation office

Specialised response to over-indebtedness situations. In 2021, the collaboration protocol entered into in 2020 between FMAM and DECO - Associação Portuguesa para a Defesa do Consumidor (Portuguese Association for Protection of the Consumers) was continued, its purpose being to provide, free of charge, assistance to workers who are in a situation of over-indebtedness or in risk of financial imbalance, as well as to provide information and financial guidance in order to prevent such situations. With the scope of mitigating the effects of the pandemic, support in the moratorium, housing loans, credit insurance, online fraud and attachments proved to be particularly relevant.

3. Social support fund

Monetary assistance for situations of personal or family economic vulnerability.

4. Fund 1+2

Fund raising aimed at creating an internal solidarity network at MOTA-ENGIL with the economic support of the GROUP's employees and members of their households in mind. Based on the donations granted by the employees, MOTA-ENGIL grants as twice that value, added to the previous amount, thus trebling the global amount of aid.

In 2021, this fund supported an employee of MOTA-ENGIL DOMINICAN REPUBLIC in the purchase of two hearing aids for her 10-year daughter who was born with hearing loss.

5. First childhood

Measures of support to the birth rate intended for all workers who are parents, through the offer of a "baby kit" and a "pharmacy voucher", and to the nursery schools by the children of the workers with less economic means.

	2021
Amount of supports granted by FMAM	192,760 €
No. of beneficiaries	354

In parallel, 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 2020 and 2021, 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 the various operations carried out, as well as from geographic, cultural and other factors, the main concern of MOTA-ENGIL is still the safety and health of its employees as well as of the people who might be affected by its activity. The purpose is therefore to achieve the development of a collective culture in which safety and health are assumed not "only" as a priority that is imposed, but above all as an intrinsic value, a natural way of being, thinking and acting.

Currently, MOTA-ENGIL has in its Management system an **Integrated SHEQ Policy** (Safety, Health, Environment and Quality) based on legal, contractual, internal MOTA-ENGIL and regulatory requirements, and this policy defines dedicated guidelines: 1) objectives and programs within the scope of Workers' Safety and Health; 2) supervision and reporting; 3) analysis of risk and opportunities of the operation based on the hazards identified in the operations of the operation, with the definition of the respective mitigation actions and 4) consultation of stakeholders.

The current policy also reinforces the skills necessary for safety and health functions, the promotion of training and awareness and the necessary digitalization of processes, as a vehicle for continuous improvement.

Mirroring this concern, the GROUP defined, within the scope of the new Strategic Plan – “BUILDING 26 | For a sustainable future”, the reduction by 50% of the rate of non-lethal occupational accidents with leave (LTIFR – Lost Time Injury Frequency Rate) in Engineering & Construction projects as a target to be met by 2026. The purpose is therefore to leverage prevention actions aimed at improving labour safety performance, those actions being underpinned by the sharing and standardisation of best practice.

It should be noted that various companies of the MOTA-ENGIL GROUP have certified management systems, including health and safety at work (ISO 45001), in addition to environment management (ISO 14001), quality (ISO 9001), among other certifications. Labour risk management is thus coordinated by the SHEQ areas (safety and health) of the different companies / projects of the MOTA-ENGIL GROUP. In addition to the local teams, there is also the corporate Safety, Health, Environment and Quality Area (SHEQ) transversal to the MOTA-ENGIL GROUP, focused on the efficiency of the organization, through the integration and alignment of the areas of safety, health, environment and quality at the GROUP level, based on the various Business Units. As a corollary of the above, in 2019, the integrated certification of the Africa region was obtained, in the various areas (ISO 9001, ISO 14001 and ISO 45001) and for the different types of operation (construction, mining and waste management).

In light of the regional certification process obtained for the African continent, 2021 was characterised by the consolidation and maturation of the processes inserted in the various types of operation of the GROUP. In parallel, the first steps for enlarging the standardisation of the SHEQ integrated management systems (with a special focus on the areas of Safety and Health), including those certificated “separately”, were taken. The purpose is that the GROUP, in the future to medium term, is equipped 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.

The main indicators monitored by the GROUP in terms of occupational safety and health are presented below (GRI Standard 403: Occupational Health and Safety (2018)). It should be noted that the KPI Frequency Index of non-fatal occupational accidents with low (LTIFR) will be subject to external verification by an independent entity and whose verification statement will be integrated into the 2021 Sustainability Report.

Occupational accidents (GRI 403-9)

	2020		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
Europe	1	471	0	513
Africa	1	173	3	248
Latin America	0	130	1	173
Others	0	83	0	78
Total	2	857	4	1,012

	2020		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
Engineering & Construction	1	225	4	253
Environment	1	549	0	681
Other business areas	0	83	0	78
Total	2	857	4	1,012

Note 1: Work accidents with employees belonging to the MOTA-ENGIL GROUP (local employees and those on international mobility) were accounted for, excluding workers assigned to subcontractors and temporary workers. Does not include data from Mota Engil Real Estate Portugal, S.A. (presently under calculation).

Note 2: Occupational accidents recorded under “Other”/“Other business areas” categories essentially concern two companies, Manvia and Vibeiras, which operate in the multi-service business (maintenance and landscape architecture).

	2020		2021	
	Rate of deaths resulting from occupational accidents	Rate of frequency of non-fatal occupation accidents with sick leave (LTIFR)	Rate of deaths resulting from occupational accidents	Rate of frequency of non-fatal occupation accidents with sick leave (LTIFR)
Europe	0.06	26.97	0.00	26.67
Africa	0.04	7.07	0.10	8.20
Latin America	0.00	5.21	0.03	6.00
Others	0.00	40.82	0.00	35.64
Total	0.03	12.44	0.05	12.57

	2020		2021	
	Rate of deaths resulting from occupational accidents	Rate of frequency of non-fatal occupation accidents with sick leave (LTIFR)	Rate of deaths resulting from occupational accidents	Rate of frequency of non-fatal occupation accidents with sick leave (LTIFR)
Engineering & Construction	0.02	4.80	0.07	4.37
Environment	0.05	27.50	0.00	33.36
Other business areas	0.00	40.82	0.00	35.64
Total	0.03	12.44	0.05	12.57

Note 1: To calculate the indices, the normalization factor of hours worked of 1,000,000 was used. Worked hours that served as the basis for determining the rates are still a provisional value, being under calculation. The 2021 Sustainability Report should be consulted for access to the methodological notes concerning the ascertainment of the indicator (assumptions, exclusions, among other information).

Note 2: Occupational accidents involving MOTA-ENGIL GROUP own employees (local and international mobility employees) were accounted for, excluding workers assigned to subcontractors and temporary workers. Data from Mota Engil Real Estate Portugal, S.A. was not included (presently under calculation).

Note 3: Occupational accidents recorded under "Other"/"Other business areas" categories essentially concern two companies, Manvia and Vibeiras, which operate in the multi-service business (maintenance and landscape architecture).

In 2021, 80.50% of the GROUP's employees were covered by certified SHEQ integrated management systems (ISO 45001). The labour accident indicators show that there is a continuous path to be carried out in this area, which the GROUP has been undertaking, of learning and improving the understanding and approach of risks in the workplace, which must be a continuous work that concerns everyone. It should be noted that the global certification of the MOTA-ENGIL GROUP is in progress, with the goal being that, by 2026, all its employees will be covered by an integrated management system, ISO 45001, 9001 and 14001.

It should be highlighted 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 2021, 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 units within the responsibility of the GROUP. It directly intervenes in the investigation and analysis of serious incidents and, together with the heads of the project, of the GROUP and the 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 of prevention and response to the Covid-19 pandemic contemplated in the respective contingency plan;
- Implementation of MOTA-ENGIL internal minimum requirements in terms of mandatory medical examinations, by type of activity, even if the local law in the countries where MOTA-ENGIL operates does not require them.

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 balance between 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. 62% of employees are covered by collective bargaining conventions⁵. It should be noted that in 2021 several new agreements were signed (eg Angola, Peru, Guinea-Conakry) or existing agreements were revised (eg Brazil, Mexico, Portugal). In each market, interactions were maintained with unions (eg Angola, Côte d'Ivoire, Guinea-Conakry, Mexico, Poland) and with local workers' committees (eg Angola, Côte d'Ivoire, Guinea-Conakry, Mexico, Mozambique, Peru, Poland, 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 (GRI Standard 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.

In the GROUP companies in Portugal, there were two complaints filed in 2021 to the Portuguese Authority for Work Conditions (Autoridade para as Condições do Trabalho - ACT) concerning the legal undefinition as to the collective bargaining instrument in force and the suspended employee strategy for diluting disciplinary action. None of these complaints gave rise to lawsuits against the GROUP in labour courts.

It should be mentioned that, as regards to the non-compliance with laws and social and economic regulations (indicator GRI 419-1), and for the year 2021, six fines above 3,000 euros were recorded.

- Peru: fine (75,342 euros) for late taxes, corresponding to payments on account of income tax, referring to the years 2015 and 2017 and resulting from differences in the interpretation of the applicable regulations; fine (17,843 euros) for omission of taxes, corresponding to the adjustment of payments on account of income tax for 2015; non-compliance with Social and Labour Standards (16,454 euros); fine (9,050 euros) imposed for improperly withholding invoices to a supplier.
- Portugal: EGF – non-compliance in the invoicing of VAT by several suppliers, which led to undue deductions of the respective VAT (33,750 euros); fine resulting from failure to submit a record of a declaration of activity by an employee with the professional category of driver, to complement the tachograph records within the 28 days prior to the inspection date (3,060 euros).

⁵ Provisional value (under assessment) referring to the companies indicated in point "2. Identification of the scope and methodology for calculating the indicators". Does not include data from Mota-Engil Central Europe S.A and Mexico Concessions companies. The 2021 Sustainability Report should be consulted for access to the methodological notes regarding the calculation of the indicator (assumptions, exclusions, among other information).

The eleven fines applied in 2020 imposed in 2020 were lifted in Portugal and Peru. In Portugal resulted from two administrative offence processes, one for insufficiency of the Safety and Health at Work Plan (in the sum of 10,000 Euro) and the other containing six infringements, all related to driving and resting periods and tachograph switching rules on part of driver of heavy-duty vehicles (in the total sum of 5,423 Euro). In Peru, the fines imposed concern: failure to pay VAT within the period established by local regulations (3,591 euros); non-compliance with the quota of people with disabilities applied to the CONSÓRCIO RODOVIÁRIO JAYLLI (5,344 euros); and the violation of the Social and Labour Standards in the MOTA-ENGIL – TR PERU CONSORTIUM (6,830 euros).

In general, these situations configure punctual occurrences. However, whenever necessary, corrective actions were implemented in order to avoid future situations.

Non-compliance with laws and regulations in the social and economic areas (GRI 491-1)

		2020	2021
Fines ranging from 3000 € to 10,000 €	No.	8	1
	Global amount paid	15,423€	3,060€
Fines ranging from 10,000 € to 50,000 €	No.	3	1
	Global amount paid	15,765€	33,750€
Fines above 50,000 €	No.	0	4
	Global amount paid	0€	118,689€
Total fines	No.	11	6
	Global amount paid	31,188€	155,499€
Total no. of non-monetary sanctions		0	0
No. of claims handled through arbitration mechanisms		0	0

v. Training

MOTA-ENGIL promotes the development of learning across the board, as a valuable tool in the management of human resources.

The training actions provided aim to improve the skills of its employees, significantly impact individual performance and enhance career progression within the GROUP and, consequently, increase the Organization's competitiveness.

With this in mind, MOTA-ENGIL developed and implemented a transversal and consistent training plan, adapted to the Organization's needs, which guarantees to generate rationalization, economies of scale and the creation of synergy between the companies of the GROUP.

The training model in force comprises the following guiding principles:

- **Valuing people and the company's competitiveness** – ensuring the training of employees in areas that guarantee, on the one hand, their valorisation and growth and, on the other, the competitiveness of the business.
- **Training and knowledge sharing at an internal level** – to promote learning and dissemination of knowledge within the GROUP, using internal teams and experts.
- **Updating and recycling know-how** – enhancing the evolution and productivity of people, through the updating and recycling of know-how, both in the technical and behavioral aspects.
- **Transversality and GROUP synergies** – maximize access to training and learning opportunities of a common nature between the GROUP's companies / markets, promoting MOTA-ENGIL culture and identity.
- **Optimization and efficiency in access to training** – streamlining training formats and remote learning, using new technologies, in order to facilitate access to training opportunities.

With the aim to ensure the training of employees in areas that guarantee their professional development and valorisation and, at the same time, the sustainable growth and competitiveness of the Organization, Mota.Engil defined a set of key competences, considered the foundations for the training initiatives developed. In 2021, special focus was given to the development of the following intervention axes:

1. Development of soft skills

Behavioural training, based on a practical and experimental component, with the aim of promoting the development of skills in the area of emotional intelligence, which refer to the way in which employees interact and relate to others, as well as the way they react to situations in the day-to-day role.

2. Acquisition of technical skills

Technical training specialized and directed to critical areas and topics of the business, with the aim of ensuring the preparation, training and updating of relevant know-how for the effective performance of the function. With this underlying purpose, the GROUP continued the **program AcadeME - Academia de Formação Interna**, which comprises a set of specialized training programs, designed according to the priorities of the functional area and the market / company, with the aim of developing essential skills within the framework of the GROUP.

Focusing on internal training, these initiatives rely on teams and experts from the GROUP for the development of technical training, promoting learning, the dissemination of knowledge and the acquisition and development of skills.

3. Consolidation of a corporate culture and identity

Corporate and organizational training anchored in the GROUP's strategic vectors and guidelines, which aims to raise awareness and prepare employees across the board for fundamental operating principles.

It should be noted that we launched online programs, which allow new approaches and greater geographic reach, combining the advantages of face-to-face sessions and **digital learning**. E-learning, an asynchronous distance learning modality, boosted the dynamic dissemination of knowledge aimed at employees. The contents are designed with didactic and interactive resources and made available globally, ready and with immediate access. The courses accessible in e-learning format have facilitated knowledge of the Organization, the understanding of the internal structure and the identification of the GROUP's culture and values, in several languages.

Continuing the pilot program launched the previous year, the MOTA-ENGIL GROUP launched, in 2021, the **2nd Edition of the scholarship program for carrying out the Digital MBA**, open to all its markets and geographies, once again giving selected candidates the opportunity to develop skills and enhance their professional growth. This programme developed in partnership with Porto Business School – an entity recognized by the Financial Times as the 33rd school in the Executive Education world ranking – was fully financed by MOTA-ENGIL. The program had 40 applications from employees from multiple geographies, nationalities, companies and backgrounds, with a total of five scholarships awarded, in a program that, both by the candidates and the final selected ones, reinforces its objectives of globality and transversality.

Another of the GROUP's bets has been **the Leaders for Leaders Program**, which includes the **Ability2Execute project**. The success of the Ability2Execute pilot project determined the implementation, in 2021, of the roll-out of this program to the remaining top staff of the GROUP.

Ability2Execute aims to (1) ensure quality training for our current and future leaders; (2) transform the way we work, with a view to a common leadership mindset and (3) reinforce a collaborative culture with an emphasis on sharing know-how.

At the beginning of the project, 35 trainers were selected, out of a total of around 120 internal applications, who received Train-the-trainer training with McKinsey&Company and who were responsible for delivering the training to the GROUP's top management. The roll-out phase will cover around 1,400 GROUP employees, from the GROUP's different markets and business areas. In 2021, around 300 employees of the GROUP have already received training and our internal trainers have already carried out 11 workshops.

At the same time, initiatives were also organized within the scope of the Program aimed at all employees of the Group, such as the launch of e-learning, available to all employees, and the webinar attended by our CEO, Gonalo Moura Martins, who brought together more than 1,200 GROUP employees.

MOTA-ENGIL has maintained a clear commitment to **attracting and developing young people with high potential**, with emphasis on the following talent programmes:

Learn@ME:

In partnership with leading national and international educational institutions, the Learn@ME program has the main purpose of attracting young students with high potential and promoting an approximation to the job market. The program provides for collaboration in academic and research projects, arising from the candidate's training area and in which MOTA-ENGIL existing know-how is adequate.

In 2021, we flagged the reception of summer and curricular internships, with different backgrounds and integrated into the various business areas in which the GROUP operates. The internship lasts between two and six months, accompanied by a tutor and his team, who are keen to enhance the learning of technical knowledge and relevant skills for future professionals.

StartME:

StartME aims to attract and integrate young talents at the beginning of their careers, for the development of a one-year professional internship at the GROUP. This program aims to boost individual development and provide a wide range of experiences and learning, through contact with different businesses, knowledge of innovative methodologies and solutions, a wide network of networking, as well as the development of critical skills in an international context. StartME is already a reference program, which has integrated more than 300 young people around the world and is a unique opportunity for learning, exchanging experiences and living in a multicultural environment.

In 2021, the 8th edition was launched, through which 124 young people from 12 different nationalities were recruited, welcomed and trained, spread across three continents. The program started in October 2021, with the first three weeks dedicated to integration into the GROUP. During this period, MotaEngil trainees had the opportunity to get in touch with the various business areas, developing a final project that was presented at the "Global Event". This event was attended by the GROUP Board of Directors, as well as several internal structures.

Information concerning the training hours provided to the employees of the MOTA-ENGIL GROUP in 2020 and 2021 is presented below (Standard GRI 404: Empowerment and Education (2016)).

Average hours of annual training per worker (GRI 404-1)

Training per functional category and gender			2020		2021	
			No. of training hours	Average number of training hours	No. of training hours	Average number of training hours
Europe	Board of Director / Technical and Management Department	Men	512	7	815	10
		Women	106	11	58	5
		Total	619	7	873	9
	Specialisation and Coordination	Men	4,847	13	7,902	22
		Women	3,291	25	3,632	33
		Total	8,138	16	11,534	25
	Supervision and Techniques	Men	11,623	12	17,590	19
		Women	7,150	16	12,739	29
		Total	18,773	13	30,329	22
	Operating and Support	Men	139,714	24	145,550	25
		Women	15,874	21	19,367	23
		Total	155,588	24	164,917	24
	Total	Men	156,96	22	171,857	24
		Women	26,20	20	35,796	25
		Total	183,17	21	207,653	24
Africa	Board of Director / Technical and Management Department	Men	510	9	605	10
		Women	9	9	13	13
		Total	519	9	618	10
	Specialisation and Coordination	Men	892	4	1,537	5
		Women	301	10	607	14
		Total	193	4	2,144	6
	Supervision and Techniques	Men	2,691	2	6,280	5
		Women	650	4	1,461	9
		Total	3,341	3	7,741	6
	Operating and Support	Men	18,54	1	23,958	2
		Women	965	1	1,996	1
		Total	19,19	1	25,954	2
	Total	Men	22,48	2	32,380	2
		Women	1,924	1	4,077	2
		Total	24,71	2	36,457	2
Latin America	Board of Director / Technical and Management Department	Men	354	8	900	24
		Women	653	327	364	182
		Total	1,007	21	1,264	32
	Specialisation and Coordination	Men	3,292	18	2,336	13
		Women	614	16	914	22
		Total	3,906	18	3,250	14
	Supervision and Techniques	Men	35,91	43	6,220	8
		Women	4,383	20	2,706	12
		Total	39,75	39	8,926	9
	Operating and Support	Men	44,481	6	89,228	10
		Women	1959	2	6,668	5
		Total	46,439	5	95,896	9
	Total	Men	83,518	10	98,684	10
		Women	7609	5	10,652	7
		Total	91,127	9	109,336	9
Holding	Board of Director / Technical and Management Department	Men	209	6	277	10
		Women	5	1	13	2
		Total	213	5	290	8
	Specialisation and Coordination	Men	339	11	495	13
		Women	610	17	735	19
		Total	949	14	1,230	16

Training per functional category and gender			2020		2021	
			No. of training hours	Average number of training hours	No. of training hours	Average number of training hours
	Supervision and Techniques	Men	222	7	542	19
		Women	304	5	954	17
		Total	525	6	1,496	18
	Operating and Support	Men	133	3	132	2
		Women	230	3	549	7
		Total	362	3	681	5
	Total	Men	902	6	1,446	9
		Women	1,148	7	2,251	13
		Total	2,049	6	3,697	11
Capital	Board of Director / Technical and Management Department	Men	267	27	128	12
		Women	23	23	11	6
		Total	290	26	139	11
	Specialisation and Coordination	Men	712	22	1,001	28
		Women	887	89	181	16
		Total	1,598	38	1,182	25
	Supervision and Techniques	Men	1,291	17	3,901	44
		Women	618	19	1,407	37
		Total	1,909	17	5,308	42
	Operating and Support	Men	3,652	7	3,611	7
		Women	113	5	465	17
		Total	3,765	5	4,076	7
	Total	Men	5,922	9	8,641	13
		Women	1,640	25	2,064	26
		Total	7,562	10	10,705	14
MOTA-ENGIL GROUP	Board of Director / Technical and Management Department	Men	1,852	8	2,725	12
		Women	795	35	459	19
		Total	2,647	11	3,184	13
	Specialisation and Coordination	Men	10,082	12	13,271	15
		Women	5,702	23	6,069	25
		Total	15,784	14	19,340	17
	Supervision and Techniques	Men	51,219	17	34,533	12
		Women	13,104	14	19,267	21
		Total	64,322	16	53,800	14
	Operating and Support	Men	206,233	8	262,479	9
		Women	19,140	5	29,045	7
		Total	225,373	8	291,524	9
	Total	Men	269,386	9	313,008	9
		Women	38,740	8	54,840	11
		Total	308,126	9	367,848	10

Note: The denominator of the indicator considered the number of existing workers as at 31 December. Includes Executive and remunerated Board Members.

With regard to the distribution of training provided by subject, it should be noted that, in 2021 and in the MOTA-ENGIL GROUP, the ESG areas already represent 43% of the total training. These were grouped in the following table, according to the main ESG areas – Safety, Health, Environment, Human Rights and Anti-corruption and bribery –, highlighting the occupational safety area as one of the GROUP strongest bets.

Distribution of training provided by the main ESG areas (No. of hours)		2021
Europe	Safety	103,186
	Health	73
	Environment	2,164
	Human Rights	110
	Anti-corruption and bribery	459
	Total	105,992
Africa	Safety	12,685
	Health	1,586
	Environment	252
	Human Rights	716
	Anti-corruption and bribery	299
	Total	15,538
Latin America	Safety	24,843
	Health	1,725
	Environment	3,857
	Human Rights	172
	Anti-corruption and bribery	2,660
	Total	33,257
Holding	Safety	13
	Health	0
	Environment	0
	Human Rights	8
	Anti-corruption and bribery	47
	Total	68
Capital	Safety	2,072
	Health	9
	Environment	0
	Human Rights	8
	Anti-corruption and bribery	76
	Total	2,165
MOTA-ENGIL GROUP	Safety	142,799
	Health	3,393
	Environment	6,273
	Human Rights	1,014
	Anti-corruption and bribery	3,541
	Total	157,020

vi. Equality

Diversity is an important factor of competitiveness: the greater the diversity, the better the ability of companies to attract talent, innovate and increase employee satisfaction, increasingly meeting customer expectations, investors and society itself.

MOTA-ENGIL actions are guided by the fight against discrimination, the promotion of gender equality and opportunities and the promotion of a culture of openness, recognizing the importance of leaving no one behind, as an ethical imperative and part of a socially responsible.

Within the scope of the new Strategic Plan – “BUILDING 26 | For a sustainable future”, the GROUP set the promotion of gender equality as a target by increasing recruitment among women and strengthening their integration into the top management positions of MOTA-ENGIL.

Consolidating a corporate culture guided by the values of equality and aware that several of its areas of activity are traditionally male, MOTA-ENGIL presented the Plan for Gender Equality, with a view to contributing to socially responsible management anchored in equality. The issuance and publication of this document aims to make all employees aware of the GROUP strategy for equality between women and men and includes, in regular training practices, content on equality, namely: gender stereotypes; inclusive language and balance of professional, family and personal life.

In terms of recruitment and selection, it should be noted that the people responsible for it are aware of recruitment and selection procedures without gender bias, and it should also be noted that training actions are organized in order to guarantee equal access and participation to women and men.

The current procedures in terms of the remuneration and rewards system guarantee respect for the principle of equal pay for equal work, which is based on an objective performance evaluation model and free from any gender bias, not penalizing employees for the exercise of their responsibilities relatives.

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 at the governing bodies and workers (GRI 405-1)

Percentage of workers per functional category and gender		2020		2021	
		Men	Women	Men	Women
Europe	Board of Directors / Technical and Management Department	91%	9%	88%	13%
	Specialisation and Coordination	76%	24%	76%	24%
	Supervision and Techniques	96%	4%	68%	32%
	Operating and Support	70%	30%	87%	13%
Africa	Board of Directors / Technical and Management Department	98%	2%	98%	2%
	Specialisation and Coordination	89%	11%	87%	13%
	Supervision and Techniques	89%	11%	87%	13%
	Operating and Support	89%	11%	89%	11%
Latin America	Board of Directors / Technical and Management Department	96%	4%	95%	5%
	Specialisation and Coordination	83%	17%	81%	19%
	Supervision and Techniques	87%	13%	78%	22%
	Operating and Support	79%	21%	87%	13%
Holding	Board of Directors / Technical and Management Department	79%	21%	81%	19%
	Specialisation and Coordination	48%	52%	50%	50%
	Supervision and Techniques	42%	58%	33%	67%
	Operating and Support	34%	66%	45%	55%
Capital	Board of Directors / Technical and Management Department	91%	9%	85%	15%
	Specialisation and Coordination	76%	24%	77%	23%
	Supervision and Techniques	96%	4%	70%	30%
	Operating and Support	70%	30%	95%	5%
MOTA-ENGIL GROUP	Board of Directors / Technical and Management Department	93%	7%	90%	10%
	Specialisation and Coordination	78%	22%	79%	21%
	Supervision and Techniques	89%	11%	76%	24%
	Operating and Support	88%	12%	88%	12%

Note: The data reports to the no. of existing workers as at 31 December. Includes Executive and remunerated Board Members.

Wages and remuneration ration between men and women (GRI 405-2)

Wages and remuneration ration between men and women		2020	2021
Europe	Board of Directors / Technical and Management Department	1.09	0,76
	Specialisation and Coordination	0.85	0,87
	Supervision and Techniques	0.82	0,84
	Operating and Support	0.96	0,98
Africa	Board of Directors / Technical and Management Department	0.62	0,57
	Specialisation and Coordination	0.72	0,97
	Supervision and Techniques	1.49	1,08
	Operating and Support	0.95	0,91
Latin America	Board of Directors / Technical and Management Department	-	1,14
	Specialisation and Coordination	0.84	0,94
	Supervision and Techniques	1.06	1,03
	Operating and Support	0.74	0,73
Holding	Board of Directors / Technical and Management Department	1.46	1,15
	Specialisation and Coordination	0.82	0,81
	Supervision and Techniques	0.84	0,95
	Operating and Support	0.91	0,92
Capital	Board of Directors / Technical and Management Department	0.73	0,94
	Specialisation and Coordination	0.90	0,94
	Supervision and Techniques	0.92	0,91
	Operating and Support	1.17	1,16
MOTA-ENGIL GROUP	Board of Directors / Technical and Management Department	1.05	0,87
	Specialisation and Coordination	0.83	0,88
	Supervision and Techniques	1.06	1,02
	Operating and Support	0.90	0,94

Nota: Data refer to the number of existing employees as of 31 December. Excludes employees on long-term international mobility (ie for periods longer than 6 months) and non-executive members of the Board of Directors.

It should be noted that all the members of MOTA-ENGIL Board of Directors have a higher academic degree and have an average age of 57 years. With 60% men in its constitution, and in a sector of activity that is still predominantly male, MOTA-ENGIL is bound by the values defended in Law no. 62/2017 of August 1, which establishes the balanced representation between men and women in the administrative and supervisory bodies in public sector entities and listed companies, such as MOTA-ENGIL. On average, the fixed remuneration of women on the Board of Directors corresponds to 50% of the remuneration attributed to men. The differences shown result from the seniority history of the respective holders, as well as the framework at the level of the GROUP executive bodies. However, a number of initiatives are being evaluated, with a view to converging the salary gap.

Regarding Law no. 4/2019, which establishes the employment quotas for disabled people with a degree of incapacity of 60% or more and introduces the obligation for the companies of the private sector to hire disabled people, MOTA-ENGIL is committed to the fulfilment of the legislation and to the identification of the most talented people for its companies, thus contributing to the access of disabled people to the labour market and the opportunity of pursuing a career path. MOTA-ENGIL has identified the GROUP companies to which this legal obligation is applicable, and is undergoing transition, as established in the law, to achieve full compliance.

With regard to discrimination incidents and corrective measures taken (Standard GRI 406: Non-Discrimination (2016)), the situations observed are identified in the following table. They concern occurrences identified in Europe and Latin America and refer to cases of alleged racial and gender discrimination, among others. The collection of the cases referred to in the following table result from the receipt, analysis and investigation of the complaints received at the GROUP's Ethics Hotline. Their handling is carried out under the "Procedure for reporting Irregularities" by the "Risk and Internal Audit Committee", through the Internal Audit team, by delegation of the Statutory Audit Board. It must also be mentioned that, on a corporate and central level, there is no information regarding other alleged cases of discrimination that might have been provided through channels other than those of the GROUP's Ethics Hotline.

It should be highlighted that 2021 saw the introduction of improvements at the level of treatment and classification of cases, namely the accounting and classification of the cases received by other ethics hotlines (that some markets possess), in the same fashion as those received by the GROUP's Ethics Hotline. These were included in the data from 2020 (which entailed the restatement of the data against the value reported last year).

406-1 Incidents of discrimination and corrective actions taken (GRI 406-1)

		2020	2021
Total no. of discrimination incidents occurred in the reporting period		4	7
Total no. of incidents analysed by the organisation, according to the current situation of the incidents and actions taken	No. of remediation plans implemented	0	1
	No. of remediation plans implemented, with the respective results analysed through the regular revision and management processes	0	0
	No. of incidents solved	3	5
	Total no. of incidents analysed	3	6

IV. Human rights

Human rights are a fundamental condition for people's freedom and dignity, for the rule of law and for the inclusive and sustainable growth on which businesses depend. Respect for human rights is an ethical imperative, and it is essential for any company to be able to secure a license to operate from employees, customers, investors, communities, governments and other stakeholders. Globally, corporate human rights regulation is increasing, including reporting requirements and due diligence requirements, and integrating these aspects into sustainability assessments carried out by rating agencies and investors.

MOTA-ENGIL respects and promotes Human Rights in all cultural, socioeconomic and geographical contexts in which it operates, respecting the respective traditions and cultures and promoting support for local communities, in accordance with the specific interests of each region and repudiating any and all act that violates the dignity of the human person. It is a signatory, since 2019, of the CEO's Guide on Human Rights of BCSD Portugal (Business Council for Sustainable Development).

Respect for human rights is established in the Code of Ethics and Business Conduct (eg chapters 3.8, 6.1, 6.3, 6.4 and 6.5) of MOTA-ENGIL. MOTA-ENGIL globally follows the "OECD Guidelines for Multinational Companies" and "OECD Due Diligence Guidelines for Responsible Business Conduct".

Such responsibility and commitment extends to the GROUP labour practices (see "III. Workers and gender equality and non-discrimination"), investment policy, supply chain management (see "II. Social and fiscal policies" , "ii. Subcontracting and suppliers"), among others.

The training of employees in human rights policies or procedures is one of the GROUP concerns. In 2021, in the total of the GROUP, 142,799 hours of training on occupational safety, 3,393 hours of training on health and 1,014 hours on other topics related to human rights were provided (see point "III. Workers and gender equality and non-discrimination", "v. Training").

It should be noted that MOTA-ENGIL prohibits contracting or partnering in business with companies in which human rights violations have been reported. The GROUP has clauses in its contracts that provide for such impediments and, within the scope of the Procedure for Third Parties, the guiding principles for the execution of Due Diligence (DD) actions to the counterparties with which it establishes business relationships have been defined since 2019. (example: customers, suppliers – including subcontractors – and business partners). In this business partner risk assessment process, applicable to entities that meet a set of internally defined requirements, incidents / records are scrutinized in terms of sanctions, exclusions and convictions, as well as negative press reports relating to entities or persons, whose search focuses on the following topics: human trafficking; discrimination/abuse in the workplace; health and safety issues at work; Child labour; forced or slave labour; gender equality; LGBTQIA+ rights; racism; bad environmental practices; among others.

The number of counterparties that underwent Enhanced DD, as described in the previous paragraph, were as follows:

	2020	2021	Total
Enhanced DD	53	139	192
Total assessed counterparties	495	699	1,194
% of total	11%	20%	16%

It should be noted that the GROUP irregularities communication channel (see “V. Combating corruption and bribery attempts”) allows the reporting of human rights violations, caused by the MOTA-ENGIL Group or for which contributions are made through its operations and business relationships. In 2021, through the GROUP ethics line, no cases were reported of operations and suppliers with a significant risk of incidents of child labour, slave or forced labour and violation of indigenous peoples' rights.

As salient risks identified by the GROUP in terms of human rights, harassment and discrimination, particularly in the context of construction activity, should be mentioned. This identification results from the exposure of the MOTA-ENGIL GROUP to incidents related to harassment and discrimination, whether due to the nature of its activity or the multicultural composition of the GROUP, as well as the importance of inclusion and diversity in valuing employees, fostering a sense of belonging, commitment and increased productivity.

In the past, the construction industry was notorious for condoning and devaluing discrimination and harassment and, in many cases, denying that it ever occurred. The small percentage of women working in the field were taught to deal with bullying and harassment or to change professions. The lack of women working in the industry leads to a male-dominated culture, which can allow for a hostile environment for women and particularly sexual harassment, which is more prevalent in male-dominated industries. In December 2021, only 13% of the employees of the MOTA-ENGIL GROUP were women.

In construction projects, work is often carried out in environments that isolate employees, allowing potential harassers easy access to their targets where there are no witnesses. In addition, central offices that are physically and/or organizationally distant from front-line employees or front-line supervisors can leave those responsible not knowing how to handle harassment issues and make them reluctant to contact headquarters to obtain guidance. Employees with high value, real or perceived, can be considered exempt from complying with workplace rules or immune to the consequences of their misconduct. Workplaces with significant gender, racial and ethnic disparities can contribute to supervisors or guardians feeling encouraged to mistreat lower-ranking employees. In addition, lower-ranking employees may be less likely to have access to or fully understand channels for raising complaints (language or education/training weaknesses) or fear retaliation.

Thus, at the end of 2021, the GROUP Harassment and Discrimination Policy was approved by the Executive Committee and by the Board of Directors of the MOTA-ENGIL GROUP. As a result of this policy, which is currently being implemented, a Harassment and Discrimination Commission was created. This committee includes the GROUP Chief Corporate Officer and the corporate officers in the legal, human resources and compliance areas.

V. Fight against corruption and attempted bribery

MOTA-ENGIL believes its reputation and integrity are one of the most valued assets and that any unethical or unlawful act is harmful to the values of the GROUP, a threat to its business and sustainability.

The MOTA-ENGIL GROUP is managed with transparency and in compliance with the rules, guidelines and principles of the good governance of the companies, in accordance with the commitment towards its shareholders, partners, customers, suppliers, employees, communities and other stakeholders.

The GROUP is committed to carry out all its businesses and develop commercial relations with its counterparties with integrity, professionalism, fairness and honesty, complying with the applicable legislation. Its main purpose is not only to comply with the laws but also to work towards the fulfilment of high standards of business ethics, in order to increase the GROUP's resilience and recognition, as well as to reach an upstanding, sustainable and profitable growth. Therefore, the GROUP follows the applicable standards and regulations and integrates the best ethical conduct national and international practice with a view to fulfil its business purpose.

The MOTA-ENGIL GROUP carries out, on a regular basis, the identification, analysis and assessment of the risks it is exposed to, which includes the updating of its Action Plan concerning the implementation of actions and controls that are effective in the mitigation of those 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, which information is available online. (See also information concerning legal, regulatory and compliance risks, contained in section “C. Main risk factors” of the present document).



Against the background of an example-led culture, the Board of Directors, the Executive Committee, the top managers and the operating managers guide and support their teams in safeguarding the good name and reputation of the GROUP.

It is worth mentioning that the MOTA-ENGIL GROUP has, since 2018, the Chief Compliance Officer (COO) position, which depends upon the Executive Committee and 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 come to be proposed, which under any circumstance must be approved by the Board of Directors.

In order for the Integrity and Communication Programme to be effective, communication, training and awareness-raising are of paramount importance. MOTA-ENGIL has a learning plan that comprehends training on compliance, aimed at training the employees on the contents and practical aspects of the Integrity and Compliance Program, as well as providing information on expected behaviours when employees may be faced with certain scenarios and equipping them with tools for dealing with those situations in an ethical and responsible manner. In 2021, a total of 10,611 trainings per workers of the MOTA-ENGIL GROUP were carried out in topics related to compliance.

1. Code of ethics and conduct

The MOTA-ENGIL GROUP has a Code of ethics and business conduct, adopted in 2015 and last revised in October 2019. This website is publicly available on the GROUP's website and is aimed at establishing the grounds for responsible behaviour, general duties and rules of an ethical and business nature that must govern the conduct of all workers and managers of the GROUP regarding the performance of their duties at work, in compliance with the Mission, Vision and Values that integrate the organisational culture of MOTA-ENGIL.

The goal of the Code of Ethics and Business Conduct is to define and disseminate the principles and rules that guide MOTA-ENGIL and constitute the basis of behaviour that the GROUP requires from its workers. The mechanisms for implementation and monitoring of the fulfilment of said Code are based on the principles identified in the previous paragraph.

2. Reporting of irregularities

The MOTA-ENGIL GROUP has implemented a channel and a Procedure for reporting irregularities. The defined procedures ensure the principles of confidentiality and non-retaliation.

Any stakeholder can report, at any moment, alleged irregularities and/or violations of the Code of Ethics and Conduct or policies of the GROUP, without any fear of retaliation, if and to the extent that they do it in good faith, using for this purpose the form made available online, the email etica@mota-engil.com or the address: Internal Audit – Rua do Rêgo Lameiro, 38, 4300-454 Porto, Portugal.

Since 2019, employees have been carrying out online training via the Success Factors portal, under the Compliance Programme, which includes a module on whistleblowing and reporting mechanisms. External stakeholders can obtain information and report directly on the GROUP website.

The reception and forwarding of complaints over concerns or infractions is the responsibility of Internal Audit area. In 2021, the Top5 of the categories of complaints, received through the GROUP ethics channel, included: breach of contract; improper conduct by employees; conflicts of interest / Internal corruption (see next point “3. Prevention of corruption, bribery, money laundering and terrorist financing”); harassment (moral, sexual, etc.) – see point “IV. Human rights”; discrimination (racial, gender, etc.) – see point “II. Social and fiscal policies”, “vi. Equality”.

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.

Some infractions, due to their nature, may be forwarded to other functional areas, namely Human Resources and Legal Matters.

Reporting of irregularities	2020	2021
Total number of complaints received	115 ⁽¹⁾	100 ⁽²⁾
% Complaints addressed (accepted and investigated)	84%	83%
% Complaints resolved (investigation completed)	72%	83%
% Unsubstantiated Complaints	75%	64%

⁽¹⁾ It includes 79 irregularities reported via the GROUP main line and 36 via the market reporting channels.

⁽²⁾ It includes 48 irregularities reported via the GROUP's main line and 52 via the market reporting channels.

It should be noted that, since 2020, MOTA-ENGIL has been adapting its procedures to Directive (EU) 2019/1937, of 23 October 2019, on the protection of persons who report violations of Union law (“Directive on Whistleblower”), anticipating its transposition into national law (which took place through Law n.º 93/2021, of 20 December). The updates performed are identified below:

Scope	Update made to procedures
Who is protected	We have extended the investigations and protections conferred to reports made by third parties outside the company (including, for example, suppliers) rather than just employees.
First reply deadline	We started to control and monitor the time elapsed from the date of the complaint to the first response, as a KPI for the treatment of complaints, with the objective of complying with a maximum of 7 days. This indicator is reported biannually.
Owner's independence	The treatment is carried out under the "Irregularities Reporting Procedure", by the "Risk and Internal Audit Committee", through the Internal Audit team, by delegation of the Supervisory Board. This organizational mandate is intended to guarantee independence from the GROUP executive bodies.
Completion of procedures	The time elapsed from the date of the complaint to the conclusion of the investigation began to be controlled and monitored, as a KPI for the handling of complaints, with the objective of complying with a maximum of 90 days. This indicator is reported biannually.
Need to train those who handle complaints.	Specialized training in fraud investigation (CFE) was carried out within the Internal Audit team, in order to better develop the procedures for handling, investigating and documenting cases.
Irrelevance of the complainant's motives	The constituent themes of each complaint began to be described, regardless of the complaints/motivations of the complainants, investigating the specific events reported. When the claims of the whistleblowers are directly relevant to the reported case, they are documented in a transparent manner and independently of the events.
Prohibition of retaliation and protective measures	The information file is only in the possession of the Internal Audit team, in a specific folder on the MOTA-ENGIL server. No information is shared internally, except when the assistance of a certain element of the company is requested within the scope of the investigation, and, even in these cases, the anonymization of the information is ensured before sharing it.

3. 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”. That 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, regardless of whether they are carried out directly or through third parties. The offer or acceptance of bribery of any kind is intolerable in any place GROUP operates.

Information concerning the communication on fight against corruption policies and procedures (Standard GRI 205: Fight against Corruption (2016)) and number of confirmed cases of corruption and measures taken (Standard GRI 205: Fight against Corruption (2016)).

Communication and training regarding fight against corruption policies and procedures (GRI 205-2)

Communication of the Anti-Corruption Policies - <u>Employees</u>	2020			2021		
	No. of employees who were notified	Total no. of employees	%	No. of employees who were notified	Total no. of employees	%
Technical and Management Department	180	247	73%	225	247	91%
Specialisation and Coordination	977	1,110	88%	1,072	1,147	93%
Supervision and Techniques	2,460	3,965	62%	3,064	3,908	78%
Operating and Support	3,437	30,009	11%	4,861	33,272	15%
Total	7,054	35,331	20%	9,222	38,574	24%

Communication of the Anti-Corruption Policies – <u>Business partners</u>	2020			2021		
	No. of partners who were notified	Total no. of partners	%	No. of partners who were notified	Total no. of partners	%
Suppliers	528	1,058	50%	686	1,119	61%
Customers	7	33	21%	5	12	42%
Partners	2	39	5%	7	31	23%
Total	537	1,130	48	698	1,162	60%

Confirmed cases of corruption and measures taken (GRI 205-3)

	2020	2021
Total number of incidents of corruption confirmed	8	5
Total number of incidents confirmed in which workers were dismissed or subject to disciplinary proceedings due to corruption	4	5
Total number of confirmed incidents of resolution or non-renewal of contracts with business partners due to infringement caused by corruption	4	0

In 2021, five incidents of corruption were confirmed, all leading to the rescission of the contract with the employees involved. Four of those cases were observed in the engineering & construction activity sector: three alleged attempts of extortion of suppliers on part of employees of the MOTA-ENGIL GROUP with the purpose of influencing awards of contracts; a case of an employee who misused company resources in his own benefit in a disguised manner.

The other incident concerns the concession business area, in which an employee misused financial resources of the company in his own benefit.

The collection of this data results from the receipt, analysis and investigation of the complaints received at the GROUP’s Ethics Hotline. Their handling is carried out under the “Procedure for reporting irregularities” by the “Risk and Internal Audit Committee”, through the Internal Audit team, by delegation of the Statutory Audit Board. The Procedure in force is also aimed at:

- Aligning the practice in force at the GROUP with the provisions of Law 83/2017, of 18 August, regarding measures for fighting against terrorism financing and money laundering, also incorporated into the “Anti-corruption and bribery, prevention of money laundering and terrorism financing policy” of the GROUP.
- When it comes to the protection of whistleblowers, transposing to the GROUP the norms of Directive (EU) 2019/1937 of the European Parliament and the Council, of 26 November, on Whistleblowing, so as to ensure an efficient protection of whistleblowers – see previous point “2. Reporting of irregularities”.

In 2021, we improved the handling and classification of the cases, which had an impact on the ascertainment of the number of situations:

- We started to consider cases of “misuse of assets” as “corruption” and included them in 2021 and in the 2020 comparison;
- We started to work on and classify cases received by other ethics hotlines (that some markets have) in the same manner as those received at the GROUP’s Ethics Hotline, and included them in the 2021 cases and in the 2020 comparison.

For that reason, the data 2020 registered an increase against the report of the previous year.

4. Fair competition

It should also be highlighted that the MOTA-ENGIL GROUP approved, in 2021, a “Fair competition policy” that reflected a zero tolerance policy towards restrictive competition practices and prohibited such acts under any form, be it directly or through third-parties, in any part of the world. MOTA-ENGIL strictly prohibits cartel-related activities as well as other collusive practices, namely behaviours aimed at or liable to be interpreted as causing a restriction or a limitation of competition. It is also prohibited to enter, without grounds, into agreements with other companies in order not to hire certain applicants or coordinate remuneration policies, as is prohibited to use the participation in events of industrial or commercial associations and related contacts for anti-competition purposes.

5. Management of conflicts of interest

The Code of ethics and business conduct of the MOTA-ENGIL GROUP characterises the situations in which a conflict of interests may take place and defines the workers’ responsibility to work in the best interest of the GROUP and to refrain from acting in a manner that clashes with such responsibility. Situations that may potentially generate conflicts of interest must be reported to the Ethics hotline of the GROUP or to the Compliance support hotline. Additionally, a Conflict-of-interest procedure was approved, establishing a procedure for the disclosure, assessment and prevention of real, potential or apparent conflicts of interest.

PART II - INFORMATION ON STANDARDS / DIRECTIVES FOLLOWED

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 option "Essential".

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.

More detailed information on the SDG and actions carried out within this scope can be found in the 2021 Sustainability Report 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.

2. Identification of the scope and methodology of calculation of indicators

As mentioned in paragraph A, the reporting of non-financial information of MOTA-ENGIL is carried out 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 2021 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.

The present reporting of non-financial information for analysing and supporting GRI indicators (environmental (GRI 301-1, 302-1, 303-3, 305-7, 306-3, 307-1) and social (GRI 102- 41, 403-9, 419-1)), took into account the information from the GROUP companies indicated in the table, collected from the different markets and for which there is relevant activity / active projects with an impact on the environmental and social areas:

Internal management structure of the GROUP	Company	Business unit (*)
Europe	CAPSIL	Engineering & Construction
	Mota-Engil, Engenharia e Construção, S.A.	Engineering & Construction
	Mota-Engil Central Europe S.A	Engineering & Construction
	Mota-Engil Railway Engineering	Engineering & Construction
	EGF – Empresa Geral do Fomento, S.A.	Environment
	SUMA – Serviços Urbanos e Meio Ambiente, S.A.	Environment
	Triaza	Environment
	Enviroil	Environment
	Resilei	Environment
	Rima	Environment
	Siga	Environment
	Ecovision	Environment

Internal management structure of the GROUP	Company	Business unit (*)
Africa	Mota-Engil Angola	Engineering & Construction
	Mota Engil Côte d'Ivoire SARL	Engineering & Construction
	Mota-Engil Guinée Conakry SARL	Engineering & Construction
	Mota-Engil Guinée Mandiana SARL	Engineering & Construction
	Mota-Engil – Malawi branch	Engineering & Construction
	MEIM (Mota-Engil Inter-Mining) Morila SARL	Engineering & Construction
	Mota-Engil Engenharia e Construção África, SA – Mozambique branch	Engineering & Construction
	Mota-Engil Moçambique Lta.	Engineering & Construction
	MEEC Africa – Kenya branch	Engineering & Construction
	Mota-Engil Engenharia e Construção – Rwanda branch	Engineering & Construction
	MEECA PTY	Engineering & Construction
	Mota-Engil Engenharia e Construção Africa – Uganda branch	Engineering & Construction
	Mota - Engil Uganda	Engineering & Construction
	Vista Waste	Environment
	Clean Eburnie	Environment
	Eco-Eburnie	Environment
	ECOLIFE, SA	Environment
Latin America	Empresa Construtora Brasil SA	Engineering & Construction
	Mota-Engil Engenharia e Construção SA – Brazil branch	Engineering & Construction
	Mota-Engil Colombia, SAS	Engineering & Construction
	Mota-Engil LATAM Colombia, SAS	Engineering & Construction
	MEEC – Colombia branch	Engineering & Construction
	Consortio MEC-AV.MALECON-UF2	Engineering & Construction
	Consortio ME-C. Colegios	Engineering & Construction
	Mota-Engil LATAM COL SAS	Engineering & Construction
	Mota-Engil México, S.A.P.I DE C.V.	Engineering & Construction
	MEEC – Panamá branch	Engineering & Construction
	Mota-Engil Perú S.A.	Engineering & Construction
	Mota-Engil Dominicana	Engineering & Construction
	Mota-Engil O&M México SAPI de C.V.	Other business areas
	ME Turismo Holding	Other business areas
	SUMA Brasil – Serviços Urbanos e Meio Ambiente, SA	Environment
Others	Manvia - Manutenção e Exploração de Instalações e Construção, SA	Other business areas
	Manvia II Condutas Lda.	Other business areas
	Manvia - Manutenção e Exploração de Instalações e Construção SA - Spain branch	Other business areas
	Vibeiras – Sociedade Comercial de Plantas, SA	Other business areas
	Área Golfe – Gestão, Construção e Manutenção de Campos de Golfe, SA	Other business areas
	Mota Engil Real Estate Portugal, SA	Other business areas
	Mota-Engil Real Estate Sp. z o.o.	Other business areas
	Mota-Engil Renewing SA	Other business areas
	Takargo	Other business areas

(*) Simplified subdivision, between Engineering & Construction, Environment and Other Business Areas, according to the calculation carried out for the environmental and SHW indicators.

The information regarding the remaining indicators was ascertained based on information that was centrally gathered, covering all companies falling in the perimeter of financial consolidation.

3. Explanation in case of non-application of policies

Not applicable.

4. Other information

More detailed information on external initiatives (GRI 102-12) subscribed by the GROUP and identification of the associations/networks in which it takes part (GRI 102-13) can be found in the 2021 Sustainability Report of MOTA-ENGIL.

The cycle of Sustainability

To embrace Sustainability

To embrace Sustainability

To promote the sustainability agenda and the Group commitment to the improvement of life quality in present and future generations.

A legacy of Trust.



2015 Resulima, Portugal.

CONSOLIDATED INCOME STATEMENT
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020
 (Amounts stated in thousand Euros)

	Notes	Year	
		2021 € '000	2020 € '000
Sales and services rendered	2	2,591,776	2,429,134
Cost of goods sold, mat. cons. and changes in production	3	(623,880)	(560,591)
Third-party supplies and services	4	(983,069)	(970,194)
Wages and salaries	5	(563,586)	(519,644)
Other operating income / (expenses)	6	(9,609)	1,550
Amortizations and depreciations	7, 15, 16 and 17	(210,264)	(196,743)
Impairment losses	8	(2,137)	(37,118)
Provisions	8	(14,738)	(1,909)
Financial income and gains	9	140,733	256,419
Financial costs and losses	9	(267,078)	(391,216)
Gains / (losses) in associates and jointly controlled companies	10	653	(6,049)
Gains / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	11	49,213	11,146
Net monetary position	46	11,124	10,748
Income before taxes	12	119,140	25,534
Income tax	12	(58,361)	(17,725)
Consolidated net profit of the year		60,778	7,809
Attributable:			
to non-controlling interests	38	39,138	27,753
to the Group	13	21,641	(19,944)
Earnings per share:			
basic	13	0.08 €	-0.09 €
diluted	13	0.08 €	-0.09 €
To be read with the Notes to the Consolidated Financial Statements			

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020
 (Amounts stated in thousand Euros)

	Notes	Year	
		2021 € '000	2020 € '000
Consolidated net profit of the year		60,778	7,809
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		8,823	(10,587)
Others		72,976	(181,050)
Changes in the fair value of derivative financial instruments of cash flow hedges		493	559
Deferred taxes related to the changes in the fair value of derivative financial instruments of cash flow hedges		(103)	(126)
Impact of hyperinflation in Zimbabwe	46	(11,118)	(21,227)
Companies consolidated by the equity method			
Exchange differences arising from the translation of financial statements expressed in foreign currencies		297	(3,234)
Changes, net of taxes, in the fair value of derivative financial instruments of cash flow hedges	18 and 19	6,022	(401)
Other comprehensive income of companies consolidated by the equity method		-	928
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	89,792	20,618
Deferred taxes related to the changes in the revaluation surplus of tangible assets and right of use assets	16	(27,636)	(5,712)
Actuarial deviations	39	(4,188)	(3,857)
Deferred taxes related to actuarial deviations		1,005	926
Changes in the fair value of other financial investments recorded at fair value through other comprehensive income	20	5,504	(9,976)
Deferred taxes related to the changes in the fair value of other financial investments recorded at fair value through other comprehensive income		(1,238)	2,245
Total of other comprehensive income		140,627	(210,894)
Total consolidated comprehensive income of the year		201,406	(203,085)
Attributable:			
to non-controlling interests		70,899	(24,842)
to the Group		130,507	(178,243)

To be read with the Notes to the Consolidated Financial Statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2021 AND 2020
(Amounts stated in thousand Euros)

	Notes	2021 € '000	2020 € '000
Assets			
Non-current			
Goodwill	14	20,069	20,717
Intangible assets	15	699,160	707,988
Tangible assets	16	477,081	384,589
Right of use assets	17	287,162	218,246
Financial investments in associated companies	18	187,348	123,606
Financial investments in jointly controlled companies	19	22,439	17,496
Other financial investments recorded at amortised cost	20	190,150	177,915
Other financial investments recorded at fair value through other comprehensive income	20	64,400	42,675
Investment properties	21	112,412	173,565
Customers and other debtors	23	245,265	176,428
Other non-current assets	25	35,802	9,546
Derivative financial instruments	32	149	39
Deferred tax assets	12	209,248	201,918
Total of non-current assets		2,550,686	2,254,729
Current			
Inventories	22	292,688	252,220
Customers and other debtors	23	1,130,477	941,678
Contract assets	24	693,236	668,882
Other current assets	25	72,160	76,243
Derivative financial instruments	32	1	-
Corporate income tax	26	31,598	23,824
Other financial investments recorded at amortised cost	20	32,253	21,088
Cash and cash equivalents with recourse – Term deposits	27	58,765	79,646
Cash and cash equivalents without recourse – Demand deposits	27	37,088	31,507
Cash and cash equivalents with recourse – Demand deposits	27	346,796	338,699
Non-current assets held for sale	28	177,776	126,967
Total of current assets		2,872,839	2,560,753
Total Assets		5,423,525	4,815,482
Liabilities			
Non-current			
Loans without recourse	30	132,103	133,303
Loans with recourse	30	1,026,221	797,917
Lease liabilities	17	217,318	243,707
Derivative financial instruments	32	123	482
Suppliers and sundry creditors	33	68,925	70,418
Contract liabilities	34	46,399	6,614
Other non-current liabilities	35	169,529	165,299
Provisions	37	124,230	103,598
Deferred tax liabilities	12	195,249	181,695
Total of non-current liabilities		1,980,097	1,703,033
Current			
Loans without recourse	30	38,159	45,443
Loans with recourse	30	594,032	914,624
Other financial liabilities	31	340,271	224,233
Lease liabilities	17	116,197	57,554
Derivative financial instruments	32	135	108
Suppliers and sundry creditors	33	905,516	801,317
Contract liabilities	34	303,317	277,100
Other current liabilities	35	596,891	595,088
Corporate income tax	36	25,623	20,740
Non-current liabilities held for sale	28	73,380	30,229
Total of current liabilities		2,993,520	2,966,437
Total Liabilities		4,973,617	4,669,470
Shareholders' equity			
Share capital	29	306,776	237,505
Own shares	29	(10,232)	(10,232)
Reserves, retained earnings and share premiums	29	(165,146)	(295,963)
Consolidated net profit of the year		21,641	(19,944)
Own funds attributable to the Group		153,039	(88,634)
Non-controlling interests	38	296,870	234,646
Total shareholders' equity		449,909	146,012
Total shareholders' equity and liabilities		5,423,525	4,815,482
To be read with the Notes to the Consolidated Financial Statements			

**CONSOLIDATED STATEMENT
FOR THE YEARS ENDED**
(Amounts stated in

				Fair value reserves		
Notes	Share capital	Own shares	Share premiums	Financial investments	Fixed assets	Derivatives
Balance at 1 January 2020	237 505	(10 232)	92 584	22 877	17 261	(649)
Movements with equity holders						
Dividend distribution	-	-	-	-	-	-
Increase/Decrease in share capital 29	-	-	-	-	-	-
Acquisition of companies from entities under common control 42	-	-	-	-	-	-
Other movements						
Other comprehensive income of the year	-	-	-	(7 732)	10 599	32
Consolidated net profit of the year	-	-	-	-	-	-
Transfers to other reserves	-	-	-	-	-	-
Others	-	-	-	-	-	-
Changes in the ownership interest in subsidiaries:						
- Other acquisitions / disposals of non-controlling interests	-	-	-	-	-	-
Balance at 31 December 2020	237 505	(10 232)	92 584	15 145	27 860	(617)
Balance at 1 January 2021	237 505	(10 232)	92 584	15 145	27 860	(617)
Movements with equity holders						
Dividend distribution	-	-	-	-	-	-
Increase/Decrease in share capital 29	69 271	-	33 449	-	-	-
Other movements						
Other comprehensive income of the year	-	-	-	4 266	59 105	6 475
Consolidated net profit of the year	-	-	-	-	-	-
Transfers to other reserves	-	-	-	-	-	-
Others	-	-	-	-	-	-
Changes in the ownership interest in subsidiaries:						
- Other acquisitions / disposals of non-controlling interests	-	-	-	-	-	-
Balance at 31 December 2021	306 776	(10 232)	126 034	19 411	86 965	5 858

To be read with the Notes to the Consolidated Financial Statements

To be read with the Notes to the Consolidated Financial Statements

OF CHANGES IN EQUITY

31 DECEMBER 2021 AND 2020

thousand Euros)

Currency translation reserve	Legal reserves	Other reserves and retained earnings	Net profit of the year	Own funds attributable to the Group	Own funds attributable to non-controlling interests	Total shareholders' equity
(292,752)	57,733	(74,730)	26,728	76,327	251,703	328,030
-	-	-	-	-	(4,673)	(4,673)
-	-	-	-	-	(885)	(885)
-	-	14,757	-	14,757	-	14,757
(130,470)	-	(30,728)	-	(158,299)	(52,595)	(210,894)
-	-	-	(19,944)	(19,944)	27,753	7,809
-	-	26,728	(26,728)	-	-	-
-	-	(2,955)	-	(2,955)	(527)	(3,483)
-	-	1,482	-	1,482	13,869	15,351
(423,222)	57,733	(65,447)	(19,944)	(88,634)	234,646	146,012
(423,222)	57,733	(65,447)	(19,944)	(88,634)	234,646	146,012
-	-	-	-	-	(19,171)	(19,171)
-	-	-	-	102,720	(3,641)	99,079
52,653	-	(13,632)	-	108,866	31,761	140,627
-	-	-	21,641	21,641	39,138	60,778
-	-	(19,944)	19,944	-	-	-
-	-	(506)	-	(506)	(905)	(1,412)
-	-	8,953	-	8,953	15,042	23,995
(370,569)	57,733	(90,577)	21,641	153,039	296,870	449,909

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEARS ENDED 31 DECEMBER 2021 AND 2020

(Amounts stated in thousand Euros)

	Notes	2021 € '000	2020 € '000
Operating activities			
Cash receipts from customers		2,566,095	2,166,562
Cash paid to suppliers		(1,765,531)	(1,440,468)
Cash paid to employees		(556,780)	(526,711)
Cash generated from operating activities		243,785	199,383
Income tax (paid)/received		(49,506)	(19,540)
Other receipts/(payments) generated by operating activities		33,048	41,157
Net cash-flows from operating activities (1)		227,327	221,000
Investment activities			
Cash receipts from:			
Financial investments	43	49,323	69,933
Investment properties		728	1,316
Tangible assets, intangible assets and right of use assets		21,696	22,891
Investment grants		11,532	19,698
Interest and similar income		57,443	52,105
Dividends	43	1,316	2,136
Other treasury applications		20,881	18,657
		162,920	186,735
Cash paid in respect of:			
Financial investments	43	(40,825)	(20,108)
Tangible assets, intangible assets and right of use assets		(180,117)	(199,289)
Investment properties		(1,901)	(185)
		(222,843)	(219,582)
Net cash-flows from investment activities (2)		(59,923)	(32,847)
Financing activities			
Cash receipts from:			
Loans obtained	30	1,383,216	1,528,906
Capital increases, equity instruments, shares premium	29	102,720	-
Leases, Factoring and Supplier payment management operations	31	400,923	264,622
		1,886,859	1,793,528
Cash paid in respect of:			
Loans obtained	30	(1,498,109)	(1,455,173)
Leases, Factoring and Supplier payment management operations	17 and 31	(353,156)	(278,730)
Interest and similar expense		(185,072)	(163,045)
Dividends	43	(14,084)	(4,874)
		(2,050,421)	(1,901,822)
Net cash-flows from financing activities (3)		(163,562)	(108,294)
Variation of cash and cash equivalents (4)=(1)+(2)+(3)		3,843	79,859
Impact of hyperinflation on cash and cash equivalents		(11,006)	(27,041)
Exchange rate effect		10,907	(32,501)
Impact of hyperinflation on the initial balance of cash and cash equivalents		9,935	15,338
Cash and cash equivalents at the beginning of the year	27	370,206	334,550
Cash and cash equivalents at the end of the year	27	383,884	370,206

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 (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 2021. 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 considers 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 2021:

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	01/Jun/20	This amendment introduces a practical expedient for lessees (but not for lessors), which exempts them from assessing whether the rent concessions granted by lessors under Covid-19 are a modification to the lease contract, when three criteria are cumulatively met: i) the change in lease payments results in a revised consideration for the lease that is substantially the same as, or less than, the consideration immediately preceding the change; ii) any reduction in lease payments affects only payments due on or before June 30, 2021; and iii) there are no substantive changes to other lease terms and conditions. Lessees that choose to apply this practical expedient, recognise the change in rent payments, as variable rents in the period(s) in which the event or condition leading to the payment reduction occurs. This amendment is applied retrospectively with the impacts reflected as an adjustment to retained earnings (or another equity component, as appropriate) at the beginning of the annual reporting period in which the lessee applies this amendment for the first time.
IFRS 4 (amendment) - Insurance contracts – Extension of the Temporary Exemption from Applying IFRS 9	01/Jan/21	This amendment intends to address the temporary difference of effective dates of IFRS 9 - Financial Instruments and the forthcoming IFRS 17 - Insurance Contracts standard. In particular, the amendment to IFRS 4 delays until 2023 the fixed expiry date of the temporary exemption in IFRS 4 from applying IFRS 9, in order to align with the effective date of the new IFRS 17.
IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 (amendments) - Interest rate benchmark reform – Phase 2	01/Jan/21	These changes address issues that arise during an interest rate benchmark reform, including the replacement of an interest rate benchmark with an alternative one, allowing the adoption of exceptions such as: i) changes in the hedge designation and documentation; ii) amounts accumulated in the cash flow hedge reserve; iii) assessing the retrospective effectiveness of a hedging relationship within the scope of IAS 39; iv) changes in the hedge relationships for some group of items; v) presumption that an alternative benchmark rate, designated as a non-contractually specified risk component, is separately identifiable and qualifies as a hedged risk; vi) update of the effective interest rate, regarding financial instruments measured at amortised cost with contractual cash flows variations in result of the IBOR reform, including leases that are indexed to an IBOR, with no recognition of gains or losses.

At 31 December 2021, there were no material effects in the accompanying consolidated financial statements resulting from the adoption of the standards / amendments and revisions above-mentioned.

Regarding the interest rate benchmark reform, since the financial instruments held by the GROUP are mostly exposed to Euribor, which it is not planned to be replaced, given that its calculation was restructured in 2019 and today it is already equivalent to a risk-free interest rate, there were no impacts on the measurement and classification of financial instruments.

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 2021 endorsed by the European Union:

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 after June 30, 2021	01/Apr/21	This amendment extends the application date of the amendment made to the IFRS 16 - Leases - Covid 19 Related Rent Concessions from June 30, 2021 to June 30, 2022. The application conditions of the practical expedient remain, and : i) in case the lessee is already applying the practical expedient of 2020, the lessee must continue to apply it to all the lease contracts with similar characteristics and under comparable conditions; ii) in case the lessee has not yet applied the practical expedient to the eligible lease concessions of 2020, the lessee cannot apply this extension to the amendment of 2020. This amendment is applied retrospectively with the impacts reflected as an adjustment to the opening balance of the retained earnings of the annual reporting period in which the lessee applies this amendment for the first time.
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 the 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 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	The 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.
IFRS 17 (amendment) - Insurance contracts	01/Jan/23	This amendment includes specific changes related to eight areas of IFRS 17, such as: i) scope; ii) level of aggregation of insurance contracts; iii) recognition; iv) measurement; v) modification and derecognition; vi) presentation in the Statement of financial position; vii) recognition and measurement in the Income Statement; and viii) disclosures. This amendment also includes clarifications intended to simplify some requirements of the standard and ease its implementation.
IFRS 17 – Insurance contracts	01/Jan/23	This new standard replaces IFRS 4 and applies to all entities issuing insurance contracts, reinsurance contracts and investment contracts with discretionary participation characteristics. IFRS 17 is based on the current measurement of technical liabilities at each reporting date. The current measurement can be based on a complete "building block approach" or a "premium allocation approach". The complete model is based on discounted cash flow scenarios weighted by the probability of occurrence and adjusted by the risk, and a contractual service margin that represents the estimated future profit of the contract. Subsequent changes to the estimated cash flows are adjusted against the contractual service margin, except if this margin becomes negative. IFRS 17 is applied retrospectively, with some exemptions on the transition date.

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 2021, endorsed by the European Union:

Standard / Interpretation	Applicable in the European Union in the financial years started in or after	Contents
IAS 1 (amendment) - Presentation of financial statements - Classification of liabilities as current or non-current	01/Jan/23	This amendment intends to clarify that liabilities are classified as either current or non-current depending on the rights that the entity has to defer settlement at the end of each reporting period. Classification is unaffected by the expectations of the entity (the assessment should determine whether a right exists, but should not consider whether the entity will exercise that right) or by events occurring after the reporting date, such as the breach of a covenant. The amendment also introduces a new definition 'settlement of a liability'. This amendment is of retrospective application.
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 associated with a single transaction	01/Jan/23	This amendment to IAS 12 requires that entities recognise the deferred tax on certain specific transactions when its initial recognition give rise to equal amounts of taxable and deductible temporary differences. Transactions subject to this are: i) assets under right of use and lease liabilities; and ii) provision for the dismantling, restoration or similar liabilities and the corresponding amounts recognised as part of the cost of the asset, when in the recognition date they are not relevant for tax effects. This taxable differences are no longer subject to the exemption of initial recognition of deferred taxes. The accumulated effect from the initial application of this amendment is recognised as an adjustment to the opening balance of the retained earnings (or other equity component, as appropriate) of the oldest comparative year.
IFRS 17 (amendment) - Initial application of IFRS 17 and IFRS 9 - Comparative information	01/Jan/23	This amendment applies only to insurance companies in the transition to IFRS 17 and allows the adoption of an overlay in the classification of a financial asset for which the entity does not apply retrospective application in the scope of IFRS 9. This amendment avoids the accounting timing gap between the financial assets and the insurance liabilities, in the comparative information presented in the initial application of IFRS 17, anticipating: (i) a case by case application; (ii) the presentation of the comparative information using the classification and measurement requirements of IFRS 9, but without requiring the entity to apply the impairment requirements of IFRS 9; and (iii) the obligation to use reasonable and supported information available in the transition date, to determine how the entity expects that financial assets to be classified in accordance with IFRS 9.

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 2021. 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 subsidiaries 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 xxii) 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 2021, the GROUP defined a new class of assets for which it adopted the revaluation method as the accounting policy for its subsequent measurement, in order to adequately reflect the value of its heavy equipment's associated with its Engineering and Construction business (including right of use assets). The effect of this change, in the amount of, approximately, 60,600 thousand euros, was recorded in the consolidated statement of other comprehensive income under the captions "Changes in the revaluation surplus of tangible assets and right of use assets" and "Deferred taxes related to the changes in the revaluation surplus of tangible assets and right of use assets". In accordance with the exception prescribed in IAS 8 regarding the change in the accounting policy for the measurement of tangible assets to the revaluation method, this change did not originate the restatement of the comparative period (Note 16).

During the year ended 31 December 2021, the GROUP began to record Suppliers' management operations (confirming and other similar operations) in the consolidated statement of financial position under the caption "Other financial liabilities".

Until 31 December 2020, those operations, in the amount of circa of 41,600 thousand euros, were recognized in the consolidated statement of financial position under the captions "Suppliers and sundry creditors" (32,800 thousand euros) and "Loans with recourse" (8,800 thousand euros).

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 on 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 effective 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 voting rights 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 2021 and 2020, the main transactions performed between GROUP companies can be summarized as follows:

- (i) Purchases and sales of inventories;
- (ii) Rendering of construction services;
- (iii) Rendering of administrative services;
- (iv) Concession and obtainment of loans; and
- (v) 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 2021 and 2020, 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 jointly controlled companies" 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 jointly controlled companies" (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 gain. 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 are 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 2021 and 2020, the functional currencies used by the main subsidiaries of the GROUP in the preparation of its financial information were as follows:

Subsidiary	2021			2020		
	Business segment	Local currency	Functional currency	Business segment	Local currency	Functional currency
Clean Eburnie	Africa	CFA Franc (XOF)	CFA Franc (XOF)	Africa	CFA Franc (XOF)	CFA Franc (XOF)
Eco Eburnie	Africa	CFA Franc (XOF)	CFA Franc (XOF)	Africa	CFA Franc (XOF)	CFA Franc (XOF)
ME África NV	Africa	Euro (EUR)	Euro (EUR)	Africa	Euro (EUR)	Euro (EUR)
Mota-Engil Angola	Africa	Kwanza (AOA)	Kwanza (AOA)	Africa	Kwanza (AOA)	Kwanza (AOA)
Mota-Engil Camarões	Africa	CFA Franc (XOF)	CFA Franc (XOF)	Africa	CFA Franc (XOF)	CFA Franc (XOF)
Mota-Engil Construction South Africa Pty	Africa	South African Rand (ZAR)	South African Rand (ZAR)	Africa	South African Rand (ZAR)	South African Rand (ZAR)
Mota-Engil Costa do Marfim	Africa	CFA Franc (XOF)	CFA Franc (XOF)	Africa	CFA Franc (XOF)	CFA Franc (XOF)
Mota-Engil Engenharia e Construção África (MEECA)	Africa	Euro (EUR)	Euro (EUR)	Africa	Euro (EUR)	Euro (EUR)
Mota-Engil Guiné	Africa	Guinean Franc (GNF)	US Dollar (USD)	Africa	Guinean Franc (GNF)	US Dollar (USD)
Mota-Engil Guiné Mandiana	Africa	Guinean Franc (GNF)	US Dollar (USD)	Africa	Guinean Franc (GNF)	US Dollar (USD)
Mota-Engil Nigéria	Africa	Nigerian Naira (NGN)	US Dollar (USD)	na	na	na
Mota Maurícias	Africa	Mauritian Rupee (MUR)	Euro (EUR)	Africa	Mauritian Rupee (MUR)	Euro (EUR)
Mota-Engil África Angola Branch	Africa	Kwanza (AOA)	Kwanza (AOA)	Africa	Kwanza (AOA)	Kwanza (AOA)
Mota-Engil África Costa do Marfim Branch	Africa	CFA Franc (XOF)	CFA Franc (XOF)	Africa	CFA Franc (XOF)	CFA Franc (XOF)
Mota-Engil África Malawi Branch	Africa	Malawian Kwacha (MWK)	Malawian Kwacha (MWK)	Africa	Malawian Kwacha (MWK)	Malawian Kwacha (MWK)
Mota-Engil África Moçambique Branch	Africa	Metical (MZN)	Metical (MZN)	Africa	Metical (MZN)	Metical (MZN)
Mota-Engil África Netherlands Branch	Africa	Euro (EUR)	Euro (EUR)	Africa	Euro (EUR)	Euro (EUR)
Mota-Engil África Rwanda Branch	Africa	Rwandian Franc (RWF)	US Dollar (USD)	Africa	Rwandian Franc (RWF)	Euro (EUR)
Mota-Engil África Uganda Branch	Africa	Ugand Shilling (UGX)	Euro (EUR)	Africa	Ugand Shilling (UGX)	Euro (EUR)
Vista Waste	Africa	Kwanza (AOA)	Kwanza (AOA)	Africa	Kwanza (AOA)	Kwanza (AOA)
Consortio Lamat	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)
Empresa Construtora Brasil	Latin America	Real (BRL)	Real (BRL)	Latin America	Real (BRL)	Real (BRL)
FSE Suministradora Fenix SAPI	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)
Generadora Fenix	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)
Mota-Engil México	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)	Latin America	Mexican Peso (MXN)	Mexican Peso (MXN)
Mota-Engil Peru	Latin America	Peruvian Nuevo Sol (PEN)	Peruvian Nuevo Sol (PEN)	Latin America	Peruvian Nuevo Sol (PEN)	Peruvian Nuevo Sol (PEN)
EGF Group Companies	Europe	Euro (EUR)	Euro (EUR)	Europe	Euro (EUR)	Euro (EUR)
Glan Agua (Ireland)	Europe	Euro (EUR)	Euro (EUR)	Europe	Euro (EUR)	Euro (EUR)
Mota-Engil Central Europe Polónia	Europe	Zloty (PLN)	Zloty (PLN)	Europe	Zloty (PLN)	Zloty (PLN)
Mota-Engil Engenharia e Construção (MEEC)	Europe	Euro (EUR)	Euro (EUR)	Europe	Euro (EUR)	Euro (EUR)
Mota-Engil Ireland Construction	Europe	Euro (EUR)	Euro (EUR)	Europe	Euro (EUR)	Euro (EUR)
Suma	Europe	Euro (EUR)	Euro (EUR)	Europe	Euro (EUR)	Euro (EUR)
Mota-Engil SGPS	Holding	Euro (EUR)	Euro (EUR)	Holding	Euro (EUR)	Euro (EUR)
Mota-Engil Real Estate SGPS	Other, eliminations and intragroup	Euro (EUR)	Euro (EUR)	Other, eliminations and intragroup	Euro (EUR)	Euro (EUR)
Mota-Engil Real Estate Portugal	Other, eliminations and intragroup	Euro (EUR)	Euro (EUR)	Other, eliminations and intragroup	Euro (EUR)	Euro (EUR)

The (closing and average) exchange rates used at 31 December 2021 and 2020 in the translation to Euro of the financial statements of the main foreign subsidiaries, jointly controlled and associated companies (entities that do not use Euro as a functional currency) were as follows:

Currency		Closing exchange rates		Average exchange rates	
		2021	2020	2021	2020
US Dollar (USD)	EUR / USD	1.13	1.23	1.18	1.15
CFA Franc	EUR / XOF	655.96	655.96	655.96	655.96
Angolan Kwanza	EUR / AOA	629.02	798.43	733.06	669.78
Malawian Kwacha	EUR / MWK	922.43	946.09	946.86	853.68
Mozambican Metical	EUR / MZN	72.50	91.70	77.36	79.15
Peruvian Nuevo Sol	EUR / PEN	4.78	4.54	4.78	4.13
Mexican Peso	EUR / MXN	23.14	24.42	24.05	24.73
South African Rand	EUR / ZAR	18.06	18.02	17.59	18.91
Brazilian Real	EUR / BRL	6.31	6.37	6.38	6.00
Polish Zloty	EUR / PLN	4.60	4.56	4.57	4.47

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 2021) 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 amount of the non-monetary items was 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 amortization 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 2021 and 2020 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
31.12.2016	6,583.71
31.03.2017	6,526.36
30.06.2017	6,536.65
30.09.2017	6,543.77
31.12.2017	6,363.79
31.03.2018	6,355.85
30.06.2018	6,351.90
30.09.2018	6,209.08
31.12.2018	4,478.78
31.03.2019	3,810.55
30.06.2019	2,304.28
30.09.2019	1,369.69
31.12.2019	721.05
31.03.2020	490.80
30.06.2020	275.23
30.09.2020	180.36
31.12.2020	160.74
31.03.2021	144.12
30.06.2021	133.18
30.09.2021	119.01
31.12.2021	100.00

Detailed information regarding the impact of the aforementioned restatements in the years ended 31 December 2021 and 2020 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:

i) 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
- iii) Mixed model – applicable when the concession contract simultaneously includes guaranteed remuneration commitments ensured by the Concession owner and remuneration dependent on the level of usage of the infrastructure under concession.

Considering the terms of the concession contracts entered into by the concessionaire's companies of the SUBGROUP EGF, 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.

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 CLEAN EBURNIE).

At 31 December 2021, there are no intangible assets of material value with an indefinite useful life or intangible assets of material value generated internally.

ii) 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 the subsequent measurement of those real estate assets. 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.

iii) Land assigned to quarries exploration

As mentioned in point ii) above, land assigned 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 inverts, which are assessed regularly through topographic surveys performed by drones (performed in 2020 and 2021).

iv) Heavy equipment used for the Engineering and Construction business and other tangible assets

As referred in Note 1.2., starting 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 depreciation) 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 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 commercialized 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 depreciation, 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)".

v) 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.

vi) 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 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 measured according with the effective interest rate method, being 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.

vii) 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.

viii) 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 dispose 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.

ix) 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 payments 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 payments 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 jointly controlled 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

Account's receivable are recorded in the consolidated statement of financial position under the caption "Customers and other debtors".

Account's receivable 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 liability 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 is always 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 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.

x) 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) Cash and cash equivalents – Term deposits

The amounts included under the caption “Cash and cash equivalents with recourse - Term deposits” 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.

xi) 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 costing of goods sold, and materials consumed is determined by the following rules:

- Real estate properties – specific cost; and
- Materials and remaining inventories – average cost.

xii) 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 perform 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 services provided by the GROUP in the mining sector (extraction and transport of ore), as well as, in the operation and maintenance of infrastructures.
- (ii) Environment and Services – In this area, the GROUP develops the following activities:
 - a. Collection, treatment and recovery of waste – In this subarea, the GROUP develops, in the three regions where it operates, waste urban collection services, as well as, the treatment and recovery of said 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.
 - b. Energy – This subarea comprises, essentially, the activity of generation and trading 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 and Services

- a. Collection, treatment and recovery of waste – In this business subarea, 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 revenues.

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.

- b. 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 received, 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.

xiii) 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.

xiv) 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..

xv) 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 will be 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.

xvi) 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 were incurred.

xvii) 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 the average interest rate of financing of the respective company at the reporting date.

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.

xviii) 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 liabilities. At 31 December 2021 and 2020, 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.

xix) Government grants

Government grants attributed to fund staff training actions are recognized as income in the consolidated income statement during the period on which the GROUP incurred the respective training costs.

Government grants attributed to fund investments in tangible or intangible assets are deferred and recorded as liabilities. Investments grants are recognized in the consolidated income statement during the estimated useful life of the corresponding assets under the caption “Other operating income / (expenses)”.

xx) 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.

xxi) 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.

xxii) 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 jointly controlled companies, 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 CGU's, 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. ix). 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 stage of completion of the contract. The determination of the stage 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 multiples 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 the 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 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.

The information regarding the most relevant assumptions used in the realization analysis of the deferred tax assets, as well as, the sensitivity of the results to some changes in the assumptions is disclosed in Note 12.

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.

xxiii) 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 “Cash and cash equivalents with recourse - Term deposits”. 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, the balances of cash and cash equivalents of the acquired / disposed companies and the payments and receipts arising from the purchase and disposal of fixed assets. 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 dividends.

2. Sales and services rendered

Sales and services rendered in the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Sales		
Energy	194,856	149,005
Recyclable materials	62,967	48,653
Real estate	42,963	68,741
Inert materials	18,874	15,543
Others	35,875	52,698
Services rendered		
Construction contracts	1,705,163	1,550,356
Waste - collection	129,108	205,813
Waste - treatment	114,881	106,311
Waste - treatment - associated with the construction of concession assets	34,295	43,626
Others	252,794	188,388
	2,591,776	2,429,134

In the year ended 31 December 2021, the increase occurred in the caption “Sales – Energy” is justified, essentially, by the increase in the production and commercialization of energy in Mexico.

In the year ended 31 December 2021, the decrease occurred in the caption “Services rendered – Waste – collection” is justified, essentially, by the non-continuation of a waste collection contract in 2021 in Luanda by VISTA WASTE.

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 the EGF SUBGROUP in the regulatory period 2019-2021, the caption “Sales and services rendered” includes a positive amount of circa of 27,600 thousand euros associated with this matter (22,200 thousand euros in the year ended 31 December 2020) (Note 15).

In the years ended 31 December 2021 and 2020, sales and services rendered by operating segment can be analysed as follows:

	2021	2020
Europe - Engineering and Construction	664,282	715,138
Europe - Environment and Services	355,123	335,112
Africa	898,082	760,907
Latin America	646,436	595,401
Other, eliminations and intragroup	27,854	22,577
	2,591,776	2,429,134

In the years ended 31 December 2021 and 2020, the caption “Other, eliminations and intragroup” included, essentially, sales and services rendered from subsidiaries of MOTA-ENGIL CAPITAL and sales and services rendered from subsidiaries of the Europe - Engineering and Construction segment to the companies of the Africa and Europe – Environment and Services segment.

In the years ended 31 December 2021 and 2020, 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 2021 and 2020, there was no significant discontinuation in the activities carried out by the GROUP.

As of 31 December 2021 and 2020, the component of future revenue allocated to performance obligations not yet fulfilled, or partially fulfilled, can be analysed as follows:

Segment	2022	2023 and subsequent	Total
Europe - Engineering and Construction	468,978	487,680	956,658
Europe - Environment and Services	77,353	70,773	148,126
Europe - Total	546,331	558,453	1,104,785
Africa - Engineering and Construction	1,181,856	3,426,713	4,608,569
Africa - Environment and Services	35,197	110,443	145,640
Africa - Total	1,217,053	3,537,156	4,754,209
Latin America - Engineering and Construction	477,640	1,122,251	1,599,891
Latin America - Environment and Services	29,731	64,314	94,045
Latin America - Total	507,371	1,186,565	1,693,936
Group - Engineering and Construction	2,128,473	5,036,644	7,165,118
Group - Environment and Services	142,282	245,530	387,811
Group - Total	2,270,755	5,282,174	7,552,929

Segment	2021	2022 and subsequent	Total
Europe - Engineering and Construction	533,309	424,384	957,693
Europe - Environment and Services	85,863	100,743	186,607
Europe - Total	619,172	525,127	1,144,299
Africa - Engineering and Construction	905,980	1,795,911	2,701,891
Africa - Environment and Services	95,067	273,658	368,726
Africa - Total	1,001,047	2,069,569	3,070,616
Latin America - Engineering and Construction	632,421	1,085,504	1,717,925
Latin America - Environment and Services	24,682	93,994	118,676
Latin America - Total	657,103	1,179,498	1,836,601
Group - Engineering and Construction	2,071,709	3,305,799	5,377,508
Group - Environment and Services	205,613	468,396	674,009
Group - Total	2,277,322	3,774,195	6,051,517

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 2021 and 2020 can be analysed as follows:

2021	Merchandise	Raw and subsidiary materials and consumables	Total
Opening balance	82,774	98,882	181,657
Exchange differences and other movements	(345)	5,804	5,459
Changes in the perimeter	-	159	159
Purchases	62,202	570,052	632,254
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

2020	Merchandise	Raw and subsidiary materials and consumables	Total
Opening balance	92,065	120,722	212,788
Exchange differences and other movements	230	(3,941)	(3,711)
Impact of hyperinflation in Zimbabwe	(21)	-	(21)
Changes in the perimeter	-	990	990
Purchases	82,384	400,255	482,639
Closing balance (Note 22)	(82,774)	(98,882)	(181,657)
	91,884	419,144	511,029
Changes in production			49,562
Cost of goods sold, materials consumed and changes in production			560,591

The amounts included under the caption “Changes in production” refer, essentially, to the cost 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 2021 and 2020 can be analysed as follows:

	2021	2020
Subcontracts	457,151	452,115
Specialised works, fees and commissions	118,753	121,627
Leases and rents	97,454	98,864
Transport of goods	60,231	29,017
Conservation and repairs	50,639	52,841
Fuel	36,840	37,512
Expenses associated with the construction of concession assets	34,295	43,626
Insurance	34,238	27,255
Transport, travel and lodging	26,870	38,127
Water and electricity	18,000	17,456
Vigilance and security	14,916	16,109
Utensils, other materials and office equipment	9,561	8,879
Advertising and publicity	5,727	3,745
Communications	4,611	5,217
Cleaning	4,361	4,701
Other supplies and services	9,421	13,102
	983,069	970,194

In the years ended 31 December 2021 and 2020, 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, 225,550 thousand euros and 241,378 thousand euros, respectively, refer to the Europe region - Engineering and Construction, 136,735 thousand euros and 113,665 thousand euros, respectively, refer to the Latin American region and 77,082 thousand euros and 88,798 thousand euros, respectively, refer to the Africa region.

In the years ended 31 December 2021 and 2020, the caption “Specialised works, fees and commissions” included, among others, technical assistance works, outsourcing, audit, and consulting services.

In the years ended 31 December 2021 and 2020, 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. vi).

5. Wages and salaries

Wages and salaries for the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Payroll	452,019	405,285
Social security charges:		
Pensions (defined benefit plan) - Note 39	559	442
Others	111,008	113,917
	563,586	519,644

In the years ended 31 December 2021 and 2020, 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 2021 and 2020, the wages and salaries by operating segment can be analysed as follows:

	2021	2020
Europe - Engineering and Construction	115,133	111,440
Europe - Environment and Services	104,226	96,741
Africa	142,372	123,642
Latin America	159,034	146,785
Others, eliminations and intragroup	42,821	41,036
	563,586	519,644

Number of employees

As of 31 December 2021 and 2020, the number of employees working in the GROUP (taking into consideration the region in which those employees effectively carry out its activity) can be analysed as follows:

	2021	2020
Directors and board members	145	147
Employees	18,489	15,382
Temporary workers	19,940	19,802
	38,574	35,331
Europe	8,698	8,551
Africa	17,187	15,555
Latin America	11,594	10,161
Others, eliminations and intragroup	1,095	1,064
	38,574	35,331

6. Other operating income / (expenses)

Other operating income / (expenses) for the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Operating income		
Favourable exchange differences	209,194	387,227
Changes in fair value in investment properties - Increases (Note 21)	709	18,581
Investment grants (Note 35)	14,902	19,440
Gains arising from the sale of tangible assets	15,698	6,322
Other income	19,969	8,519
	260,471	440,090
Operating expenses		
Unfavorable exchange differences	231,528	397,402
Taxes	17,292	22,428
Losses arising from the sale of tangible assets	6,749	1,886
Changes in fair value in investment properties - Decreases (Note 21)	3,076	1,953
Donations	3,023	2,611
Other expenses	8,414	12,260
	270,081	438,539
	(9,609)	1,550

In the years ended 31 December 2021 and 2020, the net exchange differences were originated, essentially, in the Africa region.

In the years ended 31 December 2021 and 2020, the caption "Investment grants" referred, essentially, to the recognition of investment grants by the EGF SUBGROUP companies.

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 2021 and 2020, the caption "Taxes" included several taxes supported by the different companies of the GROUP, with particular emphasis to the ones located in Colombia, Mexico and Guinea Conakry in 2021 and in Angola and Colombia in 2020.

7. Amortisations and depreciations

Amortizations and depreciations for the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Amortizations for the year of intangible assets (Note 15):		
Development costs	4,761	4,033
Software and other rights	1,215	1,158
Concessions operation rights	56,219	61,339
Other intangible assets	3,071	1,358
	65,266	67,889
Depreciations for the year of tangible assets (Note 16):		
Land and buildings - assigned to quarries exploration	672	-
Land and buildings - to own use	5,923	-
Land and buildings	-	7,668
Heavy equipment used in the Engineering and Construction business	24,897	60,483
Equipment - others	38,355	-
Other tangible assets	1,844	1,688
	71,691	69,838
Depreciations for the year of right of use assets (Note 17):		
Land and buildings - to own use	2,901	4,547
Heavy equipment used in the Engineering and Construction business	46,399	-
Equipment - others	23,989	54,462
Other tangible assets	18	6
	73,307	59,016
	210,264	196,743

8. Provisions and impairment losses

Provisions and impairment losses for the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021			2020		
	Increases	Decreases	Net	Increases	Decreases	Net
Provisions (Note 37)	15,618	(880)	14,738	15,666	(13,757)	1,909
Total of provisions	15,618	(880)	14,738	15,666	(13,757)	1,909
Adjustments and impairment losses:						
In inventories (Note 22)	1,308	(7,567)	(6,259)	1,574	(464)	1,110
In goodwill (Note 14)	870	-	870	406	-	406
In tangible assets (Note 16)	1,168	(859)	308	425	(2,836)	(2,411)
In other financial investments recorded at amortised cost (Note 20)	-	(6,453)	(6,453)	8,008	-	8,008
In customers and other debtors (Note 23)	28,233	(14,651)	13,582	37,717	(9,002)	28,715
In right of use assets	88	-	88	1,290	-	1,291
Total of impairment losses	31,667	(29,530)	2,137	49,420	(12,302)	37,118
Total of provisions and impairment losses	47,285	(30,410)	16,875	65,086	(26,059)	39,027

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 and Latin America region to address the realization of some accounts receivables, as well as, the reinforcement of several provisions linked with the warranty period of the construction contracts (namely in the Africa region) and for several contingencies (namely in the Africa region, 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.

The net increase occurred in the year ended 31 December 2020 under the captions "Provisions" and "Impairment losses" was due, essentially, to the recognition of impairment losses for accounts receivables in the Africa and Latin America regions and to the recognition of a provision in Latin America to cover an agreement established with a third party (Note 40).

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 2021 and 2020 can be analysed as follows:

	2021	2020
Financial income and gains		
Financial assets recorded at amortised cost:		
Interest income	50,917	42,145
Prompt payment discounts received	452	1,054
Favourable exchange differences	81,127	205,018
Other financial assets:		
Income from equity investments - Other financial investments recorded at fair value through other comprehensive income	966	2,258
Fair value gains - Derivative financial instruments	4	937
Other financial income and gains	7,267	5,008
	140,733	256,419
Financial costs and losses		
Financial liabilities recorded at amortized cost		
Interest expenses	124,718	131,347
Interest expenses - right of use assets (Note 17)	13,159	10,254
Prompt payment discounts granted	537	416
Unfavourable exchange differences	80,852	203,654
Other financial liabilities:		
Other financial costs and losses	47,812	45,545
	267,078	391,216
	(126,344)	(134,797)

In the years ended 31 December 2021 and 2020, 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.

In the years ended 31 December 2021 and 2020, net exchange differences were, essentially, generated in the regions of Africa and Latin America.

Dividends are recognized when the GROUP'S right to receive the corresponding amount is established. In the years ended 31 December 2021 and 2020, the caption "Income from equity investments" referred, essentially, to dividends received from BAI – Banco Angolano de Investimentos (543 thousand euros in 2021 and 1,664 thousand euros in 2020).

In the years ended 31 December 2021 and 2020, the financial costs capitalized in assets under construction / development can be analysed as follows:

	2021	2020
Inventories	883	1,031
	883	1,031

In the years ended 31 December 2021 and 2020, in order to capitalize financial costs to the assets under construction / development above-mentioned, an average interest rate of 4.39% and 3.88%, respectively, was used.

In the years ended 31 December 2021 and 2020, 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.ix).

10. Gains / (losses) in associates and jointly controlled companies

Gains in associates and in jointly controlled companies for the years ended 31 December 2021 and 2020 can be analysed as follows:

Gains in associates and jointly controlled companies	2021	2020
Martifer (Others, eliminations and intragroup segment)	6,994	-
APP Tamaulipas (Latin America segment)	2,291	384
Sistemas Electricos Metropolitanos (Latin America segment)	1,065	614
HL - Sociedade Gestora do Edifício (Others, eliminations and intragroup segment)	748	552
Mota-Engil Tourism BV and affiliates (Latin America segment)	451	-
Haçor (Others, eliminations and intragroup segment)	356	701
APP Coatzacoalcos Villahermosa (Latin America segment)	35	109
AUSUR (Latin America segment)	-	1,064
"Agrupamentos Complementares de Empresas – ACE's" held by Mota-Engil Engenharia e Construção (Europe - Engineering and Construction segment)	-	426
Concessionária Autopista Cardel Poza Rica (Latin America segment)	-	345
Others	1,518	2,231
	13,459	6,428

Losses in associates and in jointly controlled companies for the years ended 31 December 2021 and 2020 can be analysed as follows:

Losses in associates and jointly controlled companies	2021	2020
Autopista Urbana Siervo de la Nacion (Latin America segment)	4,239	203
Concessionária Autopista Tuxpan-Tampico (Latin America segment)	3,705	2,657
Concessionária Autopista Cardel Poza Rica (Latin America segment)	1,667	-
Operadora Tampico Ciudad Victoria (Latin America segment)	906	-
"Agrupamentos Complementares de Empresas – ACE's" held by Mota-Engil Engenharia e Construção (Europe - Engineering and Construction segment)	252	-
Fideicomiso el Capomo (Latin America segment)	-	9,357
Others	2,036	260
	12,806	12,476
Gains/(Losses) in associates and jointly controlled companies	653	(6,049)

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 2021, the losses appropriated in AUTOPISTA URBANO SIERVO DE LA NACION, in CONCESSIONÁRIA AUTOPISTA TUXPAN-TAMPICO and in CONCESSIONÁRIA AUTOPISTA CARDEL POZA RICA were justified, essentially, by the 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, jointly controlled and associated companies

Gains / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies in the years ended 31 December 2021 and 2020 can be analysed as follows:

Gains on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	2021	2020
ME Tourism BV (Mota-Engil Latin America) - Note 42	46,331	-
Haçor (Mota-Engil Ambiente e Serviços and Mota-Engil Engenharia e Construção) - Note 42	1,804	-
Sunviauto Internacional (ME 31 SGPS)	724	-
Immo Park (ME Central Europe Polónia) - Note 42	-	2,381
APP Coatzacoalcos Villahermosa (Mota-Engil México) - Note 42	-	1,959
Logz (Mota-Engil Capital) - Note 42	-	1,853
Vector Diálogo (Mota-Engil SGPS)	-	1,639
Tertir price adjustment (Mota-Engil Ambiente e Serviços)	-	1,146
Nortenha Angola (ME 31 SGPS)	-	1,001
GISA (Mota-Engil México)	-	982
Others	469	327
	49,328	11,288

Losses on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	2021	2020
Mercado Urbano (Mota-Engil Real Estate Portugal) - Note 42	-	71
Others	115	71
	115	142
Gains / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	49,213	11,146

In the years ended 31 December 2021 and 2020, Note 42 presents, for the most relevant transactions, the details of the calculation of the respective gains / (losses).

12. Income tax

Income tax for the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Current tax	67,226	30,548
Deferred tax - Impact of hyperinflation in Zimbabwe	(4)	(271)
Deferred tax	(8,861)	(12,552)
	58,361	17,725

As of 31 December 2021 and 2020, 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 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 Assets 2020	2019	Changes in the perimeter	Effect in results	Effect in reserves	Transfers and others	2020
Provisions and impairment losses not accepted for tax purposes	62,107	-	3,784	(130)	3,561	69,322
Accrued expenses not accepted for tax purposes	44,878	-	4,150	(7,298)	(86)	41,646
Tax losses carried forward	40,776	-	10,790	(840)	(538)	50,188
Accrued expenses associated with investments to be performed not accepted for tax purposes	23,182	-	720	149	-	24,051
Temporary differences in the liquidation of subsidiaries	9,189	-	-	-	-	9,189
Others	6,163	-	8,057	(6,699)	-	7,521
	186,296	-	27,501	(14,817)	2,938	201,918

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

Deferred Tax Liabilities 2020	2019	Changes in the perimeter	Effect in results	Effect in reserves	Transfers and others	2020
Revaluation of fixed assets and investment properties	44,838	-	(1,869)	7,020	2,094	52,082
Untaxed accrued income	25,423	-	18,320	(9,492)	-	34,252
Fair value allocation in business combinations	29,510	11,264	(1,008)	-	-	39,766
Amortizations associated with future investments to be performed not accepted for tax purposes	24,046	-	(43)	-	-	24,002
Exchange differences not accepted for tax purposes	14,230	-	(380)	-	-	13,850
Amortizations not accepted for tax purposes	8,741	-	39	(0)	-	8,780
Impact of hyperinflation in Angola	9,227	-	(264)	(3,159)	-	5,803
Others	5,970	-	155	(3,077)	113	3,160
	161,984	11,264	14,949	(8,709)	2,207	181,695

As of 31 December 2021 and 2020, the share of deferred tax assets expected to be used within a period of more than 12 months amounts to, approximately, 135,000 thousand euros and 146,000 thousand euros, respectively.

In the year ended 31 December 2021, the column “Changes in the perimeter” reflects, essentially, the impact of changing the consolidation method applied to the Mexico Tourism business (from the full consolidation method to the equity method) following the loss of control over that business.

In the year ended 31 December 2020, the column “Changes in the perimeter” referred, essentially, to the acquisition and consolidation of AMGP AGRICULTURA, for the first time.

In the years ended 31 December 2021 and 2020, 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 regions of Africa and Latin America and (ii) the tax associated with the revaluations carried out to the lands and buildings for own use in 2021 and 2020 and to the heavy equipment’s used in the Engineering and Construction business in 2021.

In the years ended 31 December 2021 and 2020, the captions “Accrued expenses not accepted for tax purposes” and “Untaxed accrued income” included, essentially, the effect of the temporary differences 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 2021 and 2020, 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 tax losses and tax credits were carried forward as follows:

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

2020	Tax credits and losses	Deferred tax assets
Year of recognition:		
up to 2016 (inclusive)	30,976	1,340
2017	18,377	6,091
2018	53,440	12,330
2019	44,873	12,735
2020	57,685	17,692
	205,352	50,188

2020	Tax credits and losses	Deferred tax assets
Time limit:		
2021	9,110	1,675
2022	3,203	2,288
2023	10,165	4,138
2024	31,769	7,015
after 2024	151,105	35,072
	205,352	50,188

As of 31 December 2021 and 2020, 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 this tax consolidation group were used, namely those of MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO, whose main assumptions are described in Note 16, and of MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO AFRICA.

As of 31 December 2021 and 2020, if the taxable profits considered in the business plans of the companies included in the MOTA-ENGIL SGPS tax consolidation group were higher or lower in 5%, the recognized deferred tax assets would increase and decrease in 263 thousand euros and 263 thousand euros, respectively (142 thousand euros and 160 thousand euros, respectively, as of 31 December 2020).

In addition, in Portugal, the term for using tax losses carried forward is 14 years for those generated in 2016, 7 years for those generated in the period between 2017 and 2019, and 12 years for those generated after that date, which deduction is limited to 70% of the taxable profit of the year, except for the deduction of tax losses generated in the years of 2020 and 2021, which deduction is limited to 80% of the taxable profit. These terms include the changes introduced by Law No. 27-A / 2020 of 24 July which introduced a suspension in the counting of the term for using tax losses carried forward, applicable to tax losses in force on the first day of the 2020 tax period during the fiscal years of 2020 and 2021.

In addition, as of 31 December 2021 and 2020, there were tax losses carried forward in the amount of 216,916 thousand euros and 192,267 thousand euros, respectively, whose deferred tax assets, from a cautious perspective and taking into consideration the uncertainty of its realization, were not recorded.

2021	Tax losses	Deferred tax assets
Year of recognition:		
up to 2017 (inclusive)	83,790	16,511
2018	83,982	17,820
2019	8,551	1,879
2020	21,451	6,037
2021	19,141	5,012
	216,916	47,259

2021	Tax losses	Deferred tax assets
Time limit:		
2022	19,174	3,721
2023	6,608	1,249
2024	23,929	4,964
2025	82,496	16,865
after 2025	84,709	20,460
	216,916	47,259

2020	Tax losses	Deferred tax assets
Year of recognition:		
up to 2016 (inclusive)	50,469	8,974
2017	29,774	5,923
2018	90,297	18,033
2019	13,758	2,772
2020	7,969	1,518
	192,267	37,220

2020	Tax losses	Deferred tax assets
Time limit:		
2021	16,299	2,921
2022	28,489	5,591
2023	89,263	17,926
2024	7,343	1,144
after 2024	50,873	9,637
	192,267	37,220

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 the rules of such regime.

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 1 January 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 2021 and 2020, 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 2021 and 2020, 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 2021 and 2020, the deduction of the net financing costs in the determination of the taxable profit became limited to the higher 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 2021 and 2020, the reconciliation between the nominal and the effective income tax rate can be analysed as follows:

2021	Rate	Tax basis	Tax
Nominal tax rate and tax on income	22,5%	119 140	26 806
Results of associates and jointly controlled companies recorded by the equity method	-0,1%	(653)	(147)
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	5,2%	27 794	6 254
Differentiated nominal tax rates	6,8%	-	8 118
Differences between tax and accounting capital gains and losses	6,1%	-	7 221
Autonomous taxation	-4,5%	-	(5 396)
Financial costs not deductible	8,5%	45 064	10 139
Income taxed under other taxes instead of Income Tax	3,0%	-	3 591
Prior year corrections	1,1%	-	1 361
Other effects	0,3%	-	413
Effective rate and income tax	49,0%		58 361

2020	Rate	Tax basis	Tax
Nominal tax rate and tax on income	22,5%	25,534	5,745
Results of associates and jointly controlled companies recorded by the equity method	-2,8%	6,049	1,361
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	45,4%	71,374	16,059
Differentiated nominal tax rates	12,2%	-	4,327
Income taxed under other taxes instead of Income Tax	-39,5%	-	(13,996)
Differences between tax and accounting capital gains and losses	-7,4%	(11,617)	(2,614)
Autonomous taxation	3,3%	-	1,158
Financial costs not deductible	36,9%	58,095	13,071
Prior year corrections	-19,1%	-	(6,750)
Other effects	-4,8%	(7,582)	(638)
Effective rate and income tax	69,4%		17,725

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 2021 and 2020, 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 to being force at the date of reversal of the respective temporary differences, were as follows:

Country	Rate	
	2021	2020
South Africa	28%	28%
Angola	25%	25%
Brazil	34%	34%
Colombia	31%	32%
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 2018 to 2021, 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.

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 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.

As of 31 December 2020, the share capital of MOTA-ENGIL, SGPS, fully subscribed and paid, was represented by 237,505,141 ordinary shares with the nominal value of 1 euro each.

Therefore, in the years ended 31 December 2021 and 2020, the calculation of the earnings per share may be analysed as follows:

		2021	2020
Consolidated net profit of the year attributable to the Group	(I)	21,641	(19,944)
Number of shares outstanding at the beginning of the year		237,505	237,505
Number of shares outstanding at the end of the year		306,776	237,505
Weighted average number of ordinary shares	(II)	278,878	237,505
Weighted average number of own shares	(III)	6,092	6,092
Average number of shares outstanding	(II - III)	272,786	231,414
Earnings per share:			
basic	(I) / (II - III)	0.08 €	0.09 €
diluted	(I) / (II - III)	0.08 €	0.09 €

14. Goodwill

Information regarding goodwill for the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021			2020		
	Gross Goodwill	Accumulated impairment losses	Net Goodwill	Gross Goodwill	Accumulated impairment losses	Net Goodwill
Europe Engineering and Construction						
Mota-Engil Central Europe Poland	8,108	(3,859)	4,249	8,152	(3,015)	5,137
Mota-Engil Central Europe Czech Rep.	93	(93)	-	1,308	(1,308)	-
Others	1,726	(1,726)	-	1,726	(1,726)	-
	9,927	(5,677)	4,249	11,186	(6,049)	5,137
Europe Environment and Services						
Suma Group	13,609	(4,229)	9,380	13,609	(4,229)	9,380
Others	1,139	(116)	1,023	1,139	(116)	1,023
	14,748	(4,345)	10,403	14,748	(4,345)	10,403
Africa						
Others	1,125	-	1,125	920	-	920
	1,125	-	1,125	920	-	920
Latin America						
Empresa Construtora Brasil	3,170	-	3,170	3,139	-	3,139
Consita	337	-	337	333	-	333
	3,507	-	3,507	3,472	-	3,472
Others, eliminations and intragroup						
Others	785	-	785	785	-	785
	785	-	785	785	-	785
	30,092	(10,022)	20,069	31,112	(10,394)	20,717

The movements occurred in goodwill in the years ended 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Goodwill at the beginning of the year	20,717	22,233
Impairment losses in Goodwill (Note 8)		
Mota-Engil Central Europe Poland	(870)	(244)
Mota-Engil Central Europe Czech Rep.	-	(162)
	(870)	(406)
Changes in Goodwill due to changes in the perimeter (acquisitions)		
Others	-	785
	-	785
Changes in Goodwill due to exchange differences		
Mota-Engil Central Europe Poland	(17)	(383)
Mota-Engil Central Europe Czech Rep.	-	162
Empresa Construtora Brasil	32	(1,291)
Others	208	(382)
	222	(1,895)
Goodwill at the end of the year	20,069	20,717

In the years ended 31 December 2021 and 2020, the impairment losses recorded in goodwill were justified, essentially, by the write-off of goodwill allocated to the bridge's businesses in Poland.

As of 31 December 2021 and 2020, 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:

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

2020			
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	30.0%	7.5%	2.0%
Year n+3	10.0%	1.1%	2.0%
In perpetuity	3.3%	1.1%	1.0%
Discount rate used	10.2%	7.0%	6.2%

* Valuation expressed in local currency, taking in consideration 3 scenarios (conservative, central and optimistic). The data disclosed refer to the central scenario.

As of 31 December 2021 and 2020, 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							
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)	(2)
Mota-Engil Central Europe Poland	(17)	21	18	(14)	9	(9)	(9)
Suma	(14)	18	15	(12)	7	(7)	(7)

in million Euros							
2020							
	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	(5)	6	4	(4)	3	(3)	(3)
Mota-Engil Central Europe Poland	(7)	9	7	(6)	5	(5)	(5)
Suma	(16)	20	16	(13)	10	(10)	(10)

As of 31 December 2021 and 2020, if a discount rate higher in 0.5% or a growth sales 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 additional 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 summary, 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 2021 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 2021 and 2020, can be analysed as follows:

	Europe Engineering and Construction	Europe Environment and Services	Africa	Latin America	Other, eliminations and intragroup	Mota-Engil Group
2021						
Development costs	-	21,296	12	-	1,145	22,454
Software and other rights	164	1,029	1,141	971	819	4,124
Concessions operation rights	-	474,103	101,139	-	-	575,241
Assets in progress	-	21,971	311	74,603	92	96,976
Other intangible assets	80	-	2,002	-	(1,716)	365
	244	518,399	104,604	75,574	340	699,160
2020						
Development costs	0	22,079	12	-	-	22,091
Software and other rights	198	212	1,176	1,238	940	3,764
Concessions operation rights	-	457,762	100,276	-	-	558,038
Assets in progress	-	51,116	25	53,524	92	104,758
Other intangible assets	87	-	255	18,997	-	19,338
	284	531,169	101,744	73,759	1,033	707,988

The information regarding the gross amount of intangible assets, as of 31 December 2021 and 2020 can be analysed as follows:

	Development costs	Software and other rights	Concessions operation rights	Assets in progress	Other intangible assets	Total
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
2020						
Opening balance	22,689	22,678	1,432,682	78,648	15,870	1,572,568
Increases	5,311	272	15,847	61,638	-	83,068
Disposals	-	(136)	(1,406)	-	-	(1,542)
Write-offs	(121)	(229)	(7,481)	(39)	(1,110)	(8,980)
Exchange differences	(217)	(839)	(1,196)	(6,635)	(1,979)	(10,867)
Changes in the perimeter	233	0	52,797	-	-	53,030
Transfers and other movements	6,468	(534)	42,403	(28,855)	9,666	29,148
	34,363	21,212	1,533,647	104,758	22,447	1,716,427

In the years ended 31 December 2021 and 2020, the main increases / disposals / write-offs in intangible assets were associated with the execution of the investment plan of the EGF SUBGROUP companies (in 2021 and 2020), with the investments performed by GENERADORA FÉNIX, associated with the construction of a combined cycle plant (in 2021 and 2020) and with the investments performed by CLEAN EBURNIE and ESTRADAS DO ZAMBEZE under the scope of two concession contracts that they currently explore (in 2021).

In the year ended 31 December 2020, the changes in perimeter include the amounts of approximately 50,000 thousand euros and 7,900 thousand euros associated with the acquisition differences generated in the acquisition of 100% of AMGP AGRICULTURA and 55% of ESTRADAS DO ZAMBEZE, respectively, which were allocated to the caption of concessions operation rights (Note 42).

The information regarding the amount of accumulated amortization of intangible assets and the respective net book value at 31 December 2021 and 2020 can be analysed as follows:

	Development costs	Software and other rights	Concessions operation rights	Assets in progress	Other intangible assets	Total
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)
2020						
Opening balance	(8,463)	(17,283)	(913,787)	-	(3,223)	(942,757)
Increases (Note 7)	(4,033)	(1,158)	(61,339)	-	(1,358)	(67,889)
Disposals	-	136	1,406	-	-	1,542
Write-offs	121	229	7,404	-	595	8,350
Exchange differences	77	541	43	-	326	987
Changes in the perimeter	9	-	848	-	-	857
Transfers and other movements	17	88	(10,182)	-	550	(9,527)
	(12,273)	(17,448)	(975,609)	-	(3,109)	(1,008,438)
Net book value						
2021	22,454	4,124	575,241	96,976	365	699,160
2020	22,091	3,764	558,038	104,758	19,338	707,988

In the year ended 31 December 2020, the line of transfers and other movements includes approximately 9,000 thousand euros transferred from the tangible assets caption associated with the contract for the exploitation of a landfill at Ivory Coast (Note 16).

As of 31 December 2021 and 2020, the caption “Concessions operation rights” can be detailed as follows:

	2021	2020
Concessions granted to EGF Subgroup	474,103	457,762
AMGP Agricultura	49,823	50,658
Eco Eburnie	23,698	29,301
Others	27,617	20,317
	575,241	558,038

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, RESIESTRELA, RESINORTE, RESULIMA, SULDOURO, VALNOR, VALORLIS, VALORMINHO and VALORSUL) will end in 2034.

As of 31 December 2021 and 2020, circa of 61% and 66%, respectively, of the total amount of the concessions operation rights of EGF SUBGROUP was justified by 5 concessionaires (VALORSUL, ERSUC, RESINORTE, 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 arise 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 the concession 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 instalments: (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 the concession 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.

Lastly, 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.

As of 31 December 2021 and 2020, the most significant amounts included in the caption “Assets in progress” referred to the following projects:

Description	2021	2020
Analysis and development of Jorge Luque project (Generadora Fenix)	74,603	44,580
Solid waste treatment plant (Algar)	11,894	4,871
Technical studies Torres Vedras and Lisboa (Valorsul)	2,371	26
Urban waste containment, preparation and treatment unit (Resulima)	20	17,113
Increase in the processing capacity in Riba D'Ave (Resinorte)	-	4,224
Nova Fenix project (Generadora Fenix)	-	3,282
Expansion of the Aveiro landfill (Ersuc)	-	3,101
Other ongoing investments made by companies of the Subgroup EGF	7,674	21,168
	<u>96,561</u>	<u>98,363</u>

As of 31 December 2021 and 2020, 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 2021 there were commitments associated with the execution of future investments in the amount of circa of 115,000 thousand euros (62,000 thousand euros on 31 December 2020).

As of 31 December 2021 and 2020, there were approximately 30,200 thousand euros and 30,900 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. v).

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 2021 and 2020, 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	Project Jorge Luque	
	2021	2020
Method used	Value in use	Value in use
Basis used	Forecasts	Forecasts
Period used	21 years	20 years
Growth rate of sales	8.00%	26.71%
Discount rate used	9.65%	9.14%
Net amount of the asset	74,603	44,580

The Jorge Luque project, which is in progress, 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 2021 and 2020, 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 impairment losses.

Assumption	Ecoeburnie	
	2021	2020
Method used	Value in use	Value in use
Basis used	Forecasts	Forecasts
Period used	5 years (end of the concession period)	5 years (end of the concession period)
Growth rate of sales	-2.65%	10.00%
Average discount rate used	9.33%	11.45%
Net amount of the asset	23,698	29,301

As of 31 December 2021 and 2020, 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 impairment losses.

As above referred, AMGP AGRICULTURA dedicates to agricultural and forestry activities in Cabinda, more specifically to cashew and cocoa production, as well as, to the planting and cutting of wood. The methods and the main assumptions used in the preparation of the impairment tests for the two phases more representative of the affiliated business (circa of 82% of its value) can be analysed as follow:

Assumption	AMGP	
	Phase I (Cashew production)	Phase II (Cocoa production)
Method used	Value in use	Value in use
Start of activity	2022	2022
Maximum peak production	2026	2026
Average Cash flow / sales from 2023	59%	57%
Discount rate used:		
In the projected period	14.00%	14.00%
In the perpetuity	14.00%	14.00%
Net amount of the asset		49,823

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 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 SUBGROUP.

Assumption	2020
	EGF Subgroup (a)
Method used	Value in use
Basis used	Forecasts
Period used	14 years (Remaining period of the concessions)
Regulated average asset basis approved for 2021	327,612
Regulated asset basis estimated for 2034	324,404
Average discount rate used in the period 2021 - 2034	5.08%
Net amount of the CGU	292,957

(a) Net assets used in the waste treatment and recovery activity developed by the concessionaires of EGF SUBGROUP.

As of 31 December 2021 and 2020, if a discount rate higher in 0.25% or an average regulated 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.

Regarding the concessionary companies of EGF SUBGROUP, it should be highlighted that the decisions of ERSAR related with the allowed revenues and the regulated tariffs for the regulatory period of 2019-2021 were subject to a special administrative action in 2019, with an impugnation request by EGF presented in Court.

Thus, following the aforementioned, in 2020, ERSAR proposed to EGF, as a way to find a balanced, sustainable and stable solution in terms of the results of the EGF SUBGROUP concessionaires, in an operational efficiency framework, to carry out an analysis, together with an independent auditor, that would allow to identify the causes of the deviations occurred in the results of the companies between 2018 and 2019 (between the forecast accounts that determined the estimated tariffs and the actual accounts) and quantify them, in order to make corrections to the benchmark operating costs of 2019. This process took place during the year 2020, with the final decision of ERSAR being received during the month of December.

Consequently, the effects of the ERSAR decision, both those relating to the years of 2018 and 2019, and those relating to the year of 2020, were reflected in the accompanying consolidated financial statements of the year end at 31 December 2020 and were related to:

- Adjustment to 2019 tariff in the amount of 1,395 thousand euros determined in accordance with the provisions of article 37 of the Tariff Regulation;
- Correction to the regulated accounts of 2018 in the amount of 1,131 thousand euros related to the correction of the 2018 tariff adjustment; and
- Correction of the benchmark operating costs used for 2019, as a result of the insufficiency of costs approved in the forecasted regulated accounts in the regulatory period of 2019-2021, which will also be reflected in the allowed revenues of 2022 and 2023, which originated that the amount recorded in 2020 included the 2019 correction, in the amount of 10,871 thousand euros, and the 2020 correction in the amount of 11,291 thousand euros.

Following the aforementioned, for not fully agreeing with ERSAR's final decision, the EGF SUBGROUP concessionaires continued to negotiate with the Regulator in order to increase the values of the respective tariffs, namely, in those companies that in 2020 negative interim net results were presented.

Following the above, during the year of 2021, and after additional diligences, the Regulator accepted the following corrections to the tariffs:

- 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 to the 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 the 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 2021 and 2020, can be analysed as follows:

	Europe Engineering and Construction	Europe Environment and Services	Africa	Latin America	Others, eliminations and intragroup	Mota-Engil Group
2021						
Land and buildings - assigned to quarries exploration	24,132	-	-	-	1,764	25,896
Land and buildings - to own use	37,139	10,036	105,687	19,186	406	172,454
Heavy equipment used in the Engineering and Construction business	20,264	-	76,844	38,931	-	136,039
Equipment - others	22,237	16,553	534	19,972	1,025	60,322
Tangible assets in progress	16,308	5,985	35,327	11,223	123	68,966
Other tangible assets	201	254	9,903	3,427	(380)	13,405
	120,280	32,828	228,296	92,740	2,937	477,081
2020						
Land and buildings	56,862	11,146	75,527	18,853	1,861	164,249
Equipments	26,017	15,235	85,701	38,791	(2,148)	163,595
Tangible assets in progress	4,953	3,405	32,459	11,162	176	52,155
Other tangible assets	172	467	1,276	2,676	-	4,591
	88,003	30,252	194,964	71,482	(112)	384,589

The information regarding the gross amount of tangible assets at 31 December 2021 and 2020 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
2021							
Opening balance	51,898	219,024	-	625,094	52,155	23,132	971,302
Reclassification between classes of assets (Note 1.2.)	-	-	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	(56,722)	(16,416)	(2,891)	(39,346)
	51,785	264,521	437,634	425,967	68,966	30,813	1,279,705
2020							
Opening balance	328,783	-	-	740,262	47,020	25,409	1,141,473
Increases	1,362	-	-	67,465	24,032	2,001	94,861
Disposals	(3,074)	-	-	(110,829)	-	(39)	(113,942)
Write-offs	(1,188)	-	-	(7,895)	(6)	(2,756)	(11,845)
Impact of hyperinflation in Zimbabwe	-	-	-	(718)	-	-	(718)
Revaluations	21,441	-	-	-	-	-	21,441
Exchange differences	(41,806)	-	-	(66,969)	(5,788)	(2,226)	(116,789)
Changes in the perimeter	899	-	-	2,666	17	491	4,073
Transfers and other movements	(35,495)	-	-	1,111	(13,120)	251	(47,252)
	270,922	-	-	625,094	52,155	23,132	971,302

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 in Mozambique associated with the execution of medium- and long-term contracts for engineering industrial 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 and Services segment.

In the year ended 31 December 2020, the increases occurred in tangible assets were justified, essentially, by the investments performed in Guinea Conakry, associated with the execution of a new medium- and long-term mining contract, and the investments performed in Mozambique and in Portugal in the Engineering and Construction segment and the investments performed in Ivory Coast in the Environment and Services segment.

In the years ended 31 December 2021 and 2020, the disposals of tangible assets were justified, essentially, by MOTA-ENGIL MÉXICO (in 2021) and by MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO AFRICA and by its branches (in 2020).

In the years ended 31 December 2021 and 2020, 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 amounts recorded under the caption "Transfers and other movements" refer, essentially, to the transfer of some equipment's to the caption "Right of use assets" – Note 17.

In the year ended 31 December 2020, the amount included in the caption "Transfers and other movements" was justified, essentially, by the transfer of the assets assigned to the landfill concession of CLEAN EBURNIE at Ivory Coast to the caption "Intangible assets" (circa of 9,000 thousand euros) and to the caption "Customers, current account" (circa of 45,000 thousand euros).

In the years ended 31 December 2021 and 2020, the exchange differences were justified, essentially, by the appreciation of the Angolan Kwanza, the Mozambican Metical and the US Dollar in 2021 and by the depreciation of the Angolan Kwanza, the Mozambican Metical and the Malawian kwacha in 2020.

The information regarding the accumulated depreciations and impairment losses of tangible assets and their respective net amounts as of 31 December 2021 and 2020, 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
2021							
Opening balance	(25,217)	(81,458)	-	(461,499)	-	(18,541)	(586,714)
Reclassification between classes of assets (Note 1.2.)	-	-	(94,117)	94,116	-	-	(0)
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)	19,041	-	2,151	16,656
	(25,889)	(92,067)	(301,595)	(365,645)	-	(17,428)	(802,624)
2020							
Opening balance	(122,852)	-	-	(537,427)	-	(21,168)	(681,446)
Increases (Note 7)	(7,668)	-	-	(60,483)	-	(1,688)	(69,838)
Impairment losses (Note 8)	2,411	-	-	-	-	-	2,411
Disposals	3,073	-	-	92,377	-	37	95,487
Write-offs	1,162	-	-	6,851	-	2,719	10,732
Revaluations	(823)	-	-	-	-	-	(823)
Exchange differences	13,629	-	-	41,196	-	1,516	56,341
Changes in the perimeter	(20)	-	-	(2,200)	-	(3)	(2,223)
Transfers and other movements	4,413	-	-	(1,814)	-	45	2,645
Net amount	(106,674)	-	-	(461,499)	-	(18,541)	(586,714)
2021	25,896	172,454	136,039	60,322	68,966	13,405	477,081
2020	164,249	-	(0)	163,595	52,155	4,591	384,589

As of 31 December 2021 and 2020, the most significant amounts included under the caption “Tangible assets in progress” refer to the following projects:

Description	2021	2020
Dry Port Liwonde land (MEECA - Malawi Branch)	21,737	16,323
Miscellaneous equipment (ME Railway Engineering)	16,228	2,901
Miscellaneous equipments (Tarucani)	6,524	6,022
Equipment related with Morila mine exploitation (ME Mali)	4,963	-
Lands (Citrave)	1,662	1,972
Biske Plaza land (ME Real Estate Hungary)	1,115	1,156
Construction site of Viana (Vista Waste)	53	695
Hotel Fairmont (Fideicomiso Fairmont Costa Canuva)	-	3,606
Miscellaneous equipments (Clean Eburnie)	-	2,418
	52,282	35,092

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.v).

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.

As of 31 December 2021 and 2020, the methods and the main assumptions used in the preparation of the impairment tests regarding the GROUP's main tangible assets which presented indicators of impairment can be analysed as follows:

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 years
Average growth rate of cash-flows	0,51%
Discount rate used	14,00%
Net amount of the asset	21 737

The MALAWI GATEWAY PROJECT corresponds to a 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	2020	
	MEEC (a)	Novicer (b)
Method used	Value in use	Value in use
Basis used	projections with perpetuity	projections with perpetuity
Period used	5 years	5 years
Growth rate of sales		
Year n+1	7.50%	24.01%
Year n+3	3.75%	11.90%
Discount rate used	7.00%	20.75% (c)
Net amount of the CGU	35,135	2,022

(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 to manufacture clay materials in Angola.

(c) In Novicer'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 16.21% and 28.39%).

Assumption	2020
	Malawi Gateway Project (logistic business)
Method used	Value in use
Basis used	projections for the estimated useful life of the assets
Period used	32 years
Average growth rate of cash-flows	8.08%
Discount rate used	14.00%
Net amount of the asset	20,224

Additionally, in the year ended 31 December 2020, the equipment's of EMPRESA CONSTRUTORA BRASIL were subject to an impairment test which recoverable amount was determined based on its fair value (determined in accordance with the market method by an external appraiser), less selling costs, which evidenced that the fair value of those assets was higher in approximately 9,000 thousand euros to their carrying amount. In the year ended 31 December 2021, the majority of those assets (heavy equipment's) started to be recorded at fair value in the accompanying consolidated financial statements.

As of 31 December 2021 and 2020, 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 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%
MEEC	(38)	47	39	(32)	19	(19)
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)

in million euros

2020	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%
MEEC	(16)	19	15	(13)	9	(9)
Novice	(0.3)	0.3	0.2	(0.2)	0.1	(0.1)
Malawi Gateway Project	(1.6)	1.7	n.a.	n.a.	1.3	(1.3)

As of 31 December 2021 and 2020, 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, which cover, on average, a period of five years.

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 obtaining 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 2021 or in 2020. 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 2021 and 2020 to the main real estate properties held by the GROUP can be summarised as follows:

2021	Property	Company	Valuation method	Valuation	Key assumptions			
					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

2020	Property	Company	Valuation method	Valuation	Key assumptions		
					Rent per square meter / month	Discount rate	Sale price per square meter
	Building in Angola - I	MEA	Market method	22,288	n.a.	n.a.	816.39
	Building in Angola - II	MEA and MEECA - Angola Branch	Market method	17,537	n.a.	n.a.	2,481.78
	Building in Angola - III	MEA	Market method	10,062	n.a.	n.a.	818.04
	Building in Angola - IV	MEECA - Angola Branch	Market method	9,470	n.a.	n.a.	1,425.61
	Building in Lisboa	MEEC	Income method	17,435	13.50 €	8.3%	n.a.
	Building in Porto	MEEC	Income method	11,366	9.78 €	7.0%	n.a.

The sensitivity of the results of the appraisals performed to the real estate properties above referred to the main key assumptions, namely to the rent per square meter, to the discount rate and to the sale price per square meter, can be analysed as follows:

2021	Property	Company	Valuation method	Sensitivity to key assumptions							
				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
2020	Property	Company	Valuation method	Sensitivity to key assumptions							
				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 Angola - I	MEA	Market method	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	1,114	(1,114)
	Building in Angola - II	MEA and MEECA - Angola Branch	Market method	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	877	(877)
	Building in Angola - III	MEA	Market method	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	503	(503)
	Building in Angola - IV	MEECA - Angola Branch	Market method	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	474	(474)
	Building in Lisboa	MEEC	Income method	(909)	1,025	803	(803)	n.a.	n.a.	n.a.	n.a.
	Building in Porto	MEEC	Income method	(731)	843	548	(548)	n.a.	n.a.	n.a.	n.a.

If an increase occurs in the rent price per square meter, in the sale price per square meter 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 rent price per square meter, in the sale price per square meter 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.

As referred in Note 1.2., 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 commercialized 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.

The determination by the several GROUP companies of the fair value of the heavy equipment's was performed throughout 2021 using certified external appraisers.

As a result of the revaluations mentioned above, the following impacts were generated:

	Gross asset	Accumulated amortisation	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
Of which heavy equipments used in the Engineering and Construction business:					
Tangible assets	230,626	(174,179)	56,447	(17,306)	39,141
Right of use assets - Note 17	82,020	(50,927)	31,093	(9,634)	21,459
	312,646	(225,106)	87,540	(26,941)	60,599

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
2021			
Land and buildings - to own use	118,148	54,306	172,454
Land and buildings - assigned to quarries exploration	25,896	-	25,896
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
2020			
Land and buildings to own use	55,921	51,086	107,008
Land and buildings others	57,241	-	57,241
Equipment	163,053	541	163,595
Tangible assets in progress	52,155	-	52,155
Other tangible assets	4,588	3	4,591
	332,959	51,630	384,589

As of 31 December 2021 and 2020, the GROUP's main assets and liabilities assigned to quarries exploration are as follows:

	2021	2020
Fixed assets:		
Land under exploration	24,916	25,581
Buildings assigned to the operations	980	1,100
Equipments assigned to the operations	4,695	4,571
Inventory:		
Ore stock	2,664	3,638
Accounts receivables	9,247	9,922
Accounts payables	5,686	4,557
	36,816	40,255

In order to perform impairment tests over the carrying amount of the net assets assigned to the quarry's exploration, its fair value (determined taking into consideration the value in use) was determined using the income method through a discounted cash-flows model. The income method used as relevant inputs the amounts of inert materials to be extracted in the following years, taking in consideration the licensed area and its availability, the respective sale prices, the costs to be incurred with the restoration of the quarries' landscape, the value of the underlying lands and in addition the following financial assumptions:

Assumptions	2021	2020
Method used	Value in use	Value in use
Basis used	Forecasts	Forecasts
Period used	Estimated period of exploration of the quarries	Estimated period of exploration of the quarries
Sales growth rate:		
Year n+1	Between 3% and 4.5%	Between 1% and 4%
Year n+3	1.50%	Between 1% and 2.5%
Yearly average growth rate after n+3	1.50%	1.00%
Discount rate used	6.13%	7.00%

As of 31 December 2021 and 2020, if a discount rate higher in 0.5% or an annual average sales growth rate lower in 0.5% had been used, the results of the above-mentioned tests would not lead to the recognition of impairment losses.

17. Right of use assets and lease liabilities

As of 31 December 2021 and 2020, the detail of right of use assets was as follows:

Right of use assets	2021	2020
Land and buildings - to own use	47,155	48,954
Heavy equipment used in the Engineering and Construction business	152,672	-
Equipment - others	79,194	168,175
Other tangible assets	8,141	1,117
	287,162	218,246

As of 31 December 2021 and 2020, the detail of lease liabilities was as follows:

Lease liabilities	2021	2020
Current	116,197	57,554
Non-current	217,318	243,707
	333,515	301,261

As of 31 December 2021 and 2020, there were circa of 254,200 thousand euros and 193,300 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 2021 and 2020, the impact in the consolidated income statement arising from the lease contracts was as follows:

	2021	2020
Depreciations of the year (Note 7):		
Land and buildings - to own use	2,901	4,547
Heavy equipment used in the Engineering and Construction business	46,399	-
Equipment - others	23,989	54,462
Other tangible assets	18	6
	73,307	59,016
Interest expenses (Note 9):		
Interest expenses - right of use assets	13,159	10,254
	13,159	10,254
Rents (Note 4):		
Short-term, low-value rentals, variable or associated with contracts without identifiable lease assets	97,454	98,864
	97,454	98,864

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.

In the year ended 31 December 2020, the increases occurred in the right of use assets amounted to approximately 40,000 thousand euros.

On the other hand, in the year ended 31 December 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 32,700 thousand euros – Note 16.

As of 31 December 2021 and 2020, the movement occurred in the lease liabilities was as follows:

	2021	2020
Opening balance	301,261	273,882
Transactions with impact in cash-flow:		
Amortizations and repayments of loans	(35,518)	(30,197)
	(35,518)	(30,197)
Transactions with no impact in cash-flow:		
Exchange differences	(191)	(3,934)
Contracting of new operations	69,138	61,510
Transfers and changes in the perimeter	(1,176)	-
Closing balance	333,515	301,261

18. Financial investments in associated companies

As of 31 December 2021 and 2020, the breakdown of the financial investments in associated companies was as follows:

	2021	2020
Mota-Engil Tourism BV and subsidiaries (Latin America segment) ^(a)	41,076	9,401
Concessionária Autopista Cardel Poza Rica (Latin America segment)	36,799	28,553
Autopista Urbana Siervo de la Nación (Latin America segment)	31,699	31,903
Concesionaria Cua SAPI (Latin America segment)	19,510	-
Concessionária Autopista Tuxpan-Tampico (Latin America segment)	16,768	18,856
APP Coatzacoalcos Villahermosa (Latin America segment)	13,659	13,211
APP Tamaulipas SAPI (Latin America segment)	12,466	6,722
Martifer (Others, eliminations and intragroup segment)	6,994	-
Others	8,377	14,959
	187,348	123,606

(a) In 2020, the amount of 9,401 thousand euros in this line is related solely to FIDEICOMISO EL CAPOMO (the only subsidiary of MOTA-ENGIL TOURISM, BV consolidated by the equity method).

As of 31 December 2021 and 2020, the book value of the main financial investments in associated companies can be detailed as follows:

	Equity of the associated company before other equity instruments ⁽¹⁾	Other equity instruments ⁽¹⁾	Equity of the associated company	% held	Share of the equity of the associated company	Consolidation adjustments	Goodwill	Other equity instruments held by the Group ⁽¹⁾	Book value
Concesionária Autopista Cardel Poza Rica (Latin America segment)	(15,309)	78,439	63,131	29%	(4,398)	(2,818)	-	44,015	36,799
Autopista Urbana Siervo de la Nación (Latin America segment)	(5,194)	78,486	73,292	17%	(909)	(2,316)	-	34,923	31,699
Concesionaria Cua SAPI (Latin America segment)	10,774	23,524	34,298	34%	3,663	-	-	15,847	19,510
Concesionária Autopista Tuxpan-Tampico (Latin America segment)	(28,624)	53,072	24,448	26%	(7,400)	(2,614)	-	26,782	16,768

(*) Supplementary or additional capital contributions

2020	Associates equity ⁽¹⁾	% held	Goodwill	Loans equivalent to net investment	Book value
Autopista Urbana Siervo de la Nación (Latin America segment)	(599)	17%	-	32,503	31,903
Concesionária Autopista Cardel Poza Rica (Latin America segment)	(5,064)	29%	-	33,617	28,553
Concesionária Autopista Tuxpan-Tampico (Latin America segment)	(5,961)	26%	-	24,817	18,856
APP Coatzacoalcos Villahermosa (Latin America segment)	12,794	19%	417	-	13,211

(1) excluding supplementary or capital contributions and considering the percentage held by the Group.

In the years ended 31 December 2021 and 2020, the movement occurred in financial investments in associated companies was as follows:

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 segment)	9,401	451	(4,550)	35,043	730	41,076
Concesionária Autopista Cardel Poza Rica (Latin America segment)	28,553	(1,667)	1,363	-	8,550	36,799
Autopista Urbana Siervo de la Nación (Latin America segment)	31,903	(4,239)	3,401	-	634	31,699
Concesionaria Cua SAPI (Latin America segment)	-	(156)	(14)	3,832	15,847	19,510
Concesionária Autopista Tuxpan-Tampico (Latin America segment)	18,856	(3,705)	1,016	-	601	16,768
APP Coatzacoalcos Villahermosa (Latin America segment)	13,211	35	413	-	-	13,659
APP Tamaulipas SAPI (Latin America 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

2020	Opening balance	Effect on profit and loss	Effect on reserves ⁽¹⁾	Transfers and changes in the perimeter	Other increases and decreases	Closing balance
Autopista Urbana Siervo de la Nación (Latin America segment)	27,638	(401)	(3,608)	-	8,275	31,903
Concesionária Autopista Cardel Poza Rica (Latin America segment)	29,908	345	(4,415)	(0)	2,715	28,553
Concesionária Autopista Tuxpan-Tampico (Latin America segment)	25,046	(2,657)	(3,534)	(0)	-	18,856
APP Coatzacoalcos Villahermosa (Latin America segment)	-	109	5,570	7,532	0	13,211
Fideicomiso el Capomo (Latin America segment)	-	(9,357)	-	0	18,758	9,401
Others	11,718	4,361	(891)	(228)	(1)	14,959
	103,908	(7,215)	(6,445)	3,611	29,747	123,606

(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 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 its 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 years ended 31 December 2021 and 2020, 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 in 2021 and in the companies AUTOPISTA URBANA SIERVO DE LA NACIÓN, CONCESIONÁRIA AUTOPISTA CARDEL POZA RICA and FICEICOMISO EL CAPOMO in 2020.

As of 31 December 2021 and 2020, the summarised information regarding the main financial investments in associated companies, extracted from their separate financial statements, can be analysed as follows:

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 segment)	30%	155,393	79,170	98,547	71,262	64,754	17	25,089
Concessionaria Autopista Cardel Poza Rica (Latin America segment)	29%	323,647	31,195	-	291,711	63,131	27,116	(2,439)
Autopista Urbana Siervo de la Nación (Latin America segment)	17%	601,616	70,557	85,072	513,810	73,292	103,683	(8,518)
Concessionaria Cua SAPI (Latin America segment)	34%	19,031	41,061	3,232	22,562	34,298	6,711	(458)
Concessionaria Autopista Tuxpan-Tampico (Latin America segment)	26%	265,597	46,870	-	288,019	24,448	22,913	(7,588)
APP Coatzacoalcos Villahermosa (Latin America segment)	19%	69,470	38,614	4,111	70,141	33,633	21,107	931
APP Tamaulipas SAPI (Latin America segment)	24%	72,920	30,420	4,980	70,316	28,044	20,679	9,556

2020	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Autopista Urbana Siervo de la Nación (Latin America segment)	17%	461,181	54,405	35,666	409,150	70,770	90,638	92
Concessionaria Autopista Cardel Poza Rica (Latin America segment)	29%	292,798	24,724	-	262,086	55,486	39,355	(2,398)
Concessionaria Autopista Tuxpan-Tampico (Latin America segment)	26%	264,995	26,742	-	254,376	37,361	25,021	(7,649)
APP Coatzacoalcos Villahermosa (Latin America segment)	19%	69,660	40,128	2,310	76,819	30,660	19,924	5,557

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 (CONCESSIONÁRIA AUTOPISTA CARDEL – POZA RICA and CONCESSIONÁRIA 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 inauguration of the respective motorways and the latter attributed to the GROUP a put option of 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 the options are exercised.

Additionally, 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, that fair value was not recorded nor disclosed in the accompanying consolidated financial statements.

On the other hand, as of 31 December 2021 and 2020, the GROUP recorded under the caption “Advances on sales of financial investments”, circa of 56,500 thousand euros and 47,400 thousand euros, respectively, received from the potential buyer associated with the transactions above referred (Note 33).

As of 31 December 2021 and 2020, 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:

2021	Country	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
MESOFE, 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, CONTRUIDORAS DAS AUTO-ESTRADAS DO GRANDE PORTO, ACE	Portugal	40%	-	2,716	1,284	1,433	-	-	-

2020	Country	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
MESOFE, ACE	Portugal	37%	-	2,073	-	2,073	-	21,843	-
MOTA-ENGIL/ACCIONA/ EDIVISA - OBRAS DO APROVEITAMENTO HIDROELÉCTRICO DE ALTO TÂMEGA, A.C.E.	Portugal	43%	-	5,965	513	6,581	(1,130)	3,087	(3)
SOMAGUE, BPC, ENGIL, SPIE, ACE - LINHA VERMELHA, ACE	Portugal	24%	-	2,323	-	308	2,016	2,300	2,016

As of 31 December 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 jointly controlled companies

As of 31 December 2021 and 2020, the breakdown of the financial investments in jointly controlled companies was as follows:

	2021	2020
Sistemas Eléctricos Metropolitanos (Latin America segment)	14,793	13,287
HL - Sociedade Gestora do Edifício (Others, eliminations and intragroup segment)	5,014	2,749
Operadora Marítima Matamoros (Latin America segment)	1,021	637
Automatriz (Africa segment)	863	459
Others	747	364
	22,439	17,496

In the years ended 31 December 2021 and 2020, the movement occurred in financial investments in jointly controlled companies was as follows:

2021	Opening balance	Effect on profit and loss	Effect on reserves ⁽¹⁾	Transfers and changes in the perimeter	Other increases and decreases	Closing balance
Sistemas Eléctricos Metropolitanos (Latin America segment)	13,287	1,065	441	-	-	14,793
HL - Sociedade Gestora do Edifício (Others, eliminations and intragroup segment)	2,749	748	1,517	-	-	5,014
Operadora Marítima Matamoros (Latin America segment)	637	(2)	34	-	353	1,021
Automatriz (Africa segment)	459	187	217	-	(0)	863
Others	364	171	264	40	(91)	747
	17,496	2,169	2,473	40	262	22,439

2020	Opening balance	Effect on profit and loss	Effect on reserves ⁽¹⁾	Transfers and changes in the perimeter	Other increases and decreases	Closing balance
Sistemas Eléctricos Metropolitanos (Latin America segment)	14,349	614	(1,676)	-	-	13,287
HL - Sociedade Gestora do Edifício (Others, eliminations and intragroup segment)	2,597	552	(401)	-	-	2,749
Automatriz (Africa segment)	703	33	(276)	-	-	459
Others	2,254	(33)	195	(1,463)	48	1,001
	19,902	1,166	(2,158)	(1,463)	48	17,496

(1) Includes essentially exchange differences changes and fair value changes of derivative financial instruments [1,920 thousand euros in the year ended 31 December 2021 associated to HL – SOCIEDADE GESTORA DO EDIFÍCIO (1,517 thousand euros net of deferred taxes)].

As of 31 December 2021 and 2020, the summarised information regarding the main financial investments in jointly controlled companies, extracted from their separate financial statements, can be analysed as follows:

2021	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Sistemas Eléctricos Metropolitanos (Latin America segment)	26%	70,182	19,093	5,714	56,075	27,487	74,501	4,569
HL - Sociedade Gestora do Edifício (Others, eliminations and intragroup segment)	50%	3,700	81,248	59,396	15,524	10,028	4,345	1,497
Operadora Marítima Matamoros (Latin America segment)	26%	-	4,006	-	-	4,006	-	(10)
Automatriz (Africa segment)	26%	702	8,831	17	7,531	1,985	12,578	734

2020	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
Sistemas Eléctricos Metropolitanos (Latin America segment)	26%	53,397	15,812	12,859	34,796	21,554	78,761	4,006
HL - Sociedade Gestora do Edifício (Others, eliminations and intragroup segment)	50%	4,658	83,156	61,482	20,836	5,497	3,627	1,104
Automatriz (Africa segment)	26%	595	6,187	39	6,044	698	6,420	130

On the other hand, in the years ended 31 December 2021 and 2020, 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 2021 and 2020, 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 individual financial statements, was as follows:

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	2,339	45,383	2,513
Consortio Itague-Honda-Cambao-Manizales	Colombia	46%	6,008	31,350	821	9,757	27,781	39,390	27,204
Consortio Línea Panama Norte	Panama	50%	1,452	24,347	181	23,893	1,725	20,725	1,611
Consortio Mota-Engil Dominicana SAS/EMCA	Dominican Republic	42%	(0)	367	-	663	(296)	2,432	(72)
Consortio Conservacion Vial Santa Rosa	Peru	50%	117	518	-	45	590	630	288

2020	Country	% held	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Equity	Sales and services rendered	Net profit
CCPSM-Consortio Constructor Del Puert o de San Martin	Peru	33%	46	3,101	-	647	2,501	25,950	7,479
BEME VOF	Holanda	50%	-	16,415	-	15,509	906	15,616	1,037
Consortio Puentes de Loreto	Peru	34%	1,547	15,586	174	12,512	4,447	15,492	2,876
Consortio Vial Viscachane	Peru	50%	197	1,332	-	829	699	4,009	758
Consortio Vial Acobamba	Peru	50%	81	796	-	162	714	2,737	690

As of 31 December 2021 and 2020, there were no commitments, contingent liabilities and material restrictions regarding the distribution of funds by the companies mentioned above.

20. Other financial investments

At 31 December 2021 and 2020, the breakdown of other financial investments was as follows:

	2021	2020
Other financial investments recorded at amortised cost		
Non-current		
Angolan sovereign bonds	174,296	156,463
Mozambique sovereign bonds	15,854	9,310
Ivory Coast sovereign bonds	-	12,143
	190,150	177,915
Current		
Angolan sovereign bonds	31,112	20,388
Mozambique sovereign bonds	1,141	700
	32,253	21,088
	222,403	199,003
Other financial investments recorded at fair value through other comprehensive income		
BAI-Banco Angolano de Investimentos	36,300	30,796
Concessionária Alternativa Vialles	7,355	1,383
STI	4,938	3,904
Autopista Urbano Tramo Oriente	3,674	-
Auto - Sueco Angola	2,724	2,724
Fundo de Investimento Invesurb	2,422	-
Others	6,987	3,868
	64,400	42,675

Other financial investments recorded at amortised cost

As of 31 December 2021 and 2020, the Angolan and Mozambique 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:

			Maturity according to the nominal value		
2021	Amount (Nominal value)	Interest rate	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				

			Maturity according to the carrying value		
2020	Amount (Nominal value)	Interest rate	1 year	1 - 3 years	> 3 years
Angolan sovereign bonds in Kwanzas	52,477	12% - 16.5%	16,588	24,996	5,166
Angolan sovereign bonds in Kwanzas indexed to USD	75,411	5%	1,893	66,825	-
Angolan sovereign bonds in USD	68,862	5%	1,329	2,964	57,090
Mozambican sovereign bonds in Metical	15,123	variable	700	1,617	7,693
Difference between nominal value and amortised cost and accumulated impairment losses	(25,011)				
Carrying amount	186,861				

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 2020, the Ivory Coast sovereign bonds were not traded in an active market but up to the date of approval of the consolidated financial statements of 2020 they have been fully disposed by its nominal value.

As of 31 December 2021, the GROUP held circa of 222 million euros 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 looking to the evolution of the credit rating of Angola, currently B-, an improvement compared with the previous year (CCC), and of Mozambique, currently CCC. 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 third parties have been showing interest in acquiring them (at values near to their book value), which in case of need can mitigate / overcome a potential liquidity gap.

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 2021, the GROUP determined the fair value of that financial investment through market transaction multiples collected in the last years in Angola and in the African continent (*Price-to-Book Value* and *Price to Earnings*), using a sample of 30 transactions occurred in markets with foreign capital flow restrictions (24 in 2020). The final fair value corresponded to the simple average of the two multiples mentioned above.

As a result of the aforementioned calculations, the GROUP, in the years 2021 and 2020, increased and reduced the fair value of that financial investment in 5,504 thousand euros and 9,976 thousand euros, respectively.

As of 31 December 2021, if the average Price-to-Book Value and Price to Earnings were higher or lower in 10%, the fair value of the financial investment in BAI would increase or decrease by 3,630 thousand euros (3,080 thousand euros as of 31 December 2020), 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 2021 and 2020.

Moreover, as of 31 December 2021 and 2020, a portion of the aforementioned investments, in the amount of approximately 203,000 thousand euros and of 110,000 thousand euros (bonds - nominal value and shares – accounting value), respectively, were used as collaterals to bank loans and bank guarantees obtained in Africa.

In the years ended 31 December 2021 and 2020 the movement occurred in other financial investments was as follows:

	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
	<u>222,403</u>	<u>64,400</u>

	2020	
	At amortised cost	At fair value
Balance at 1 January 2020	222,646	54,088
Increases	60,501	-
Reimbursements	(47,329)	-
Changes in fair value	-	(9,976)
Impairment losses (Note 8)	(8,008)	-
Exchange differences and others	(28,806)	(1,437)
	<u>199,003</u>	<u>42,675</u>

In the year ended 31 December 2021, the caption “Exchange differences and others – at amortised cost” included, essentially, the exchange differences arising from the appreciation of the Angolan Kwanza.

In accordance with the general model for determining 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 the sovereign bonds it held in its portfolio. Nevertheless, in the year ended 31 December 2021, as a result of an improvement in the credit rating of that bond issuer, the GROUP reverted 6,453 thousand euros in impairment losses recorded in 2020.

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 the year ended 31 December 2020, the GROUP received approximately 61,000 thousand euros of sovereign bonds of Angola, Mozambique and Ivory Coast in order to settle some accounts receivable that it held with public entities in those countries.

21. Investment properties

The information regarding the GROUP's investment properties, as of 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Europe - Engineering and Construction	43,230	42,195
Europe - Environment and Services	1,126	3,383
Africa	32,252	27,463
Latin America	18,828	85,524
Others, eliminations and intragroup	16,976	15,000
	112,412	173,565

In the years ended 31 December 2021 and 2020 the movement occurred in investment properties can be analysed as follows:

	2021	2020
Opening balance	173,565	161,753
Increases	728	185
Changes in fair value (Note 6)	(2,367)	16,628
Disposals	(1,901)	(1,316)
Exchange differences	11,690	(20,793)
Changes in perimeter	(69,928)	15,000
Transfers and other movements	626	2,108
	112,412	173,565

The changes in fair value occurred in the year ended 31 December 2021 were justified, essentially, by a plot of land in Angola, but such changes should be analysed together with the exchange differences caption.

The changes in fair value occurred in the year ended 31 December 2020 were justified, essentially, by three plots of land in Mexico and one plot of land in Angola, but such changes should be analysed together with the exchange differences caption.

The exchange differences that occurred in the year ended 31 December 2021 arose, essentially, from the lands held by the GROUP in Mexico, Peru and Angola.

The exchange differences that occurred in the year ended 31 December 2020 arose, essentially, from the lands held by the GROUP in Mexico and Angola.

The changes in the perimeter that 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 in that company in 2021 (Note 42).

The changes in the perimeter that occurred in the year ended 31 December 2020 was justified, essentially, by the change in the consolidation method of the affiliate LOGZ, following the acquisition of 70% of its share capital (Note 42).

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.

As of 31 December 2020, except for one of the investment properties in Mexico in the amount of approximately 17,600 thousand euros, in which a tourism project was being developed with a partner, there were no other obligations of construction, improvement or development in relation to investment properties held by the GROUP.

The results generated by investment properties in the years ended 31 December 2021 and 2020 can be analysed as follows:

	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)	-
Land in Logz	15,000	-	-	-
Building Mota Galiza	8,319	240	434	-
Others	4,642	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)	-

2020				
	Assets value	Rental income	Gains / losses due to changes in fair value (Note 6)	Impairment losses
In Portugal				
Building in Matosinhos	33,180	1,235	79	-
Land in Logz	15,000	-	-	-
Building Mota Galiza	8,319	280	364	-
Others	4,079	6	-	-
	<u>60,578</u>	<u>1,521</u>	<u>444</u>	<u>-</u>
Outside Portugal				
Lands in México	67,042	-	13,166	-
Property in Luanda	25,717	-	4,535	-
Land in Peru	14,213	-	(888)	-
Others	6,016	-	(629)	-
	<u>112,987</u>	<u>-</u>	<u>16,185</u>	<u>-</u>
Total	<u>173,565</u>	<u>1,521</u>	<u>16,628</u>	<u>-</u>

In the years ended 31 December 2021 and 2020, the investment property located in Matosinhos was collateralizing loans obtained in the amount of approximately 17,600 thousand euros and 17,000 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 real estate 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 2021 and 2020 to the main investment properties held by the GROUP can be summarised as follows:

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.
	Promotora e							
Land in Peru	Inmobiliaria 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%

2020					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	33,180		1,732.59 €	n.a.	473.35 €	9.6%
Property in Luanda	MEA	Market method	25,717		187.42 €	n.a.	n.a.	n.a.
Lands in Mexico - Plot I	ME Turismo	Market method	20,726		444.17 €	n.a.	n.a.	n.a.
Lands in Mexico - Plot II	ME Turismo	Market method	18,061		294.01 €	n.a.	n.a.	n.a.
Lands in Mexico - Plot III	ME Turismo	Discounted cash flows	17,625		7,101€	n.a.	3,821.39 €	18.5%
	Promotora e							
Land in Peru	Inmobiliaria Santa Clara	Market method	14,213		135€	n.a.	n.a.	n.a.
Lands in Mexico - Plot IV	ME Turismo	Market method	10,630		981€	n.a.	n.a.	n.a.
Building in Mota Galiza	MERE	Income method	8,319		n.a.	4.44 €	n.a.	7.4%

In the years ended 31 December 2021 and 2020, 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 was as follows (impact on the fair value of the real estate properties):

2021			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	(1,965)	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 imobiliária 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)

2020			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	(1,967)	2,086	8,041	(8,041)	(6,287)	6,287	n.a.	n.a.
Property in Luanda	MEA	Market method	n.a.	n.a.	1,282	(1,282)	n.a.	n.a.	n.a.	n.a.
Lands in Mexico - Plot I	ME Turismo	Discounted cash flows	(1,649)	1,704	6,836	(6,836)	(5,883)	5,883	n.a.	n.a.
Lands in Mexico - Plot II	ME Turismo	Market method	n.a.	n.a.	896	(896)	n.a.	n.a.	n.a.	n.a.
Lands in Mexico - Plot III	ME Turismo	Market method	n.a.	n.a.	823	(823)	n.a.	n.a.	n.a.	n.a.
Land in Peru	Promotora e imobiliária Santa Clara	Market method	n.a.	n.a.	711	(711)	n.a.	n.a.	n.a.	n.a.
Lands in Mexico - Plot IV	ME Turismo	Market method	n.a.	n.a.	520	(520)	n.a.	n.a.	n.a.	n.a.
Building in Mota Galiza	MERE	Income method	(524)	599	n.a.	n.a.	n.a.	n.a.	415	(415)

If an increase occurs in the sale price per square meter, in the rent per square meter or a decrease occurs in the construction cost per square meter or 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 or an increase occurs in the construction cost per square meter or 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 2021 and 2020 can be analysed as follows:

	2021	2020
Gross amount:		
Raw and subsidiary materials and consumables	120,232	98,882
Products and work in progress	75,860	73,828
Finished goods	10,266	11,612
Merchandise	82,900	82,774
Advances on purchases	23,264	10,838
	312,522	277,934
Inventories adjustments:		
Raw and subsidiary materials and consumables	(3,970)	(3,463)
Products and work in progress	(4,713)	(11,285)
Finished goods	(2,955)	(2,575)
Merchandise	(8,195)	(8,391)
	(19,834)	(25,714)
	292,688	252,220

As of 31 December 2021 and 2020, the balance of the caption "Raw and subsidiary materials and consumables" included, essentially, construction materials located in Africa (circa of 84,500 thousand euros and 72,000 thousand euros, respectively), in Portugal (circa of 16,600 thousand euros and 14,000 thousand euros, respectively) and in Poland (circa of 4,100 thousand Euros and 4,300 thousand Euros, respectively).

As of 31 December 2021 and 2020, the balance of the caption "Products and work in progress" referred, essentially, to real estate projects under development in Poland and to real estate projects to be developed in Portugal.

As of 31 December 2021 and 2020, the balance of the caption "Merchandise" referred, essentially, to real estate projects located in Portugal which aim is their sale.

As of 31 December 2021 and 2020, the inventories caption included approximately 141,000 thousand euros and 126,800 thousand euros, respectively, associated with real estate projects.

As of 31 December 2021 and 2020, the portion of inventories expected to be realized in a period higher than 12 months amounts to approximately 200,000 thousand euros and 157,000 thousand euros, respectively.

As of 31 December 2021 and 2020, there were some real estate properties registered under the caption of inventories that were collateralizing loans obtained in the amount of approximately 21,800 thousand euros and 18,700 thousand euros, respectively.

In the years ended 31 December 2021 and 2020 the movement occurred in the inventories adjustments can be analysed as follows:

	2021	2020
Opening balance	25,714	29,550
Increases (Note 8)	1,308	1,574
Decreases (Note 8)	(7,567)	(464)
Utilization	(511)	(4,083)
Transfers, exchange differences and changes in the perimeter	890	(863)
	19,834	25,714

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 2021 and 2020, 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:

2021	Property	Company	Valuation method	Valuation	Key assumptions			
					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	MECE	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%

2020	Property	Company	Valuation method	Valuation	Key assumptions			
					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	37,629	528.92 €	3,055.38 €	n.a.	9.9%
	Real estate project - Poland - III	MECE	Discounted cash-flow method	11,137	1,577.42 €	1,902.60 €	n.a.	6.4%
	Real estate project - Poland - IV	MECE	Discounted cash-flow method	8,170	2,051.64 €	2,273.18 €	n.a.	6.5%
	Real estate project - Poland - I	MECE	Discounted cash-flow method	7,992	859.06 €	1,858.51 €	n.a.	6.4%
	Real estate project - Poland - II	MECE	Discounted cash-flow method	6,483	817.05 €	2,180.42 €	n.a.	6.6%

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):

2021	Property	Company	Valuation method	Sensitivity to key assumptions					
				Discount rate		Construction cost / per square meter		Sale price per square meter / month	
				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	MECE	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)

2020	Property	Company	Valuation method	Sensitivity to key assumptions					
				Discount rate		Construction cost / per square meter		Sale price per square meter / month	
				0.5%	-0.5%	5.0%	-5.0%	5.0%	-5.0%
	Real estate project - Portugal - I	MERE	Discounted cash-flow method	(2,045)	2,175	(3,226)	3,226	5,162	(5,162)
	Real estate project - Poland - III	MECE	Discounted cash-flow method	(31)	31	n.a.	n.a.	575	(575)
	Real estate project - Poland - IV	MECE	Discounted cash-flow method	(73)	56	(327)	327	718	(718)
	Real estate project - Poland - I	MECE	Discounted cash-flow method	(17)	17	(6)	6	405	(405)
	Real estate project - Poland - II	MECE	Discounted cash-flow method	(7)	7	n.a.	n.a.	336	(336)

23. Customers and other debtors

The information regarding customers and other debtors as of 31 December 2021 and 2020 can be analysed as follows:

	Non-current		Current	
	2021	2020	2021	2020
Customers, current account				
Gross amount				
Europe Engineering and Construction	4,384	6,435	154,614	135,927
Europe Environment and Services	516	633	104,038	100,321
Africa	45,387	41,876	620,960	515,805
Latin America	39	124	209,211	164,103
Other, eliminations and intragroup	(169)	(62)	(55,578)	(49,521)
	50,157	49,006	1,033,245	866,634
Accumulated impairment losses	(40)	(50)	(199,760)	(193,985)
	50,116	48,956	833,485	672,650
Customers, notes receivables	-	-	14	15
Total customers	50,116	48,956	833,499	672,665
Associates and related companies				
Gross amount	89,962	23,545	4,823	2,607
Accumulated impairment losses	(2,010)	(3,567)	-	-
	87,951	19,978	4,823	2,607
Advances to suppliers	-	-	55,221	31,483
State and other public entities (except Corporate income tax)	4	6,762	69,727	48,105
Other				
Gross amount				
Europe Engineering and Construction	3,045	3,128	326,922	363,769
Europe Environment and Services	6,005	795	17,754	71,803
Africa	43,764	75,108	97,546	134,161
Latin America	56,962	40,707	104,885	38,614
Other, eliminations and intragroup	(0)	4	(354,036)	(379,237)
	109,776	119,743	193,072	229,110
Accumulated impairment losses	(2,583)	(19,011)	(25,865)	(42,293)
	107,193	100,732	167,207	186,818
Other debtors	195,148	127,472	296,978	269,013
Total customers and other debtors	245,265	176,428	1,130,477	941,678

As of 31 December 2021 and 2020, the balance of the caption "Customers, current account - Gross amount - Africa" included, approximately, 38,300 thousand euros and 45,000 thousand euros, respectively (of which 35,000 thousand euros and 38,000 thousand euros classified as non-current, respectively), associated with a landfill 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 2021, the increase in the caption "Customers, current account - Gross amount - Africa" was essentially due to an increase in activity during the year, namely in Angola and Ivory Coast.

In the year ended 31 December 2021, the increase in the caption "Customers, current account - Gross amount - Latin America - Current" was essentially due to an increase in activity during the year, namely in Mexico, Colombia and in Panama.

As of 31 December 2021 and 2020, the balance of the caption "Associates and related companies" referred, essentially, to loans granted to the GROUP' associated companies. In the year ended 31 December 2021, the increase recorded under this caption was essentially due to the change in the consolidation method of MOTA-ENGIL TURISMO (from the full consolidation method to the equity method), following the loss of control in this company, which holds, among others, accounts payable to MOTA-ENGIL MÉXICO.

In the year ended 31 December 2021, the decrease in the caption "Other - Gross amount - Europe Environment and Services" was essentially due to the sale of accounts receivables (intragroup) to MOTA-ENGIL EUROPA.

As of 31 December 2021, the balance of the caption "Other - Gross amount - Africa - 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 an impairment loss of circa of 23,000 thousand euros to deal with the effect of the time value of money.

As of 31 December 2021 and 2020, the amounts of 35,000 thousand euros and 68,000 thousand euros, respectively, from that account receivable, were classified as non-current, and 14,000 thousand euros and 17,000 thousand euros, respectively, were classified as current. On the other hand, on those dates, the impairment losses recorded for that account receivable amounted to 9,700 thousand euros and 17,000 thousand euros, respectively.

In the year ended 31 December 2021, the increase in the caption “Other - Gross amount - Latin America” was due, essentially, to two operations which have not yet been settled: (i) sale of accounts receivable to MOTA-ENGIL EUROPA; and (ii) the disposal of a financial investment to MOTA-ENGIL TOURISM BV, which as of 31 December 2021 start to be consolidated through the equity method.

As of 31 December 2021 and 2020, the balance of the caption “Other - Gross amount - Latin America - Non-current” referred, essentially, to accounts receivable from the Latin America GROUP partners, which bear interest, and, only in 2021, to a portion (of circa of 20 million euros) of a receivable in the medium and long term associated with the partial disposal of the tourism business in Mexico (Note 42).

In the years ended 31 December 2021 and 2020, the movement occurred in the accumulated impairment losses of customers and other debtors can be analysed as follows:

	2021	2020
Customers and others debtors:		
Opening balance	258,907	255,897
Increases (Note 8)	28,233	37,717
Decreases (Note 8)	(14,651)	(9,002)
Utilization	(30,052)	(1,943)
Transfers, exchange differences and changes in the perimeter	(12,178)	(23,762)
	230,259	258,907

In the year ended 31 December 2021, the utilization of accumulated impairment losses was justified, essentially, by MOTA-ENGIL AMBIENTE E SERVIÇOS and was associated with credits resulting from the acquisition of SUB-GRUPO TERTIR.

In the year ended 31 December 2020, the caption “Transfers, exchange differences and changes in the perimeter” included, approximately, 8,600 thousand euros related with exchange differences generated, essentially, from companies / entities located in Angola.

As of 31 December 2021 and 2020, 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 between 7% and 20% in the Africa segment (7% and 25% in the year of 2020) and 11.1% in the Latin America segment (11.8% in the year of 2020).

The exposure of the GROUP to credit risk is attributable, mostly, to the accounts receivable of 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 interests when the collection terms established with their customers are observed (usually less than 1 year). Once those terms are not accomplished, interests 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 2021 and 2020 can be analysed as follows:

	2021		2020	
	Non-current	Current	Non-current	Current
Europe Engineering and Construction	-	57,482	-	55,799
Europe Environment and Services	-	2,814	-	11,862
Africa	-	393,006	-	297,974
Latin America	-	226,199	-	297,783
Others	-	13,735	-	5,464
	-	693,236	-	668,882

The movement occurred in the years ended 31 December 2021 and 2020 in the contract assets and liabilities, excluding the advances component, can be analysed as follows:

Balance at 1 January 2021	640,126
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	3,700
Balance at 31 December 2021	657,370
Contract assets	693,236
Contract liabilities - Deferred income (Note 34)	(35,866)
	657,370
Balance at 1 January 2020	543,625
Transfers to customers and other debtors	(465,367)
Increases due to the accomplishment of new performance obligations not yet invoiced	599,206
Changes to the estimates performed in previous years	(17,124)
Exchange differences, changes in the perimeter and others	(20,213)
Balance at 31 December 2020	640,126
Contract assets	668,882
Contract liabilities - Deferred income (Note 34)	(28,756)
	640,126

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 and, on the positive side, by the markets of Angola and Peru.

In the year ended 31 December 2020, the changes to the estimates performed in previous years were justified, essentially, on the negative side, by the markets of Brazil, Angola, Uganda and Malawi, and on the positive side, by the Mexican market.

25. Other assets

The information regarding other assets as of 31 December 2021 and 2020 can be analysed as follows:

	Non-current		Current	
	2021	2020	2021	2020
Accrued income				
Interest receivable	-	-	3,699	3,422
Other accrued income	3,244	-	-	-
	3,244	-	3,699	3,422
Deferred costs				
Insurance	372	239	13,809	13,395
Costs associated with the fulfilment of a contract	15,872	-	12,955	11,647
Other deferred costs (Others)	16,314	9,307	41,697	47,779
	32,558	9,546	68,461	72,821
	35,802	9,546	72,160	76,243

As of 31 December 2021 and 2020, 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 construction projects being performed by the GROUP.

As of 31 December 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 a construction project, which was jointly awarded with a partner in previous years.

As of 31 December 2021, the caption "Other deferred costs (Others)" corresponded essentially to tariff deviations to recover, generated by SUBGRUPO EGF concessionaires.

26. Corporate income tax

The information regarding the corporate income tax by operating segment as of 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Europe - Engineering and Construction	533	1,069
Europe - Environment and Services	329	534
Africa	20,113	11,972
Latin America	10,554	9,919
Others, eliminations and intragroup	69	329
	31,598	23,824

27. Cash

The information regarding the captions “Cash and cash equivalents with recourse - Demand and Term deposits” as of 31 December 2021 and 2020 can be analysed as follows:

	Demand deposits		Term deposits		Total	
	2021	2020	2021	2020	2021	2020
Other treasury applications	2,203	2,995	-	-	2,203	2,995
Bank deposits and cash in hand						
Bank deposits	341,499	325,944	58,765	79,646	400,264	405,589
Cash in hand	3,094	9,760	-	-	3,094	9,760
	346,796	338,699	58,765	79,646	405,561	418,344

The information regarding the caption “Cash and cash equivalents without recourse - Demand deposits” at 31 December 2021 and 2020 can be analysed as follows:

	Demand deposits	
	2021	2020
Bank deposits and cash in hand		
Bank deposits	37,069	31,479
Cash in hand	20	28
	37,088	31,507

The amounts of “Cash and cash equivalents without recourse - Demand deposits” are related, essentially, with the EGF SUBGROUP companies.

As of 31 December 2021 and 2020, in order to prepare the consolidated statement of cash flows, the balance of the caption “Cash and cash equivalents” presented the following breakdown:

	Total	
	2021	2020
With recourse	405,561	418,344
Without recourse	37,088	31,507
Amounts blocked or pledged	(58,765)	(79,646)
	383,884	370,206

As of 31 December 2021 and 2020, there were 58,765 thousand euros and 79,646 thousand euros, respectively, recorded under the caption of “Cash and cash equivalents” 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 2021 and 2020, the amounts included under the caption “Cash and cash equivalents” presented the following geographic source:

	2021	2020
Portugal	170,159	199,396
Mexico	55,697	37,396
Peru	35,521	16,354
Angola	32,967	19,216
Mozambique	25,025	24,956
Poland	24,556	64,042
Netherlands	24,427	4,768
Zimbabwe	20,806	20,229
Ivory Coast	13,164	27,169
Brazil	3,535	5,906
Mauritius	0	4,106
Others	36,792	26,313
	442,649	449,851

28. Non-current assets and liabilities held for sale

The information regarding non-current assets and liabilities held for sale as of 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Financial investment in Lineas subgroup (Others, eliminations and intragroup segment)	89,396	89,396
Assets associated with the operations in Ireland and in the United kingdom (Europe Engineering and Construction segment)	49,981	-
Assets of Takargo (Others, eliminations and intragroup segment)	31,114	31,278
Others	7,285	6,293
Non-current assets held for sale	177,776	126,967

	2021	2020
Liabilities associated with the operations in Ireland and in the United kingdom (Europe Engineering and Construction segment)	49,082	-
Liabilities of Takargo (Others, eliminations and intragroup segment)	24,299	30,229
Non-current liabilities held for sale	73,380	30,229

In the last quarter of 2015, the MOTA-ENGIL SGPS Board of Directors decided to dispose the financial investment held in LINEAS. Therefore, in accordance with IFRS 5, the assets and liabilities associated with such affiliate were reclassified to the captions “Non-current assets held for sale” and “Non-current liabilities held for sale”.

Following the aforesaid, and in order to execute the disposal of that financial investment, an agreement was established in February 2016 with Ardian Infrastructure for the disposal of the financial investments held by LINEAS in ASCENDI PT and in ASCENDI PT II, companies which directly or indirectly held the financial investments in the concessionaires and operators ASCENDI NORTE, ASCENDI BEIRAS LITORAL E ALTA, ASCENDI COSTA DE PRATA, ASCENDI GRANDE PORTO and ASCENDI GRANDE LISBOA.

The above-mentioned agreement also included the disposal of the assets directly or indirectly held by LINEAS in the sub concessionaires and operators ASCENDI PINHAL INTERIOR and ASCENDI DOURO INTERIOR, in AUVISA, in VIA VERDE PORTUGAL, in ASCENDI O&M, in ASCENDI IGI and in ASCENDI SERVIÇOS, for a total amount of circa of 600 million euros, to which 53 million euros can be added through a variable price mechanism.

The first stage of the agreement was completed by the end of December 2016 through the disposal of ASCENDI PT and of ASCENDI PT II, being complemented in January 2017 with the disposal of VIA VERDE PORTUGAL and with the disposal of 75% of ASCENDI SERVIÇOS.

On the other hand, during the years 2017 and 2018, the disposals of AUVISA, ASCENDI PINHAL INTERIOR, SCUTVIAS and VIALITORAL were concluded.

In the year ended 31 December 2019, against its initial intention, Ardian Infrastructure informed LINEAS about its intention of not acquiring ASCENDI DOURO INTERIOR.

Additionally, during the year ended 31 December 2020, the sale of 25% of the share capital held in ASCENDI SERVIÇOS was concluded, and agreements were established with third parties for the sale of ASCENDI DOURO INTERIOR, CRT and COPEXA.

Lastly, in the year ended 31 December 2021, the disposal of COPEXA was concluded.

Thus, at the present date, the sales of LINEAS, LUSOPONTE, CRT and ASCENDI DOURO INTERIOR have not yet been concluded, and, as mentioned above, the GROUP has already received proposals for their disposal, which are being operationalized. However, it is the intention of the Board of Directors to conclude the disposal process of LINEAS and its subsidiaries in the short term, always dependent on the authorizations of the Grantors and of the financing entities.

Taking in consideration the proposals received for the disposal of the remaining assets of LINEAS, as well as, its financial debt, the fair value of the financial investment held at that entity, less the estimated costs with its sale, exceeds its carrying amount.

In the years ended 31 December 2021 and 2020, since the application of the equity method has been suspended, the GROUP did not record any results associated with the LINEAS SUBGROUP in those years. As of 31 December 2021 and 2020, the breakdown of the non-current assets and liabilities held for sale associated with the LINEAS SUBGROUP was as follows:

	2021	2020
Financial investments in associated companies	89,396	89,396
	89,396	89,396

Furthermore, in the year ended 31 December 2019, the GROUP's Board of Directors decided to proceed with the disposal of the financial investment it held in TAKARGO - TRANSPORTES DE MERCADORIAS, S.A. (others, eliminations and intragroup segment).

As of 31 December 2021 and 2020, the detail of the non-current assets and liabilities held for sale associated with TAKARGO - TRANSPORTES DE MERCADORIAS, S.A was as follows:

	2021	2020
Assets		
Non-current		
Intangible assets	447	509
Tangible assets	11,189	1,831
Right of use assets	13,071	22,839
Financial investments in associated companies	51	484
Deferred tax assets	-	2
	24,757	25,665
Current		
Customers and other debtors	4,441	4,435
Other current assets	1,569	906
Cash and cash equivalents with recourse – Demand deposits	347	272
	6,357	5,613
Total Assets	31,114	31,278
Liabilities		
Non-current		
Lease liabilities	12,465	13,353
Suppliers and sundry creditors	-	2,622
Provisions	980	980
	13,445	16,955
Current		
Loans with recourse	2,851	2,774
Lease liabilities	982	917
Suppliers and sundry creditors	6,185	8,655
Other current liabilities	836	928
	10,853	13,274
Total Liabilities	24,299	30,229

Lastly, in the year ended 31 December 2021, the GROUP's Board of Directors decided to proceed with the disposal of its operations in Ireland and in the United Kingdom (Europe – Engineering and Construction segment).

As of 31 December 2021, the detail of the non-current assets and liabilities held for sale associated with the operations in Ireland and in the United Kingdom were as follows:

	Ireland and United Kingdom
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	
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

In the year ended 31 December 2021, the contribution of TAKARGO and of the operations in Ireland and in the United Kingdom to the income statement of the GROUP was as follows:

	Takargo
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)

	Ireland and United Kingdom
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

The disposal of the operations in Ireland and in the United Kingdom was concluded during the month of January 2022 and generated a gain of approximately 5 million euros.

29. Share capital and reserves

Share capital

The share capital of MOTA-ENGIL SGPS, as of 31 December 2021 and 2020, fully subscribed and paid up, amounted to 306,775,950 euros and 237,505,141 euros, respectively, and was represented by 306,775,950 shares and 237,505,141 shares, respectively, 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 2021 and 2020, 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 2021 and 2020, the GROUP did not acquire nor dispose own shares.

As of 31 December 2021 and 2020 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.

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 subsidiaries expressed in a currency other than euro and cannot be distributed to shareholders or used to absorb losses.

In the year ended 31 December 2021, the movements in this caption were due, essentially, to the appreciation of the Angolan Kwanza and the Mozambican Metical, as well as, the depreciation of the Zimbabwe Dollar.

In the year ended 31 December 2020, the movements in this caption were due, essentially, to the depreciation of the Angolan Kwanza, the Zimbabwe Dollar, the Mozambican Metical, the Malawian Kwacha and the Mexican Peso.

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 30 June of 2021, the net loss of the year ended 31 December 2020 was fully transferred to the caption "Retained earnings".

As approved in the General Shareholders Meeting held on the 18 June of 2020, the net profit of the year ended 31 December 2019 was fully transferred to the caption "Free reserves".

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 2021 and 2020, MOTA-ENGIL GROUP presented an accounting gearing of 40% and 12%, 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 - term and demand deposits; cash and cash equivalents without recourse - demand deposits and other financial investments recorded at amortised cost.

Proposals for the application of the net profit of the year

The standalone Management Report presents the following proposals:

"The Board of Directors proposes to the annual general meeting the coverage of negative retained earnings in the amount of 28,100,076 euros and 99 cents, by transfer of the heading of "Other Reserves" and the following distribution of the net income for the year, in the amount of 42,340,980 euros and 16 cents, which already includes the amounts of 500,000 euros and 250,000 euros assigned to the distribution of profits, respectively, by the Board of Directors, pursuant to Article 27(2) of the Statute, and by employees:

- For the legal reserve, 5% of the net income of the period, totalling 2,117,049 Euro and 1 cent;
- For immediately distribution to shareholders, 5.175 euro cents per share, tax captives, in the overall value of 15,875,655 euros and 41 cents; and
- for free reserves, the remainder, in the amount of 24,348,275 euros and 74 cents.

In the event of approval of the proposal above, the Board of Directors proposes additionally to the annual general meeting, subject to the condition set out below, an additional distribution to shareholders of 1.725 euro cents per share, in the overall value of 5,291,885 euros and 14 cents.

This additional distribution is subject to the condition that the consolidated net income attributable to the GROUP, to be verified at the end of the first half of 2022, is more than 50% of the 2021 consolidated net income attributable to the GROUP, i.e. more than 10,820.5 thousand euros.

Once the above-mentioned condition has been verified in light of the consolidated half-yearly accounts, the production of the effects of the resolution that takes place will take place on 1 October 2022.

In the event of such condition not being met, that amount of net income for the year shall remain, immediately after the non-verification of the condition, in the caption of free reserves, and shall not be distributed to the shareholders."

30. Loans

The amounts regarding loans with recourse as of 31 December 2021 and 2020 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
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
2020						
Non-convertible bond loans	20,155	119,310	219,551	-	338,862	359,016
Amounts owe to credit institutions:						
Bank loans	594,059	211,012	228,126	9,083	448,221	1,042,279
Overdraft facilities	118,232	-	-	-	-	118,232
Revolving facilities	50,818	-	-	-	-	50,818
Other loans obtained:						
Commercial paper issues	131,032	8,250	2,500	-	10,750	141,782
Others	329	82	2	-	84	414
	914,624	338,654	450,180	9,083	797,917	1,712,541

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 right to pursue the use of those programmes while they are in force, it recorded those commercial paper issues as due in the medium and long term.

As of 31 December 2021 and 2020, 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 of 31 December 2020, as a result of the non-compliance by MOTA-ENGIL SGPS and some of its subsidiaries of some of the covenants established in the financing contracts they entered into, and since the respective creditors could request their early repayment, an amount of, approximately, 228,000 thousand euros of loans was reclassified from non-current to current loans. However, during the year of 2021, the related financial institutions did not request early payment for any of these loans.

The amounts regarding loans without recourse as of 31 December 2021 and 2020 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
2021						
Amounts owed 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
2020						
Amounts owed to credit institutions:						
Bank loans	15,503	19,689	90,970	13,955	124,614	140,117
Overdraft facilities	2,056	-	-	-	-	2,056
Revolving facilities	25,384	-	-	-	-	25,384
Other loans obtained:						
Commercial paper issues	2,500	2,500	6,189	-	8,689	11,189
	45,443	22,189	97,158	13,955	133,303	178,746

As of 31 December 2021 and 2020, 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 TRATAMIENTO).

Additionally, as of 31 December 2021 and 2020, the average maturity of the loans (with and without recourse) was 2.3 and 2.4 years, respectively.

As of 31 December 2021 and 2020, the movement occurred in loans was as follows:

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	-	-	18,289
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	1,790,514

2020	Non-convertible bond loans	Bank loans	Overdrafts facilities	Revolving facilities	Commercial paper issues	Other loans	Total
Opening balance	414,371	1,148,387	57,114	82,629	166,179	246	1,868,924
Transactions with impact in cash-flow:							
Loans receipts	57,119	359,594	93,652	734,634	283,720	187	1,528,906
Amortizations and repayments of loans	(114,263)	(280,143)	(29,818)	(733,907)	(296,812)	(230)	(1,455,173)
	(57,144)	79,451	63,835	727	(13,092)	(43)	73,733
Transactions with no impact in cash-flow:							
Exchange differences	-	(48,051)	(660)	(7,154)	-	211	(55,654)
Recognition of amortized cost	1,790	1,603	-	-	(116)	-	3,277
Changes in the perimeter and transfers	-	1,006	-	-	-	-	1,006
Closing balance	359,016	1,182,397	120,288	76,202	152,971	414	1,891,287

As of 31 December 2021 and 2020, the main bond loans and commercial paper programmes issued by the GROUP in force on those dates were as follows:

2021						
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 Engenharia e Construção África	Dec-17	Dec-23	Euribor 6M+5%	iv)	13,333	
Suma	Aug-21	Feb-26	Euribor 6M+2.625%	iii)	13,000	
Mota-Engil Latin America BV	Dec-17	Dec-23	Euribor 6M+5%	v)	5,000	
Commercial paper programmes:						
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
Resinorte	Aug-16	Feb-25	Euribor 6M + 3%		8,689	112 months
Mota-Engil Europa	Dec-18	Dec-24	Euribor of the period +1.5%		5,000	Direct placement: from 7 days to 6 months
Suma	Jul-14	Jul-23	Euribor 12M + 3.5%		5,000	110 months
Suma	Dec-18	Dec-23	Euribor 6M + 1.7%		5,000	61 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;

iv) Interest and repayment in 10 half-yearly instalments;

v) Interest and repayment in 12 half-yearly instalments.

2020						
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	Nov-18	Nov-22	Fixed rate 4.5%	ii)	110,000	
Mota-Engil SGPS	Jan-18	Jan-23	Fixed rate 4%	ii)	60,510	
Mota-Engil Engenharia e Construção África	Dec-17	Dec-23	Euribor 6M+5.00%	iii)	20,000	
Mota-Engil SGPS	Jun-18	Jun-21	Euribor 3M 360 + 3.5%	ii)	12,570	
Mota-Engil Latin America BV	Dec-17	Dec-23	Euribor 6M+5%	iv)	7,500	
Commercial paper programmes:						
Mota-Engil SGPS	Aug-19	Feb-21	Euribor of the period + 2.75%		27,584	7 to 181 days
Mota-Engil SGPS	Jun-19	Dec-21	Rate determined by agreement between the issuer and the placement entities		25,900	3 to 397 days
Mota-Engil Europa	Dec-15	Jun-22	Euribor of the period + 4.70%		25,000	Direct placement: from 7 days to 6 months
Resinorte	Aug-16	Feb-25	Euribor 6M + 3%		11,189	104 months
Suma	Dec-18	Dec-21	Euribor 12M + 2%		10,000	37 months
Mota-Engil SGPS	Oct-17	Oct-22	Euribor 3M + 4%		7,650	90 days
Suma	Dec-18	Dec-23	Euribor 6M + 1.7%		7,500	61 months
Mota-Engil SGPS	May-19	May-23	Euribor 6M + 2.25%		6,250	7 days to 6 months
Suma	Dec-18	Dec-21	Euribor 12M + 1.5%		5,500	37 months
Mota-Engil SGPS	Feb-18	Jan-21	Euribor of the period + 3%		5,000	7 to 365 days
Mota-Engil Europa	Dec-18	Nov-21	Euribor of the period +1.5%		5,000	Direct placement: from 7 days to 6 months
Mota-Engil Engenharia e Construção	May-19	May-23	Euribor of the period + 2.25%		3,125	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 a single repayment upon the term of the contract;

iii) Interest and repayment in 12 half-yearly instalments;

iv) Interest and repayment in 10 half-yearly instalments.

As of 31 December 2021 and 2020, the loans obtained through other financing contracts higher than 10,000 thousand euros can be analysed as follows:

2021		
Issuer	Type of loan	Amount in debt
Other operations:		
Mota-Engil, SGPS	Medium and long term loan	190,848
Mota-Engil, SGPS	Short term loan	45,909
Mota-Engil, SGPS	Revolving facilities	10,700
Mota-Engil Engenharia e Construção África	Medium and long term loan	162,157
Mota-Engil Engenharia e Construção África	Short term loan	118,181
Suma Tratamento	Medium and long term loan	39,283
Mota-Engil Europa	Medium and long term loan	32,683
Mota-Engil Europa	Short term loan	46,527
Mota-Engil Angola	Medium and long term loan	26,708
Mota-Engil Engenharia e Construção	Short term loan	19,246
Mota-Engil México	Medium and long term loan	15,734
Mota-Engil Railway Engineering	Medium and long term loan	13,531
Mota-Engil Real Estate Portugal	Medium and long term loan	12,500
Geradora Fenix	Medium and long term loan	11,789
Mota-Engil Peru	Medium and long term loan	10,642

2020		
Issuer	Type of loan	Amount in debt
Other operations:		
Mota-Engil, SGPS	Medium and long term loan	38,644
Mota-Engil, SGPS	Short term loan	208,955
Mota-Engil, SGPS	Revolving facilities	10,600
Mota-Engil Engenharia e Construção	Medium and long term loan	34,937
Mota-Engil Engenharia e Construção	Short term loan	27,972
Mota-Engil Engenharia e Construção	Overdraft facilities	12,025
Mota-Engil Europa	Medium and long term loan	25,643
Mota-Engil Europa	Short term loan	35,065
Mota-Engil Real Estate Portugal	Short term loan	11,986
Mota-Engil Engenharia e Construção África	Medium and long term loan	133,408
Mota-Engil Engenharia e Construção África	Short term loan	100,552
Mota-Engil Engenharia e Construção África	Overdraft facilities	41,564
Generadora Fenix	Short term loan	16,825
Mota-Engil Peru	Medium and long term loan	10,718
Mota-Engil México	Medium and long term loan	19,500
Clean Eburnie	Medium and long term loan	15,866
Mota-Engil Ambiente e Serviços	Medium and long term loan	10,371
Suma Tratamento	Medium and long term loan	43,495

31. Other financial liabilities

The information regarding the other financial liabilities as of 31 December 2021 and 2020 can be analysed as follows:

	Non-current		Current	
	2021	2020	2021	2020
Factoring	-	-	229,170	224,233
Payment management operations	-	-	111,101	-
	-	-	340,271	224,233

The caption “Payment management operations” includes the balances related with confirming operations and other similar operations.

As of 31 December 2021 and 2020, the movement occurred in other financial liabilities was as follows:

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

2020	Factoring	Sale of credits	Total
Opening balance	112,481	95,674	208,156
Transactions with impact in cash:			
Loans receipts	264,622	-	264,622
Amortizations	(152,859)	(95,674)	(248,533)
	111,763	(95,674)	16,088
Transactions without impact in cash:			
Exchange differences	(11)	-	(11)
Closing balance	224,233	-	224,233

32. Derivative financial instruments

The information regarding the derivative financial instruments entered into by the GROUP as of 31 December 2021 and 2020 can be analysed as follows:

Cash-flows hedges							Fair value	
Affiliates	Type	Counterpart	Begin	Notional	Contracted rates	Term	2021	2020
Mota-Engil, SGPS	Swap	Bank of China	Apr-20	69,000	Swap 6M -0.5% if Euribor 6M > 0.5%, otherwise 0	Mar-25	149	1
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	38
							150	39
Mota-Engil, SGPS	LimitSwapFloor	Société Generale	Nov-19	105,000	Swap Euribor 6M for fixed rate 0.128%	Aug-24	(35)	(57)
Mota-Engil México	Swap	Banobras	Jun-21	37,591	Swap TIE 28 days for fixed rate 5.2625%	Jul-22	(130)	(44)
Mota-Engil, SGPS	Swap	JP Morgan	Sep-17	22,500	Swap Euribor 6M for fixed rate -0.02%	Jun-21	-	(7)
Mota-Engil, SGPS	Swap	JP Morgan	Jun-18	11,000	Swap Euribor 3M for fixed rate -0.03%	Dec-21	-	(30)
Mota-Engil Latin America BV	Swap	CAIXA BI	Mar-18	7,500	Swap Euribor 6M for fixed rate -0.381%	Dec-23	(48)	(240)
Mota-Engil Engenharia e Construção África	Swap	CAIXA BI	Jun-18	6,667	Swap Euribor 6M for fixed rate 0.54%	Dec-23	(41)	(95)
Mota-Engil, SGPS	Swap	JP Morgan	Jun-18	4,000	Swap Euribor 6M for fixed rate -0.01%	Aug-21	-	(117)
Mota-Engil, SGPS	Swap	JP Morgan	Jun-18	3,250	Swap Euribor 3M for fixed rate -0.03%	Oct-22	(4)	-
							(258)	(590)
Total non-current assets							149	39
Total current assets							1	-
Total non-current liabilities							(123)	(482)
Total current liabilities							(135)	(108)
							(108)	(551)

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 at 31 December 2021 and 2020 can be analysed as follows:

	Non-current		Current	
	2021	2020	2021	2020
Suppliers				
Europe Engineering and Construction	18,073	13,914	162,305	198,846
Europe Environment and Services	5	-	41,847	38,792
Africa	6,235	6,122	319,964	265,184
Latin America	446	1,534	150,730	155,743
Others, eliminations and intragroup	(205)	(493)	(88,218)	(108,988)
	24,555	21,076	586,627	549,577
Suppliers of fixed assets	0	-	32,260	28,199
Associates and other shareholders	37,220	23,940	19,879	5,014
Advances on sales of financial investments	-	-	56,499	47,371
State and other public entities (except Corporate income tax)	-	-	106,393	86,679
Other creditors	7,150	25,401	103,858	84,477
	44,371	49,341	318,888	251,740
	68,925	70,418	905,516	801,317

As of 31 December 2020, the caption "Suppliers" included the amount of, approximately, 32,800 thousand euros related to supplier payment management operations. As of 31 December 2021, those operations are recorded under the caption "Other financial liabilities".

As of 31 December 2021 and 2020, the caption "Others, eliminations and intragroup" included, essentially, balances between the companies from the Africa segment and the companies of the Europe Engineering and Construction segment (in 2021 and 2020) and, in 2021, between the companies of the Africa segment and other companies of the GROUP (MOTA-ENGIL SGPS and subsidiaries of MOTA-ENGIL CAPITAL).

As of 31 December 2021 and 2020, the caption "Associates and other shareholders" included, essentially, the balances due to GROUP partners, namely the ones of MOTA-ENGIL MEXICO and CLEAN EBURNIE.

As of 31 December 2021 and 2020, the caption "Advances on sales of financial investments" included the amounts of approximately 56,500 thousand euros and 47,400 thousand euros, respectively, associated with the future sale of two motorways concessionaires in Mexico (Note 18).

It is the GROUP's Board of Directors belief that the amount at which the above-mentioned 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 2021 and 2020 can be analysed as follows:

	2021		2020	
	Non-current	Current	Non-current	Current
Advances received from customers:				
Europe - Engineering and Construction	430	16,273	-	40,879
Europe - Environment and Services	5,038	13,387	6,614	6,990
Africa	40,931	107,136	-	123,559
Latin America	-	130,654	-	76,916
	46,399	267,450	6,614	248,344
Deferred income:				
Europe - Engineering and Construction	-	6,534	-	14,270
Africa	-	19,873	-	13,253
Latin America	-	9,459	-	1,233
	-	35,866	-	28,756
	46,399	303,317	6,614	277,100

The movement occurred in the years ended 31 December 2021 and 2020 in the advances received from customers can be analysed as follows:

Balance at 1 January 2021	254,958
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
Exchange differences, changes in the perimeter and others	8,810
Balance at 31 December 2021	313,849
Balance at 1 January 2020	253,149
Revenue recognized in the year associated with liabilities recorded in previous years	(122,828)
Advances received in the year, net of revenue recognized in the same year	142,109
Exchange differences, changes in the perimeter and others	(17,473)
Balance at 31 December 2020	254,958

35. Other liabilities

The information regarding other non-current liabilities as of 31 December 2021 and 2020 can be analysed as follows:

Other non-current liabilities	2021	2020
Investment grants	148,847	147,677
Work in progress not invoiced by suppliers	5,357	4,973
Others	15,325	12,649
	169,529	165,299

As of 31 December 2021 and 2020, the caption "Investment grants" referred, essentially, to the companies of EGF SUBGROUP.

The information regarding other current liabilities as of 31 December 2021 and 2020 can be analysed as follows:

Other current liabilities	2021	2020
Accrued costs		
Holiday pay and holiday bonus	43,364	34,715
Interest payable	26,780	29,132
Work in progress not invoiced by suppliers	470,361	484,469
Other accrued costs	26,145	8,281
	566,649	556,596
Deferred income		
Investment grants	14,900	19,440
Other deferred income	15,342	19,051
	30,242	38,491
	596,891	595,088

As of 31 December 2021, the caption “Work in progress not invoiced by suppliers” presented the following breakdown by business segment (before intragroup eliminations): 246,000 thousand euros in the Africa segment (203,900 thousand euros in 2020), 146,300 thousand euros in the Latin America segment (170,000 thousand euros in 2020) and 68,300 thousand euros in the Europe Engineering and Construction segment (87,100 thousand euros in 2020).

As of 31 December 2021 and 2020, the caption “Other deferred income” included the amounts of 3,000 thousand euros and 4,300 thousand euros, respectively, related to interest in arrears charged to customers which were deferred until the moment of their receipt and 9,900 thousand euros and 6,800 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	Grants recognition			
	Asset value	Deferred income	Income recognised in 2021	Income recognised in 2020
Algar ^(a)	76,188	8,309	1,160	1,166
Amarsul ^(a)	67,735	13,194	1,821	1,897
Correia & Correia	3,158	64	12	12
Enviroil II	4,187	1,368	106	451
Ersuc ^(a)	161,449	23,266	3,173	6,302
Mota-Engil Real Estate Portugal	1,331	671	-	-
Resiestrela ^(a)	32,156	8,966	695	983
Resinorte ^(a)	130,510	40,053	2,730	3,188
Resulima ^(a)	38,925	24,627	193	211
Suldouro ^(a)	46,430	9,357	958	1,027
Valnor ^(a)	47,444	9,733	733	1,108
Valorlis ^(a)	34,739	5,746	471	564
Valorminho ^(a)	6,007	1,974	242	212
Valorsul ^(a)	188,675	16,420	2,606	2,317
Triu	1,139	0	2	2
		163,747	14,902	19,440

(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 policy disclosed in Note 1.4. i)

36. Corporate income tax

The information regarding corporate income tax by operating segment as of 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Europe Engineering and Construction	2,616	1,903
Europe Environment and Services	2,670	2,559
Africa	14,440	8,399
Latin America	5,669	7,729
Others, eliminations and intragroup	229	150
	25,623	20,740

37. Provisions

The information regarding provisions as of 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Provisions for investments accounted by the equity method	1,048	575
	1,048	575
Sundry provisions		
Provisions for construction warranties	39,121	34,411
Liabilities arising from defined benefit pension plans (Note 39)	22,157	18,000
Legal proceedings	16,250	15,842
Sealing and monitoring of landfills	8,044	7,319
Other contingencies	37,610	27,451
	123,182	103,023
	124,230	103,598

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 and to MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO AFRICA's branch in Mozambique.

Provisions for legal proceedings included, as of 31 December 2021 and 2020, respectively 10,334 thousand euros (63,889,400 Peruvian Soles – nominal value – equivalent as of 31 December 2021 to 13,889 thousand euros) and 10,431 thousand euros (60,000,000 Peruvian Soles – nominal value – equivalent as of 31 December 2020 to 13,636 thousand euros) related to the agreement established with INDECOPI (Note 40).

Provisions for the sealing and monitoring of landfills refer, essentially, to the companies of the SUMA SUBGROUP.

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 2021 and 2020 can be analysed as follows:

	2021	2020
Provisions for investments accounted under the equity method		
Opening balance	575	5,688
Increases	316	108
Decreases	(35)	(340)
Transfers, exchange differences and changes in the perimeter	192	(4,881)
	1,048	575
Sundry provisions		
Opening balance	103,023	100,899
Increases (Note 8)	15,618	15,666
Decreases (Note 8)	(880)	(13,757)
Utilizations	(451)	(3,968)
Transfers, exchange differences and changes in the perimeter	5,872	4,182
	123,182	103,023

In the years ended 31 December 2021 and 2020, the caption of "Transfers, exchange differences and changes in the perimeter" was justified, essentially, by exchange differences generated mostly by the subsidiaries located in Angola (in 2021 and 2020), and in Mozambique, Mexico and Ruanda (in 2021).

As of 31 December 2021 and 2020, except for the provisions recorded for the sealing and monitoring of landfills, 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 2021 and 2020, the dates on which the provision associated with INDECOPI will be used are as follows:

2021	Amount
September 30, 2022	1,462
September 30, 2023	2,193
September 30, 2024	2,924
September 30, 2025	3,655
September 30, 2026	3,655
	13,889
Difference to present value	(3,555)
Provision present value	10,334

Date	Amount
September 30, 2021	682
September 30, 2022	1,364
September 30, 2023	2,045
September 30, 2024	2,727
September 30, 2025	3,409
September 30, 2026	3,409
	13,636
Difference to present value	(3,206)
Provision present value	10,431

38. Non-controlling interests

As of 31 December 2021 and 2020, the companies controlled by the GROUP which present the most significant non-controlling interests were as follows:

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	38.50%	1,389	29,163	Urbaser (38.5%) Vista Energy (41%)
Vista Waste	43.86%	3,074	23,850	Mota-Engil Angola (10%); (a) Prodi (49%)
Mota-Engil México	49.00%	3,004	17,005	Ashkora Capital (44.59%) LF del Centro S.C. (9%)
Generadora Fénix	73.73%	3,895	12,815	Ashkora Capital (48.99%)
FSE Suministradora Fénix SAPI	71.12%	3,700	12,851	Municipality of Almada (12%) Municipality of Seixal (9%) Municipality of Setúbal (8%) Municipality of Barreiro (7%) Municipality of Moita (5%) Other municipalities (9%)
Amarsul	49.00%	3,017	4,056	SACYR Construccion Mexico (42%) Constructora Real Occidente (15%) Grupo Promotor de Desarrollo e Infraestructura (21.12%)
Consorcio GDL Túnel	78.12%	2,961	742	
Other		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%).

2020	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%	16,672	56,521	Sonangol (20%) Rosenberg (29%)
Valorsul	68.67%	1,141	30,673	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	38.50%	1,444	24,345	Urbaser (38.5%)
Fideicomiso Fairmont Costa Canuva	73.14%	535	20,394	Instituto de Pensiones del Estado de Jalisco (26.86%)
Vista Waste	43.86%	5,815	17,569	Vista Energy (41%) Mota-Engil Angola (10%); (a)
Mota-Engil Turismo	56.87%	4,563	(9,071)	Askora Capital (48.04%) Other investors (8.83%)
Other		(2,417)	94,214	
		27,753	234,646	

(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 2021 and 2020, the amounts included under the caption “Other – Accumulated non-controlling interests” refer, essentially, to SUMA TRATAMENTO, to the remaining subsidiaries of EGF SUBGROUP (in 2021 and 2020), to the remaining subsidiaries of SUMA (in 2021), to MOTA-ENGIL MEXICO (in 2020), to EMPRESA CONSTRUTORA BRASIL (in 2021 and 2020), to GENERADORA FENIX and to FSE SUMINISTRADORA FENIX (2020).

As of 31 December 2021 and 2020, 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:

2021	Mota-Engil Angola	Valorsul	Suma	Vista Waste	Mota-Engil México	Generadora Fénix	FSE Suministradora Fénix SAPI	Amarsul	Consortio GDL Tónel
Financial Position									
Current assets	131,488	34,321	153,744	12,552	130,102	8,180	40,821	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

2020	Mota-Engil Angola	Valorsul	Suma	Fideicomiso Fairmont Costa Canuva	Vista Waste	Mota-Engil Tourism
Financial Position						
Current assets	131,488	13,728	158,714	6,626	12,085	48
Non-current assets	229,144	92,647	29,687	21,260	45,791	56,453
Current liabilities	239,437	26,162	73,590	-	13,009	50,582
Non-current liabilities	40,673	35,546	51,578	-	4,804	21,871
Equity attributable to shareholders	24,001	13,995	38,888	7,491	22,493	(6,881)
Non-controlling interests	56,521	30,673	24,345	20,394	17,569	(9,071)
	80,522	44,668	63,233	27,886	40,063	(15,952)
Income Statement						
Income	199,282	58,026	48,803	3,592	70,980	17,780
Expenses	165,258	56,364	45,052	2,860	57,722	9,755
Net profit	34,024	1,661	3,751	732	13,259	8,025
attributable to:						
shareholders	17,352	520	2,307	197	7,444	3,461
non-controlling interests	16,672	1,141	1,444	535	5,815	4,563

In the years ended 31 December 2021 and 2020 the movement occurred in non-controlling interests can be analysed as follows:

	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 assets 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 FENIX 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 relate to the change in percentage held in the energy business in Mexico and circa of 10,100 thousand euros related to the change in the consolidation method of CONSTRUTORA GRAND CANAL, from the equity method to the full consolidation method.

	2020
Balance at 31 December 2019	251,703
Net profit attributable to non-controlling interests	27,753
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	(53,814)
Changes, net of tax, in the tangible assets revaluation surplus	5,235
Other comprehensive income	(4,016)
Dividend distribution (a)	(4,673)
Share capital Increases / decreases	(885)
Changes in the consolidation perimeter and in the non-controlling interests (b)	13,869
Others	(526)
	234,646

(a) Of which circa of (2,040) thousand euros related to FENIX and circa of (2,065) thousand euros related to MOTA-ENGIL ANGOLA.

(b) Of which circa of (7,000) thousand euros related to the partial disposal of APP COATZOCOALCOS and circa of 11,500 thousand euros related to capital increases in FIDECOMISO EL CAPOMO.

As of 31 December 2021 and 2020, 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 2021 and 2020, 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 2021 and 2020, 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:

	2021	2020
Responsibilities to pensioners	12,733	1,408
Responsibilities to founding shareholders directors	9,424	16,592
Provisions	22,157	18,000
% of coverage	100%	100%

In the year ended 31 December 2021, as a result of the retirement of two former founding shareholders directors, the pension responsibilities increased, when compared with 31 December 2020, in circa of 11,300 thousand euros. Nevertheless, a significant part of that increase was recorded against the reduction of the responsibilities with the directors that are still in office.

The information regarding the movement occurred in the liabilities with pension plans in the years ended as of 31 December 2021 and 2020 can be analysed as follows:

	2021	2020
Liabilities at beginning of the year	18,000	13,796
Benefits paid	(590)	(95)
Current service cost	425	303
Interest cost	134	139
Actuarial Losses / (Gains)	4,188	3,857
Liabilities at year end	22,157	18,000

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 year ended 31 December 2020, the actuarial deviations were justified by the reduction in the discount rate, by the increase in the wage bill higher than the estimated and by an increase in the expected retirement age of the beneficiaries.

In the years ended 31 December 2021 and 2020, the amounts recognised in the consolidated income statement regarding pension plans with defined benefits amounted to 559 thousand euros and 442 thousand euros, respectively. In addition, in those years, the amounts of -4,188 thousand euros and -3,857 thousand euros, respectively, referring to the actuarial and financial deviations verified, were recognized in the consolidated statement of other comprehensive income.

As of 31 December 2021 and 2020, 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:

	2021	2020
Mortality table	TV 73/77	TV 73/77
Invalidity table	EKV80	EKV80
Discount rate	0.90%	0.75%
Expected salary increase rate	1.0%	1.0%
Pensions discount rate	0.90%	0.75%
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 settlement of the liabilities.

Based on the actuarial valuation carried out at 31 December 2021, the best estimate for the pensions to be paid in 2022 arise to 236 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 2021 and 2020, if the salaries growth rate increased 0.5%, the present value of the liabilities would be increased circa of 236 thousand euros and 248 thousand euros, respectively.

As of 31 December 2021 and 2020, if the discount rate was higher or lower 0.5% the present value of the liabilities would be decreased and increased by 1,087 and 1,175 thousand euros and by 971 and 1,052 thousand euros, respectively.

As of 31 December 2021, the duration of the liabilities amounted to 11 years.

40. Contingent Assets and Liabilities

As of 31 December 2021 and 2020, 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:

	2021	2020
Czech Crown	5,636	5,703
US Dollar	334,890	312,590
Cape Verdean Escudo	231	243
Euros	360,566	366,875
Angolan Kwanza	57,153	25,809
Malawian Kwacha	16,195	23,470
Mozambican Metical	5,777	4,339
Peruvian Nuevo Sol	33,752	42,801
Colombian Peso	185,544	203,043
Mexican Peso	271,893	59,602
Brazilian Real	132,583	85,344
Polish Zloty	145,023	153,131
Others	173,556	105,471
	1,722,799	1,388,421

As of 31 December 2021 and 2020, the detail of the guarantees provided by company of the GROUP is as follows:

	2021	2020
Consorcio Lamat Tramo 1 SAPI	196,804	-
Mota-Engil Engenharia	180,652	157,678
Mota-Engil Central Europe Polónia	146,276	162,423
MEEC África	136,755	213,987
Mota-Engil Engenharia Colombia Branch/Mota-Engil Colombia	98,746	108,059
Mota-Engil Peru	89,156	88,512
Empresa Construtora Brasil	77,817	54,927
Mota-Engil Angola	57,407	26,469
MEEC África - Ivory Coast Branch	39,247	40,695
Consorcio Línea Panama Norte	36,757	-
Suma/EGF Group	36,274	47,775
Mota-Engil México	33,484	46,036
Mota-Engil Engenharia Malawi Branch	33,048	40,188
Mota-Engil Engenharia Mozambique Branch	21,778	35,248
Vibeiras	12,072	11,595
Generadora Fenix	-	1,795
Other	526,526	353,035
	1,722,799	1,388,421

As of 31 December 2021 and 2020, the amount of guarantees provided by the GROUP to the Portuguese tax authorities associated with tax proceedings amounted to 84,657 thousand euros (80,613 thousand euros in 2020) with the following breakdown: 78,896 thousand euros through surety insurances (73,194 thousand euros in 2020); 848 thousand euros through guarantees (848 thousand euros in 2020); and 4,913 thousand euros through bank guarantees (4,913 thousand euros in 2020). Additionally, during the year of 2020, the GROUP was subject to a correction performed by the Portuguese tax authorities related to Corporate Income Tax in the amount of 14,400 thousand euros. 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 liabilities were recorded in the accompanying consolidated financial statements.

On the other hand, as of 31 December 2021, 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 141,000 thousand euros in the quality of defendant (113,000 thousand euros as of 31 December 2020). In this regard, it should be highlighted that out of the amount above-mentioned: (i) 51,000 thousand euros are concentrated on two proceedings (one in Portugal and other in Slovakia) which go on for more than ten years and (ii) that around 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 15 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, for which it was expected that the Constitutional Court of Slovakia would confirm the favourable verdict issued in the past, regarding facts occurred in 2004, it changed its position, despite the facts and the legal framework being the same. However, and without prejudice to the right to appeal, namely within the scope of the European jurisdiction and institutions, the Board of Directors considers, based on the opinion of reputed legal advisers, that, taking in consideration a very peculiar procedural framework and distorted assumptions, the basis of the administrative decision underlying the referred proceeding, namely the respective prescription and / or expiration, and the respective (pecuniary) penalty, shall always lack implementation, which probability is remote.

Regarding the proceeding of 2021, (see (ii) above), it is important to highlight that it is 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 2022. Nevertheless, considering the technical and legal advice obtained, mainly concerning the legal characterisation of the resolution act of the contract and the corresponding consequences, and also considering a favourable decision by another court regarding the reasonableness of the request concerning the execution of the bank guarantee performed by the client, 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 2020, the GROUP joined 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 3,300 thousand euros at the exchange rate of 31 December 2021). 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.

Lastly, in January 2020, the Peruvian Competition Authority (INDECOPI) initiated an investigation procedure regarding anti-competitive practices, occurred between 2002 and 2016, which involved some companies / entities of MOTA-ENGIL GROUP, as well as, 35 other construction companies operating in Peru and 28 individual people. During 2020, following conversations with INDECOPI, an agreement was established with this entity through which the GROUP companies / entities involved compromised to: (i) strengthen their compliance procedures; (ii) comply with the competitive parameters determined by INDECOPI; and (iii) make a cash endowment of approximately 14,200 thousand euros over the next six years for activities related to research, promotion and defence of anti-competitive practices. As of 31 December 2021 and 2020, that liability is recorded under the caption "Provisions" (Note 37).

41. Related parties

As of 31 December 2021 and 2020, as well as, in the years ended on those dates, the balances and transactions maintained with related parties, corresponding to associated and jointly controlled companies (recorded under the equity method), as well as, with the GROUP' shareholders with a holding interest higher than 10% and with other companies / entities held by those shareholders were as follows:

2021	Accounts receivable	Accounts payable	Loans granted	Loans obtained
Associated companies	123,404	35,557	82,483	21,898
Jointly controlled companies	15,351	7,228	2,234	5,354
Shareholders and companies with common shareholders to the Group	7,529	199	-	-
2020	Accounts receivable	Accounts payable	Loans granted	Loans obtained
Associated and jointly controlled companies	78,697	45,831	15,566	16,366
Shareholders and companies with common shareholders to the Group	5,032	11,104	272	692

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
Jointly controlled companies	2,063	1,208	-	-
Shareholders and companies with common shareholders to the Group	682	2,223	-	-
2020	Sales and services rendered	Cost of goods sold, mat. cons. and Subcontractors	Interest income	Interest expense
Associated and jointly controlled companies	187,675	1,717	1,458	1,788
Shareholders and companies with common shareholders to the Group	547	836	-	-

As of 31 December 2021 and 2020, the list of associated and jointly controlled companies are presented in Appendix A.

As of 31 December 2021, MOTA-ENGIL SGPS was directly held by MOTA GESTÃO E PARTICIPAÇÕES, SGPS, S.A. (MGP) in 38.41% and by EPOCH CAPITAL INVESTMENTS BV (EPOCH) in 32.41%. On that date, no other shareholder held more than 10% of the share capital of the Company. On the other hand, as of 31 December 2021, MGP was held 100% by FM-SOCIEDADE DE CONTROLO, SGPS, S.A., which in turn was owned 100% by the individual shareholders indicated below. Lastly, on that date, EPOCH was held 59% by CHINA COMMUNICATIONS CONSTRUCTION GROUP, which holding position is attributed to the People's Republic of China.

As of 31 December 2020, MOTA-ENGIL SGPS was directly held in 56.48% by MOTA GESTÃO E PARTICIPAÇÕES, SGPS, S.A. (MGP) and 1.30% by ANTÓNIO DO LAGO CERQUEIRA, S.A., which in turn was owned in 51% by MGP. On that date, no other shareholder held more than 10% of the share capital of the Company. Likewise, on that date, MGP was owned by FM – SOCIEDADE DE CONTROLO, SGPS, S.A. in 100%, which in turn was owned in 100% by the following individual shareholders:

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 2021 and 2020, 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;
- (iv) The entities controlled by the people referred to in (ii).

As of 31 December 2021 and 2020, the companies held by the above-mentioned entities / individuals with whom the GROUP had transactions and balances during the years ended on these dates were as follows:

Agrimota - Soc. Agrícola e Florestal, Lda
Cerâmica do Boialvo, Lda
Eaglestone NV
Epoch Capital Investments BV
Fundação Manuel António da Mota
Horizone, Lda
Imogera, Lda
Mota Gestão e Participações SGPS, SA
Sociedade Agrícola Moura Bastos SA
Sunviauto - Industria de Componentes Automóveis, S.A.

Lastly, in the year ended 31 December 2020, MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO ÁFRICA acquired, for 22,730 thousand euros, 100% of the share capital of AMGP AGRICULTURA, S.A. (AMGP AGRICULTURA) from MGP (Note 42), as well as, an amount of 1,600 thousand euros of loans that MGP had granted to AMGP AGRICULTURA. As of 31 December 2020, circa of 7,000 thousand euros were still to be settled and justified, on that date, the majority of the balances of accounts payable to shareholders and companies with common shareholders to the GROUP.

That transaction, carried out between related parties, taking into consideration the amounts involved and the fact that it does not fit into the GROUP'S current activity, was subject to approval by its Board of Directors during the year of 2019, as well as, it obtained a favourable opinion from the Statutory Audit Board.

As of 31 December 2021 and 2020, 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 Bebião 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 ⁽¹⁾
Ismael Antunes Hernandez Gaspar ⁽¹⁾
Jinhgun Wang ⁽²⁾
João Pedro dos Santos Dinis Parreira ⁽¹⁾
Jorge Paulo Sacadura Almeida Coelho ⁽⁴⁾
José Pedro Matos Marques Sampaio de Freitas ⁽¹⁾
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.

The remuneration attributed to the members of the Board of Directors during the years ended 31 December 2021 and 2020 arose to 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) and 4,692 thousand euros (of which 4,073 thousand euros as fixed remuneration, 281 thousand euros as other remuneration, 0 thousand euros as variable remuneration and 338 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 2021 and 2020, information regarding the above-mentioned pension plan is disclosed in Note 39, being the liability of the GROUP towards the above-mentioned directors of 9,424 thousand euros and 16,592 thousand euros, respectively.

In the years ended 31 December 2021 and 2020, 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 2021, the companies / entities included in the accompanying consolidated financial statements, respective consolidation methods, head quarters, effective holding percentages, activities, incorporation dates and acquisition dates are presented in Appendix A.

In the years ended 31 December 2021 and 2020, the changes occurred in the consolidation perimeter were as follows:

Acquisition of companies

2020:

Business area - Africa
AMGP Agricultura, S.A.
Empresa Agrícola e Florestal, Lda.

The impacts on the accompanying consolidated financial statements resulting from the acquisition of AMGP AGRICULTURA can be detailed as follows:

	At the acquisition date	Adjustments to fair value	Total	2020
Net assets acquired				
Cash and cash equivalents	861	50,063	50,924	50,658
Customers and other debtors and other assets	14	-	14	14
Cash and cash equivalents	102	-	102	102
Suppliers and sundry creditors and other liabilities	(2,649)	-	(2,649)	(2,649)
Deferred tax liabilities	-	(11,264)	(11,264)	(11,324)
Total net assets acquired	(1,672)	38,799	37,127	36,800
Percentage acquired - 55%		[I]	20,420	
Acquisition cost:		[II]	(22,370)	
Payments in cash 2019			(5,000)	
Payments in cash 2020			(9,000)	
Outstanding amounts			(8,370)	
Revaluation of previously held interests		[III]	16,707	
			(5,663)	
Acquisition difference determined and recorded in the consolidated statement of changes in equity		[I] + [II] + [III]	14,757	
Net cash flow from the acquisition (Note 43)				
Amounts paid			(9,000)	
Cash and cash equivalents acquired			102	
			(8,898)	

	Since the acquisition date (September 2020)	12 months
Third-party supplies and services	(4)	(5)
Other operating income / (expenses)	-	(0)
Amortizations and depreciations	(267)	(267)
Financial gains and losses	(0)	(0)
Income before taxes	(271)	(272)
Income tax	60	60
Net profit of the year	(211)	(212)

On September 9, 2020, the GROUP acquired 100% of AMGP AGRICULTURA, which in turn held 55% of the share capital of EMPRESA AGRÍCOLA E FLORESTAL. The remaining 45% of the share capital of EMPRESA AGRÍCOLA E FLORESTAL was held by MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO. Following this transaction, maintained with an entity under common control, the GROUP recorded the same in accordance with the purchase method and proceeded with the revaluation of the interests previously held in EMPRESA AGRÍCOLA E FLORESTAL (Note 1.3 e)).

AMGP AGRICULTURA is a Portuguese entity that, indirectly through a 55% owned company (EMPRESA AGRÍCOLA E FLORESTAL, LDA.) dedicates itself to the planting, exploitation, industrial transformation and commercialization in agricultural-forestry products (namely cashew and cocoa) in the province of Cabinda in Angola. As explained in Note 15, in August 2020, the surface right was renewed (for 60 years renewable) over an area of approximately 16,000 hectares.

Lastly, for the purposes of determining the transaction price in 2020, it was considered, essentially, an external appraisal requested to a specialized company (Zenki Real Estate, Lda. - entity registered as an expert appraiser in the Capital Market Commission of Angola and a subsidiary of CBRE).

Participation increases

2021:

Business area - Latin America
Consorcio Mota-Engil TR (currently controlled company, previously jointly controlled)
Construtora Gran Canal SAPI de C.V. (currently controlled company, previously held with significant influence)
ECOSS Ambiental Serviços de Limpeza Urbana - SPE Ltda. (company previously and currently held with significant influence) ^(a)
FSE Comercializadora Fenix, SAPI de C.V. (company already controlled)
FSE Suministradora Fenix, SAPI de C.V. (company already controlled)
Geradora Fenix (company already controlled)
Geres Participações, S.A. (company already controlled) (a)
Mota-Engil Energy Holding Mexico, SAPI de C.V. (company already controlled)
Mota-Engil Energia, S.A. 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)
Suma Brasil - Serviços Urbanos e Meio Ambiente, S.A. (company already controlled) (a)

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 with an (a) above. Following that transaction, no material effects occurred in the consolidated financial statements.

In addition, as a result of the remaining transactions referred above, there were no material effects in the consolidated income statement of the year.

2020:

Business area - Africa
Estradas do Zambeze, S.A. (company not controlled previously held in 40%)
Operadora Estradas do Zambeze, S.A. (company not controlled previously held in 40%)
Holding company of the Group and others
Logz - Atlantic Hub, S.A. (company not controlled previously held in 30%)
Manvia II Condutas, Lda. (company not controlled previously held in 45%)

On April 2, 2020, the GROUP acquired, from LINEAS (40%) and from a third party (15%), an additional stake of 55% in ESTRADAS DO ZAMBEZE and OPERADORA ESTRADAS DO ZAMBEZE share capital, as well as, the GROUP acquired an additional stake of 70% in LOGZ share capital.

The impacts on the accompanying consolidated financial statements resulting from the additional acquisitions of ESTRADAS DO ZAMBEZE, OPERADORA ESTRADAS DO ZAMBEZE and LOGZ can be detailed as follows:

Estradas do Zambeze	At the acquisition date	Adjustments to fair value	Total	2020
Net assets acquired				
Tangible and intangible assets	241	7,910	8,151	7,748
Inventories	-	-	-	99
Customers and other debtors and other assets	29,871	(20,832)	9,040	6,426
Deferred tax assets	-	-	-	55
Cash and cash equivalents	776	-	776	128
Loans	(2,292)	-	(2,292)	(1,006)
Suppliers and sundry creditors and other liabilities	(20,655)	10,987	(9,668)	(8,487)
Deferred tax liabilities	(63)	-	(63)	-
Total net assets acquired	7,878	(1,935)	5,943	4,962
Percentage acquired - 55%		[I]	3,219	
Acquisition cost 1 (settled through an offsetting of accounts)		[II]	(878)	
Acquisition cost 2 (settled through an offsetting of accounts)		[III]	967	
Revaluation of previously held interests		[IV]	(3,406)	
			(3,317)	
Acquisition difference temporarily determined and recorded in the consolidated income statement		[I] + [II] + [III] + [IV]	(98)	
Net cash flow from the acquisition (Note 43)				
Amounts paid			-	
Cash and cash equivalents acquired			776	
			776	

Estradas do Zambeze	Since the acquisition date (April 2020)	12 months
Sales and services rendered	9,220	13,250
Cost of goods sold, mat. cons. and changes in production	(3,089)	(4,867)
Third-party supplies and services	(3,998)	(4,626)
Wages and salaries	(738)	(1,141)
Other operating income / (expenses)	706	540
Amortizations and depreciations	(476)	(525)
Financial gains and losses	(900)	(1,191)
Income before taxes	725	1,440
Income tax	(136)	(343)
Net profit of the year	589	1,097

In the year ended 31 December 2021, there were no changes to the acquisition difference temporarily determined on 31 December 2020.

The fair value of the assets and liabilities acquired, as well as, the respective revaluation of interests previously held, were determined based on the transaction price established with the entity external to the GROUP.

Logz	At the acquisition date	Adjustments to fair value	Total	2020
Net assets acquired				
Investment properties	26,170	(11,170)	15,000	15,000
Customers and other debtors and other assets	92	-	92	100
Cash and cash equivalents	722	-	722	722
Loans	(10,608)	-	(10,608)	-
Suppliers and sundry creditors and other liabilities	(27,657)	25,273	(2,384)	(15,828)
Other liabilities	(6,075)	1,047	(5,028)	(12)
Total net assets acquired	(17,355)	15,150	(2,206)	(18)
Percentage acquired - 70%		[I]	(1,544)	
Acquisition cost (settled through an offsetting of accounts)		[II]	(1,156)	
Revaluation of previously held interests		[III]	4,553	
			3,397	
Acquisition difference determined and recorded in the consolidated income statement - Note 11		[I] + [II] + [III]	1,853	
Net cash flow from the acquisition (Note 43)				
Amounts paid			-	
Cash and cash equivalents acquired			722	
			722	

Logz	Since the acquisition date (January 2020)	12 months
Sales and services rendered	295	295
Third-party supplies and services	(55)	(55)
Wages and salaries	(56)	(56)
Other operating income / (expenses)	(1)	(1)
Financial gains and losses	(802)	(802)
Income before taxes	(618)	(618)
Income tax	(1)	(1)
Net profit of the year	(619)	(619)

The fair value of the investment property was determined taking into consideration a purchase proposal made by a third party.

Companies consolidated through the full consolidation or by the equity method for the first time in the year

2021:

Holding company of the Group and others
Luso Global Mining Cameroon, S.A.
Business area - Africa
Mota-Engil Nigeria Limited
Mota-Engil Trading (Beijing) Co. Ltd.
Mota-Engil Uganda Limited
Business area - Latin America
Comercializadora Costa Canuva
Consorcio Hospitalario Chavin
Consorcio Línea Panama Norte
CTR Santa Luzia Tratamento e Disposição de Resíduos Ltda.
Promotora de Autopistas del Oriente S.A. de CV

2020:

Holding company of the Group and others
Botelho, Silva & Abreu, Lda.
Business area - Latin America
AUSUR S.A.

Incorporation of companies

2021:

Holding company of the Group and others
MERESOL I – Real Estate, Lda.
MERESOL II – Real Estate, Lda.
Business area - Africa
Infraconnect Eighteen Kenya Limited
Infraconnect Fifteen Kenya Limited
KARP Joint Venture
Mamaland - Produção Agroflorestal, Lda.
Meeecake Holdco Limited
MEIM Morila SARL
Mota-Engil Mali SARL
Mota-Engil Kenya - Road Construction, Operation and Maintenance, Sociedade Unipessoal Lda.
Business area - Latin America
AZPAU Entretenimiento, SAPI de C.V.
Colombia ME S.A.S.
Concesiones e Infraestructuras Andina
Consorcio Planeta Rica
Constructora Conexión Oriente, S.A. de CV
Constructora Cuapiaxtla - Cuacnopalan, S.A. de CV
Constructora Cuapiaxtla - Cuacnopalan II, S.A. de CV
Mais ITAPEVI - SPE S/A
Minería Y Engenharia Andina

2020:

Holding company of the Group and others
Luso Global Mining, S.A.
Mota-Engil Mediação de Seguros, S.A.

Business area - Europe Engineering and Construction
ME-Central Europe PPP 4
MEREM - Asset Management Sp. Z.o.o.
Project Development 4 Sp. Z.o.o.
Project Development 5 Sp. Z.o.o.
Project Development 6 Sp. Z.o.o.

Business area - Africa
Mota-Engil Engenharia e Construção África PTY LTD
Mota-Engil Guiné Mandiana, SARL
Twine, Lda

Merger of companies and corporate reorganisations

2021:

Holding company of the Group and others
Manvia II Condutas, Lda. (in Manvia - Manutenção e Exploração de Instalações e Construção, S.A.)

Business area - Latin America
Global Technical Services Latam BV (in Mota-Engil Latin America B.V.)

Exit of companies

2021:

Holding company of the Group and others
Bay-Park Koriátolt Felelősségű Társaság Kft. (liquidated)
Gesar - Gestão de Águas Residuais do Algarve (liquidated)
Haçor, Conc. Edifício do Hospital da Ilha Terceira, S.A. (disposed)

Business area - Europe Engineering and Construction
Project Development 6 Sp. Z.o.o. (disposed)

2020:

Holding company of the Group and others
Hungária Hotel Ingatlanforgalmazó, Kereskedelmi, és Szolgáltató Kft. (liquidated)
Mercado Urbano - Gestão Imobiliária, SA. (disposed)
Nortenha Angola, SGPS, S.A. (disposed)
Vetor Diálogo (disposed)

Business area - Africa
Busegera Airport Rwanda (disposed)
Mota-Engil Africa (PTY) Limited (liquidated)

Business area - Latin America
Eco Innovacion Ambiental SAPI de CV (disposed)
Gestión e Innovación en Servicios Ambientales SA de CV (disposed)

In the year ended 31 December 2021, the GROUP proceeded with the disposal of the financial investment it held in HAÇOR. The result generated by that transaction can be summarized as follows:

	2021
Book value of the assets sold	(I) 3,139
Amount of swap recycling - Note 18	(II) 3,833
Sale price (received in cash - Note 43)	(III) 8,775
Gain recognised (recorded in Gain / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies - Note 11)	(III) - (I) - (II) 1,804

As a result of the sale of the other companies above-mentioned, in addition to the results disclosed in Note 11, there were no material impacts in the accompanying consolidated financial statements.

In the year ended 31 December 2020, the GROUP sold 100% of the share capital of MERCADO URBANO – GESTÃO IMOBILIÁRIA, S.A.. The result generated by that transaction can be summarized as follows:

	2020
Book value of the assets sold	(I) (6,676)
Amount received in cash	(II) 6,605
Gain recognised (recorded in Gains / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies - Note 11)	(I) + (II) (71)

Participation decreases

2021:

Holding company of the Group and others
Sunviauto Internacional, SGPS, S.A.
Business area - Latin America
Flame Investments, B.V.
Fideicomiso el Capomo
Fideicomiso Fairmont Costa Canuva
Mota-Engil Tourism, B.V.
Mota-Engil Turismo Holding, S.A.P.I. de C.V.
Mota-Engil Turismo, S.A. de C.V.

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 these entities, which have as main activity 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 by 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
Inventory	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 until 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	
Recycling of exchanges differences recorded in equity		[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 contractual terms, the portion of the sale price not settled until 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
Sales and services rendered	17
Third-party supplies and services	(3,541)
Wages and salaries	(1,073)
Other operating income / (expenses)	(355)
Amortisation and Provisions	5,281
Financial gains and losses	(3,307)
Income before taxes	(2,979)
Income tax	828
Net profit of the year	(2,151)

2020:

Business area - Europe Engineering and Construction
Immo Park, Sp. z o.o.
Business area - Latin America
APP Coatzacoalcas Villahermosa SAPI de C.V.

During the year 2020, the GROUP sold 94.97% of IMMO PARK's share capital (losing control over this entity), as well as, sold 37% of APP COATZACOALCOS VILLAHERMOSA's share capital (losing control over this entity, but maintaining significant influence over it).

The results generated with the transactions above-mentioned can be summarized as follows:

	Immo Park	APP
Partial sale transaction:		
Book value of the net assets sold	(I)	2,012
		9,610
Amount received (in cash)	(II)	4,253
Result generated with the sale	(III) = (II) - (I)	10,536
		926
Revaluation effect due to loss of control:		
Revaluation of previously held interests	IV	141
		1,033
Total result	(V) = (III) + (IV)	2,381
		1,959

Changes in the consolidation method

2021:

Change in the consolidation method from the full integration method to the equity method in Latin America
Concesionaria Cua SAPI de C.V.

As a result of the transaction referred above (loss of control), there were no material effects in the accompanying consolidated financial statements.

In addition, as of 31 December 2021, 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 special class of shares, that allow the Group to nominate the Board of Directors.
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 votes 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.
Concessionária Cua SAPI	66,66%	Equity	Although holding the majority of the capital, the Group, through a shareholders agreement established with other shareholder of the subsidiary, is not capable of making decisions on relevant matters without the consent from the other shareholder.
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, holds the majority of the economic and voting rights.
Azpau	57,50%	Equity	Although holding the majority of the capital, through a shareholders agreement established with other shareholder of the subsidiary, the Group is not capable of making decisions on relevant matters of the entity without the consent from the other shareholder.

Lastly, in the year ended 31 December 2021, 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 2021.

43. Appendix to the Consolidated Statement of Cash-Flows

In the years ended 31 December 2021 and 2020, the amounts paid related with the acquisition of financial investments can be detailed as follows:

	2021	2020
Capital contributions and capital increases at Concesionaria Cua, Concessionária Autopista Cardel, APP Tamaulipas, Autopista Urbana Siervo de la Nación, Concessionária Autopista Tuxpan-Tampico and AZPAU (Latin America segment)	29,316	-
Acquisition of AMGP Agricultura (Africa segment)	8,370	8,898
Loans and capital calls in MERESOL I and MERESOL II (Others, eliminations and intragroup segment)	2,130	-
Capital contributions and capital increases at Concessionária Autopista Cardel, Concessionária Autopista Tuxpan-Tampico and Autopista Urbana Siervo de la Nación (Latin America segment)	-	10,990
Others	1,009	220
	40,825	20,108

In the years ended 31 December 2021 and 2020, the amounts received related with the disposal / reimbursement of financial investments can be detailed as follows:

	2021	2020
Reimbursement / disposal of public debt securities from Angola, Ivory Coast and Mozambique (Africa segment)	35,989	-
Disposal of Haçor (Others, eliminations and intragroup segment)	8,776	-
Partial disposal of ME Tourism BV (Latin America segment)	2,076	-
Loan reimbursement from Wvb Project Company VBA (Latin America segment)	1,586	-
Reimbursement / disposal of public debt securities from Angola and Malawi (Africa segment)	-	47,329
Disposal of APP (Latin America segment)	-	10,536
Disposal of Mercado Urbano (Others, eliminations and intragroup segment)	-	6,605
Disposal of Immo Park (Europe - Engineering and Construction segment)	-	3,706
Acquisition of Estradas do Zambeze (Africa segment)	-	776
Acquisition of Logz (Others, eliminations and intragroup segment)	-	722
Others	896	259
	49,323	69,933

In the years ended 31 December 2021 and 2020, the amounts paid related with dividends can be detailed as follows:

	2021	2020
Shareholders of Constructora Gran Canal	9,259	-
Shareholders of Generadora Fenix	4,474	2,022
Shareholders of EGF's subsidiaries	251	2,369
Others	99	483
	14,084	4,874

In the years ended 31 December 2021 and 2020, the amounts received related with dividends can be detailed as follows:

	2021	2020
BAI	543	1,664
Others	773	472
	1,316	2,136

44. Business segments

The GROUP uses its internal organisation for management purposes as the basis for its reporting of information by operating segments.

The GROUP is organised according to geographical areas: EUROPE ENGINEERING AND CONSTRUCTION, EUROPE ENVIRONMENT AND SERVICES, AFRICA AND LATIN AMERICA.

The amounts related to MOTA-ENGIL, SGPS and to MOTA-ENGIL CAPITAL and its subsidiaries were included under the caption "Other, eliminations and intragroup", which also includes the amounts related to the transactions and balances maintained between the companies of the different operating segments.

These segments were identified taking in consideration the fact that they correspond to the GROUP units that develop activities where it is possible to identify separately income and expenses, for which separate financial information is produced, for which the operating results are reviewed by management and over which decisions are taken.

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 operating segment can be analysed as follows:

2021	Europe Engineering and Construction	Europe Environment and Services	Africa	Latin America	Other, eliminations and intra-group	Mota-Engil Group
Sales and services rendered (a)	664,282	355,107	897,754	646,436	28,197	2,591,776
Cost of goods sold, mat. cons. and changes in production (b)	(170,667)	(21,868)	(269,035)	(181,910)	19,600	(623,880)
Gross margin (c) = (a) + (b)	493,614	333,239	628,720	464,527	47,796	1,967,896
Third-party supplies and services (d)	(334,684)	(144,332)	(269,052)	(232,725)	(2,276)	(983,069)
Wages and salaries (e)	(115,133)	(104,226)	(142,372)	(159,034)	(42,821)	(563,586)
Other operating income / (expenses) (f)	4,140	12,607	(19,061)	19,200	(26,496)	(9,609)
EBITDA (g) = (c) + (d) + (e) + (f)	47,937	97,288	198,235	91,968	(23,796)	411,632
Amortizations and depreciations (h)	(20,700)	(60,503)	(104,056)	(23,587)	(1,418)	(210,264)
Provisions and impairment losses (i)	(4,362)	2,349	(6,905)	(4,998)	(2,959)	(16,875)
[of which, Impairment for non-current assets]	915	-	(6,414)	313	-	(5,186)
EBIT (j) = (g) + (h) + (i)	22,876	39,134	87,273	63,383	(28,173)	184,493
Financial income and gains	18,482	5,682	105,357	25,951	(14,739)	140,733
Financial costs and losses	(18,372)	(17,515)	(136,562)	(67,349)	(27,279)	(267,078)
Gains/(losses) in associates and jointly controlled companies	(74)	901	103	(5,953)	5,676	653
Gains/(losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	8	(57)	-	46,681	2,582	49,213
Net monetary position	-	-	11,124	-	-	11,124
Income before taxes	22,919	28,144	67,295	62,714	(61,932)	119,140

2020	Europe Engineering and Construction	Europe Environment and Services	Africa	Latin America	Other, eliminations and intra-group	Mota-Engil Group
Sales and services rendered (a)	715,138	335,112	760,907	595,401	22,577	2,429,134
Cost of goods sold, mat. cons. and changes in production (b)	(205,037)	(17,462)	(193,642)	(131,607)	(12,842)	(560,591)
Gross margin (c) = (a) + (b)	510,100	317,650	567,265	463,794	9,735	1,868,544
Third-party supplies and services (d)	(362,779)	(150,467)	(241,422)	(224,514)	8,989	(970,194)
Wages and salaries (e)	(111,440)	(96,741)	(123,642)	(146,785)	(41,036)	(519,644)
Other operating income / (expenses) (f)	(168)	13,823	(12,052)	(7,885)	7,832	1,550
EBITDA (g) = (c) + (d) + (e) + (f)	35,713	84,264	190,150	84,609	(14,481)	380,256
Amortizations and depreciations (h)	(23,335)	(65,353)	(81,419)	(22,586)	(4,050)	(196,743)
Provisions and impairment losses (i)	1,237	(1,677)	(13,567)	(21,894)	(3,127)	(39,027)
[of which, Impairment for non-current assets]	1,554	-	(7,556)	-	(1,290)	(7,293)
EBIT (j) = (g) + (h) + (i)	13,616	17,235	95,164	40,129	(21,658)	144,485
Financial income and gains	15,189	4,988	213,580	33,919	(11,256)	256,419
Financial costs and losses	(17,513)	(16,445)	(255,569)	(72,503)	(29,185)	(391,216)
Gains/(losses) in associates and jointly controlled companies	426	4,277	143	(8,625)	(2,270)	(6,049)
Gains/(losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	2,381	1,146	327	2,896	4,397	11,146
Net monetary position	-	-	10,748	-	-	10,748
Income before taxes	14,099	11,201	64,392	(4,185)	(59,972)	25,534

As of 31 December 2021 and 2020, the caption “Sales and services rendered - Other, eliminations and intragroup” can be analysed as follows:

Sales and services rendered	2021	2020
Eliminations and intragroup	(72,654)	(80,152)
Others (Companies not included in the four segments above referred)	100,851	102,729
	28,197	22,577

As of 31 December 2021 and 2020, intragroup sales and services rendered can be analysed as follows:

Intragroup - sales and services rendered	2021	2020
Europe Engineering and Construction	(28,460)	(24,183)
Europe Environment and Services	(594)	(9,481)
Africa	(1,464)	(1,441)
Latin America	3,571	(1,124)
Others	(45,707)	(43,924)
	(72,654)	(80,152)

In the years ended 31 December 2021 and 2020, 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 2021 and 2020, the consolidated financial position by operating segment can be analysed as follows:

	Assets		Liabilities	
	2021	2020	2021	2020
Europe Engineering and Construction	1,014,475	1,013,784	733,299	754,357
Europe Environment and Services	922,778	971,440	715,524	801,462
Africa	2,339,209	1,983,278	1,857,774	1,660,644
Latin America	1,378,615	1,135,261	1,227,971	1,027,830
Other, eliminations and intra-group	(231,551)	(288,281)	439,048	425,177
Mota-Engil Group	5,423,525	4,815,482	4,973,617	4,669,470

As of 31 December 2021 and 2020, the investment and the financial investments in associated and jointly controlled companies by operating segment can be analysed as follows:

	Investment (a)		Investments in associated and jointly controlled companies	
	2021	2020	2021	2020
Europe Engineering and Construction	22,459	24,629	-	-
Europe Environment and Services	48,918	78,751	21,478	18,738
Africa	96,518	63,046	4,386	3,458
Latin America	42,389	28,814	178,366	118,154
Other, eliminations and intra-group	3,030	1,814	5,557	752
Mota-Engil Group	213,314	197,054	209,787	141,102

(a) Net increase (increases-disposals) occurred in the intangible, tangible and right of use assets' captions.

As of 31 December 2021 and 2020 and in the years ended on that date, the non-current assets and sales and services rendered by country can be analysed as follows:

2021	Non-current assets	Sales and services rendered
Portugal	1,069,438	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
	2,550,686	2,591,776

2020	Non-current assets	Sales and services rendered
Portugal	1,027,676	708,241
Mexico	377,591	318,010
Angola	303,155	250,207
Mozambique	109,204	174,169
Ivory Coast	103,641	88,324
Peru	71,519	109,508
Poland	66,397	310,002
Guinea	56,936	55,378
Malawi	32,682	57,523
Brazil	27,926	133,430
Rest of the world	78,004	224,343
	2,254,729	2,429,134

45. Financial instruments

Financial instruments, in accordance with the accounting policies described in Note 1.4 ix), were classified as follows:

	2021	2020
Financial assets		
Financial assets recorded at amortised cost		
Cash and cash equivalents - Term and demand deposits	442,649	449,851
Customers - current	833,499	672,665
Other debtors - others - current	167,207	186,818
Customers - non-current	50,116	48,956
Other debtors - others - non-current	107,193	100,732
Associates and related companies - current	4,823	2,607
Associates and related companies - non-current	87,951	19,978
State and other public entities (except corporate income tax)	69,731	54,867
Other financial investments recorded at amortised cost - current	32,253	21,088
Other financial investments recorded at amortised cost - non-current	190,150	177,915
	1,985,574	1,735,478
Other financial investments recorded at fair value through other comprehensive income	64,400	42,675
Derivative financial instruments	150	39
Carrying amount of financial assets	2,050,124	1,778,192
Financial liabilities		
Derivative financial instruments	258	590
	258	590
Financial liabilities recorded at amortised cost		
Loans with and without recourse - current	632,191	960,068
Loans with and without recourse - non-current	1,158,323	931,220
Other financial liabilities - current	340,271	224,233
Suppliers and sundry creditors - current	905,516	801,317
Suppliers and sundry creditors - non-current	68,925	70,418
	3,105,227	2,987,256
Financial liabilities outside the scope of IFRS - 9		
Lease liabilities - current	116,197	57,554
Lease liabilities - non-current	217,318	243,707
	333,515	301,261
Carrying amount of financial liabilities	3,439,000	3,289,107

The impacts on the consolidated statement of comprehensive income arising from the above-mentioned financial instruments can be summarised as follows:

	2021		Other comprehensive income	2020		Other comprehensive income
	Income statement			Income statement		
	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	-	50,917	-	-	42,145	-
At fair value	-	969	5,504	-	3,195	(9,976)
	-	51,887	5,504	-	45,340	(9,976)
Financial liabilities						
At fair value	-	-	493	-	-	559
At amortised cost	137,877	-	-	141,601	-	-
	137,877	-	493	141,601	-	559

MOTA-ENGIL 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 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 25 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 facets, 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 assumption.

On the other hand, as a consequence of the stagnation of the short-term and medium-term interest rates, which remained stabled and reached historic lows, new interest rate risk hedging operations have been carried out to a lesser extent. In cases where loan maturity is longer, the GROUP is, however, still conveniently analysing and assessing the contracting of hedging instruments that ensure possible future alterations to the interest rates, with the GROUP keeping an eye out for the inversion of that trend that will certainly accompany the recovery of economies in the coming years.

In the years ended 31 December 2021 and 2020, 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	
	2021	2020
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 and factoring)	18,435	18,801
Fixed-rate coverage	(8,174)	(7,023)
Interest-rate derivative financial instruments coverage	(2,519)	(2,676)
Sensitivity of the financial results to interest rate changes	7,741	9,102

The average interest rates supported in the main loans obtained by the GROUP in the years ended 31 December 2021 and 2020 were as follows:

	2021		2020	
	Average rates (%)	Rates range (%)	Average rates (%)	Rates range (%)
Non-convertible bond loans	4.75	[2,63 ; 8,1]	4.86	[3,86 ; 6,33]
Amounts owed to credit institutions:				
Bank loans	5.80	[0,19 ; 60,1]	5.44	[0,002 ; 28,17]
Overdraft facilities	6.32	[1,87 ; 23]	6.14	[2 ; 20,25]
Revolving facilities	4.92	[2 ; 25,8]	6.01	[1,75 ; 21,84]
Commercial paper issues	3.06	[1,5 ; 6,05]	3.40	[1,5 ; 6,05]

As of 31 December 2021 and 2020, 42% and 48% 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 5.12% and 5.0%, respectively.

As of 31 December 2021 and 2020, the detail of the financial instruments of the GROUP in accordance with the type of interest rate established is as follows:

2021	Fixed rate	Variable rate	Not subject to interest rate	Total
Financial assets				
Financial assets recorded at amortised cost				
Cash and cash equivalents - term and demand deposits	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				
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
2020				
Financial assets				
Financial assets recorded at amortised cost				
Cash and cash equivalents - term and demand deposits	165,778	-	284,073	449,851
Customers	45,312	-	676,309	721,621
Other debtors - others	-	-	287,550	287,550
Associated and related companies	5,083	11,447	6,055	22,585
State and other public entities (except corporate income tax)	-	-	54,867	54,867
Other financial investments recorded at amortised cost	199,003	-	-	199,003
	415,176	11,447	1,308,854	1,735,478
Other financial investments recorded at fair value through other comprehensive income	-	-	42,675	42,675
Derivative financial instruments	39	-	-	39
Carrying amount of financial assets	415,216	11,447	1,351,529	1,778,192
2020				
Financial liabilities				
Financial liabilities recorded at amortised cost				
Loans with and without recourse	986,646	904,641	-	1,891,287
Other financial liabilities	155,650	68,583	-	224,233
Suppliers and sundry creditors	47,371	-	824,364	871,735
Derivative financial instruments	590	-	-	590
	1,190,258	973,224	824,364	2,987,846
Financial liabilities outside the scope of IFRS - 9				
Lease liabilities	209,372	91,889	-	301,261
Carrying amount of financial liabilities	1,399,630	1,065,113	824,364	3,289,107

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 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.

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 2021 and 2020, 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:

Currency	2021		2020	
	Assets	Liabilities	Assets	Liabilities
US Dollar (USD)	194,559	190,334	6,642	37,734
Euro (EUR)	3,086,944	3,142,023	2,931,139	3,110,765
CFA Franc (Western Africa)	121,511	116,771	111,756	107,928
Angolan Kwanza (AOK)	600,953	358,187	475,217	314,000
Malawian Kwacha (MWK)	74,179	42,131	79,623	50,558
Mozambican Metical (MZM)	203,380	68,938	130,226	44,716
Peruvian Novo Sol (PEN)	154,457	111,975	126,244	88,650
Mexican Peso (MXN)	723,556	608,296	649,611	552,014
Brazilian Real (BRL)	74,408	73,927	88,400	87,190
Polish Zloty (PLN)	164,016	121,416	215,096	180,661
Others	25,562	139,618	1,528	95,254
	5,423,525	4,973,617	4,815,482	4,669,470

In the years ended 31 December 2021 and 2020, 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:

2021	Net profit	Equity
Estimated impact of the appreciation by 1%:		
of US Dollar (USD) to Euro (EUR)	18	(223)
of Angolan Kwanza (AOK) to Euro (EUR)	83	1,286
of Malawian Kwacha (MWK) to Euro (EUR)	(63)	387
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
2020	Net profit	Equity
Estimated impact of the appreciation by 1%:		
of US Dollar (USD) to Euro (EUR)	(61)	(264)
of Angolan Kwanza (AOK) to Euro (EUR)	391	484
of Malawian Kwacha (MWK) to Euro (EUR)	19	276
of Mozambican Metical (MZM) to Euro (EUR)	48	812
of Peruvian Novo Sol (PEN) to Euro (EUR)	(61)	442
of Mexican Peso (MXN) to Euro (EUR)	173	241
of Brazilian Real (BRL) to Euro (EUR)	(91)	83
of Polish Zloty (PLN) to Euro (EUR)	47	318

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 2021 and 2020, 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
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	1,790,514
2020					
US Dollar	-	56,024	-	-	56,024
Euros	355,727	1,142,700	152,971	-	1,651,397
CFA Franc	-	38,146	-	-	38,146
Angolan Kwanza	-	51,967	-	-	51,967
Peruvian Nuevo Sol	-	384	-	-	384
Colombian Peso	-	714	-	-	714
Mexican Peso	-	31,486	-	-	31,486
Brazilian Real	-	35,216	-	-	35,216
Omani Rial	-	3,364	-	-	3,364
Polish Zloty	3,290	15,738	-	-	19,028
Others	-	3,147	-	414	3,560
	359,016	1,378,886	152,971	414	1,891,287

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 2021 and 2020, the liquidity position of the GROUP (including capital and interests) is detailed as follows:

	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 - Term and demand deposits	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	177,776	-	-	-	177,776
Total non financial assets	1,267,459	35,802	-	-	1,303,261
Total assets	2,847,704	367,381	138,688	64,400	3,418,174
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)

	2020				
	< 1 year	Between 1 and 2 years	More than 2 years	Undetermined	Total
Financial assets					
Financial assets recorded at amortised cost					
Cash and cash equivalents - Term and demand deposits	449,851	-	-	-	449,851
Customers	640,316	61,999	32,650	-	734,965
Other debtors - others	186,818	100,732	-	-	287,550
Associates and related companies	4,544	21,692	-	-	26,235
State and other public entities (except corporate income tax)	48,105	6,762	-	-	54,867
Other financial investments recorded at amortised cost	35,867	46,572	157,781	-	240,220
Financial assets recorded at fair value					
Other financial investments recorded at fair value through other comprehensive income	-	-	-	42,675	42,675
Derivative financial instruments	-	-	39	-	39
Total financial assets within the scope of IFRS - 9	1,365,501	237,756	190,471	42,675	1,836,403
Other non financial assets					
Inventories	252,220	-	-	-	252,220
Contract assets	668,882	-	-	-	668,882
Other current and non-current assets	76,243	9,546	-	-	85,789
Corporate income tax	23,824	-	-	-	23,824
Non-current assets held for sale	126,967	-	-	-	126,967
Total non financial assets	1,148,135	9,546	-	-	1,157,682
Total assets	2,513,636	247,302	190,471	42,675	2,994,084
Financial liabilities recorded at amortised cost					
Loans with and without recourse	1,054,821	407,498	581,806	-	2,044,125
Other financial liabilities	232,785	-	-	-	232,785
Suppliers and sundry creditors	807,002	60,839	9,578	-	877,420
Financial liabilities recorded at fair value					
Derivative financial instruments	108	482	-	-	590
Total financial liabilities within the scope of IFRS - 9	2,094,716	468,819	591,385	-	3,154,920
Financial liabilities outside the scope of IFRS - 9					
Lease liabilities	68,031	78,486	176,112	-	322,630
Total financial liabilities	2,162,747	547,306	767,497	-	3,477,550
Other non financial liabilities					
Contract liabilities	277,100	6,614	-	-	283,714
Other current and non-current liabilities	595,088	165,299	-	-	760,387
Corporate income tax	20,740	-	-	-	20,740
Non-current liabilities held for sale	30,229	-	-	-	30,229
Total non financial liabilities	923,157	171,913	-	-	1,095,069
Total liabilities	3,085,904	719,218	767,497	-	4,572,619
Liquidity Gap	(572,268)	(471,916)	(577,026)	42,675	(1,578,535)

In accordance with the liquidity management policy defined by the GROUP, and in order to mitigate the liquidity gap presented above, at 31 December 2021, the GROUP maintained unused credit lines of circa of 294 million euros. Furthermore, after 31 December 2021, the GROUP has already refinanced or is in the process of refinancing circa of 232 million euros of bank debt.

Credit risk

The policy of credit risk management 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 where credit risk is regarded.

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 2021 and 2020, the GROUP's exposure to credit risk was as follows:

	2021	2020
Financial assets		
Financial assets recorded at amortised cost		
Cash and cash equivalents - Term and demand deposits	442,649	449,851
Customers - current	833,499	672,665
Other debtors - others - current	167,207	186,818
Customers - non-current	50,116	48,956
Other debtors - others - non-current	107,193	100,732
Associates and related companies - current	4,823	2,607
Associates and related companies - non-current	87,951	19,978
State and other public entities (except corporate income tax)	69,731	54,867
Other financial investments recorded at amortised cost - current	32,253	21,088
Other financial investments recorded at amortised cost - non-current	190,150	177,915
	1,985,574	1,735,478
Derivative financial instruments	150	39
Financial assets outside the scope of IFRS - 9		
Contract assets	693,236	668,882
	693,236	668,882
Carrying amount of financial assets	2,678,960	2,404,399

As of 31 December 2021 and 2020, the quality of the GROUP's credit risk was as follows:

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

2020	Customers and other debtors - others	Cash and cash equivalents
Aaa; Aa1; Aa2; Aa3	-	516
Aa1; Aa2; Aa3	-	11,401
A1; A2; A3	20,103	34,150
Baa1; Baa2; Baa3	41,679	78,842
Ba1; Ba2; Ba3	3,870	117,119
B1; B2; B3	65,610	34,971
Ca1; Ca2; Ca3	5,602	16
Caa1; Caa2; Caa3	239,426	5,240
Without rating or information	632,882	167,598
Total	1,009,171	449,851

As of 31 December 2021 and 2020, 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	2021	2020
Overdue amounts		
] 0 ; 3] months	248,813	184,076
] 3 ; 12] months	131,249	184,359
] 1 ; 3] years	226,734	177,149
Over 3 years	119,000	67,747
	725,795	613,330
Non overdue amounts	432,221	395,841
Total	1,158,016	1,009,171

As of 31 December 2021 and 2020, 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 arise 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 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. As of 31 December 2020, for the reasons listed above, no estimated impairment losses were recognized for the entire life of any financial asset recorded at amortized cost.

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 ix)).

In the years ended 31 December 2021 and 2020, the main information used to determine the expected impairment losses (average rates) was as follows:

Aging	2021		2020	
	Private customers	Public customers	Private customers	Public customers
Non overdue amounts	1.01%	0.19%	1.17%	0.00%
Overdue amounts				
] 0 ; 3] months	4.36%	0.28%	6.52%	0.01%
] 3 ; 6] months	7.47%	0.35%	12.71%	0.02%
] 6 ; 12] months	12.51%	1.45%	19.08%	0.02%
] 1 ; 2] years	20.96%	10.11%	31.93%	0.02%
] 2 ; 3] years	13.74%	12.52%	41.20%	0.02%
Over 3 years	26.99%	0.02%	56.03%	0.02%
Forward looking ratios	97.97%	93.00%	98.79%	96.00%

Fair value

As of 31 December 2021 and 2020, the GROUP's financial instruments recorded at fair value were as follows:

	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 - term and demand deposits	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			Fair value hierarchy
	Amortised cost	Fair value through other comprehensive income	Total	
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	

	2020				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 - term and demand deposits	449,851	-	-	-	449,851	
Customers - current	672,665	-	-	-	672,665	
Other debtors - others - current	186,818	-	-	-	186,818	
Customers - non-current	48,956	-	-	-	48,956	
Other debtors - others - non-current	100,732	-	-	-	100,732	
Associated and related companies - current	2,607	-	-	-	2,607	
Associated and related companies - non-current	19,978	-	-	-	19,978	
State and other public entities (except corporate income tax)	54,867	-	-	-	54,867	
Other financial investments recorded at amortised cost - current	21,088	-	-	-	21,088	
Other financial investments recorded at amortised cost - non-current	177,915	-	-	-	177,915	
Other financial investments recorded at fair value through other comprehensive income	-	-	-	42,675	42,675	Level 3
Derivative financial instruments	-	-	39	-	39	Level 2
Carrying amount of financial assets	1,735,478	-	39	42,675	1,778,192	

	2020			Fair value hierarchy
	Amortised cost	Fair value through other comprehensive income	Total	
Financial liabilities				
Derivative financial instruments	-	590	590	Level 2
Financial liabilities recorded at amortised cost				
Loans with and without recourse - current	960,068	-	960,068	
Loans with and without recourse - non-current	931,220	-	931,220	
Other financial liabilities - current	224,233	-	224,233	
Suppliers and sundry creditors - current	801,317	-	801,317	
Suppliers and sundry creditors - non-current	70,418	-	70,418	
Financial liabilities outside the scope of IFRS - 9				
Lease liabilities - current	57,554	-	57,554	
Lease liabilities - non-current	243,707	-	243,707	
Carrying amount of financial liabilities	3,288,517	590	3,289,107	

46. Impact of Hyperinflation

In the years ended 31 December 2021 and 2020, 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 2021 and 2020 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:

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 jointly controlled companies	653	-	653
Gains / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	49,213	-	49,213
Net monetary position	(0)	11,124	11,124
Income before taxes	108,021	11,119	119,140
Income tax	(58,365)	4	(58,361)
Consolidated net profit of the year	49,656	11,124	60,778
Attributable:			
to non-controlling interests	39,138	-	39,138
to the Group	10,517	11,124	21,641

2021	Before the application of IAS 29	Impact of IAS 29	After the application of IAS 29
Assets			
Total non-current assets	2,550,680	7	2,550,686
Total current assets	2,872,839	-	2,872,839
Total assets	5,423,518	7	5,423,525
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	(154,028)	(11,118)	(165,146)
Consolidated net profit of the year	10,517	11,124	21,641
Own funds attributable to the Group	153,033	6	153,039
Non-controlling interests	296,870	-	296,870
Total shareholders' equity	449,903	6	449,909
Total shareholders' equity and liabilities	5,423,518	7	5,423,525

2020	Before the application of IAS 29	Impact of IAS 29	After the application of IAS 29
Sales and services rendered	2,429,134	-	2,429,134
Cost of goods sold, mat. cons. and changes in production	(560,570)	(21)	(560,591)
Third-party supplies and services	(970,792)	599	(970,194)
Wages and salaries	(519,605)	(40)	(519,644)
Other operating income / (expenses)	1,174	377	1,550
Amortizations and depreciations	(196,740)	(4)	(196,743)
Impairment losses	(37,118)	-	(37,118)
Provisions	(1,999)	90	(1,909)
Financial income and gains	256,419	-	256,419
Financial costs and losses	(400,435)	9,218	(391,216)
Gains / (losses) in associates and jointly controlled companies	(6,049)	-	(6,049)
Gains / (losses) on the acquisition and disposal of subsidiaries, jointly controlled and associated companies	11,146	-	11,146
Net monetary position	0	10,748	10,748
Income before taxes	4,567	20,968	25,534
Income tax	(17,996)	271	(17,725)
Consolidated net profit of the year	(13,430)	21,239	7,809
Attributable:			
to non-controlling interests	27,753	-	27,753
to the Group	(41,183)	21,239	(19,944)

2020	Before the application of IAS 29	Impact of IAS 29	After the application of IAS 29
Assets			
Total non-current assets	2,254,713	16	2,254,729
Total current assets	2,560,753	-	2,560,753
Total assets	4,815,466	16	4,815,482
Liabilities			
Total non-current liabilities	1,703,029	4	1,703,033
Total current liabilities	2,966,437	-	2,966,437
Total Liabilities	4,669,466	4	4,669,470
Shareholders' equity			
Share capital	237,505	-	237,505
Own shares	(10,232)	-	(10,232)
Reserves, retained earnings and share premiums	(274,736)	(21,227)	(295,963)
Consolidated net profit of the year	(41,183)	21,239	(19,944)
Own funds attributable to the Group	(88,646)	12	(88,634)
Non-controlling interests	234,646	-	234,646
Total shareholders' equity	146,000	12	146,012
Total shareholders' equity and liabilities	4,815,466	16	4,815,482

47. Subsequent events

In 2022, up to the date of issuance of this report, we highlight the following relevant fact, whose detail has been properly released as privileged information on the MOTA-ENGIL and CMVM websites:

3 February 2022

“MOTA-ENGIL INFORMS ON THE AWARD OF CONTRACTS IN UGANDA, AMOUNTING TO 261 MILLION US DOLLARS”

MOTA-ENGIL informs on the award of a new contract to its subsidiary MOTA-ENGIL UGANDA, LIMITED in the amount of 162.4 million US Dollars.

The above-mentioned contract, one of three already awarded to MOTA-ENGIL under the Tilenga Upstream Development project for the client TotalEnergies, project comprised in the most significant investment programme to take place in Uganda in the energy sector, corresponds to a phase called "Site for Preparing Infrastructure – Wellpads".

In addition to the contract above mentioned, two other contracts were also awarded in the same project, by TotalEnergies for the "Site preparation for Enabling Infrastructure – Industrial Area", in the amount of 37.9 million USD and by TotalEnergies' EPC, McDermott in consortium with Sinopec, for the "Upstream Facilities - General Civil Works" phase, in the amount of 60.3 million USD.

At the end of the month of February 2022, the Federations of Russia and Ukraine started an armed conflict that is ongoing at the date of this report. It is important to highlight that the GROUP does not have any operations in the countries involved in the conflict nor does it hold any assets in those countries. However, depending on the duration of the conflict, the supply necessary to the GROUP's projects will be affected by the instability created in the raw materials and financial markets, despite the mitigation measures already implemented.

48. Fees paid to the auditor / statutory auditor

In the year ended 31 December 2021, the amount of fees paid to the auditor / statutory auditor was as follows:

Nature of the service	By the company	By other entities which are part of the Group	Total
	Amount (euros)	Amount (euros)	Amount (euros)
Audit and statutory audit	118,800	1,629,196	1,747,996
Other assurance services	239,500	78,400	317,900
Tax consultancy	-	849	849
Other services than statutory audit	-	1,800	1,800
Total	358,300	1,710,245	2,068,545

The services other than audit provided by the Auditor and the Statutory Auditor during the financial year of 2021 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);
- Provision of authorisation to access the Consult@ble data base, which consist of an accounting, financial and tax information repository;
- 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;
- Issue of a comfort letter associated with the share capital increase performed by the company;
- Completion of specific audit procedures over the GROUP reporting forms prepared by a subsidiary company for consolidation purposes of accounts of another shareholder.

49. Approval of financial statements

These consolidated financial statements were approved by the GROUP'S Board of Directors on the 5th of April of 2022. 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

The companies / entities included in the accompanying consolidated financial statements using the full consolidation method, their head quarters, effective holding percentage, activity, incorporation date and acquisition date were as follows:

Designation	Head Quarters	Effective holding percentage	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	-
Botelho, Silva & Abreu, Lda. ("Botelho & Abreu")	Portugal (Porto)	100,00	Restaurant	Aug-43	Jun-19
Through Largo do Paço	Portugal (Porto)	100,00			
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	Portugal (Cascais)	97,25			
Dmowski Project Development, Sp. z o.o. ("Dmowski")	Poland (Krakow)	100,00	Real Estate development	Aug-07	-
Through Mota-Engil Real Estate, SGPS	Poland (Krakow)	100,00			
Kordylewski Project Development W Likwidacji Sp. z o.o. ("Kordylewski")	Poland (Krakow)	100,00	Real Estate development	Feb-05	-
Through Mota-Engil Real Estate, SGPS	Poland (Krakow)	100,00			
Largo do Paço – Investimentos Turísticos e Imobiliários, Lda. ("Largo do Paço")	Portugal (Amarante)	100,00	Real Estate development	-	Oct-01
Through Mota-Engil Capital	Portugal (Amarante)	100,00			
Logz - Atlantic Hub, S.A. ("Logz")	Portugal (Lisbon)	100,00	Management and provider of logistics services	Jul-08	Feb-20
Through Mota-Engil Capital	Portugal (Lisbon)	100,00			
Luso Global Mining B.V. ("Luso Global Mining BV")	Netherlands (Amsterdam)	100,00	Management of financial holdings	Oct-10	-
Through Luso Global Mining	Netherlands (Amsterdam)	100,00			
Luso Global Mining, S.A. ("Luso Global Mining")	Portugal (Porto)	100,00	Mineral prospection and exploration	Aug-20	-
Through Mota-Engil Capital	Portugal (Porto)	100,00			
Luso Global Mining Cameroon, S.A. ("Luso Global Mining Cameroon")	Portugal (Porto)	100,00	Mineral prospection and exploration	Dec-20	-
Through Luso Global Mining	Portugal (Porto)	100,00			
Manvia - Manutenção e Exploração de Instalações e Construção, S.A. ("Manvia")	Portugal (Linda-a-Velha)	90,00	Maintenance and operation of facilities	Jul-94	Jun-98
Through Mota-Engil Ambiente e Serviços	Portugal (Linda-a-Velha)	90,00			
ME Investitii AV s.r.l. ("Mota-Engil Investitii")	Romania (Bucharest)	100,00	Real Estate development	-	Sep-07
Through Mota-Engil Real Estate, SGPS	Romania (Bucharest)	100,00			
MESP - Mota Engil Serviços Partilhados, Administrativos e de Gestão, S.A. ("Mota-Engil Serviços Partilhados")	Portugal (Porto)	100,00	Administrative Services	Dec-02	-
Through Mota-Engil SGPS	Portugal (Porto)	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	Portugal (Linda-a-Velha)	61,20			
MK Contractors, LLC ("MKC")	USA (Miami)	100,00	Real Estate development	Mar-02	-
Through Mota-Engil Engenharia e Construção	USA (Miami)	100,00			
Mota-Engil África, N.V. ("ME África NV")	Netherlands (Amsterdam)	100,00	Management of financial holdings	Oct-12	-
Through Mota-Engil SGPS	Netherlands (Amsterdam)	100,00			
Mota-Engil Capital, S.A. ("Mota-Engil Capital")	Portugal (Porto)	100,00	Management of financial holdings	Feb-18	-
Through Mota-Engil SGPS	Portugal (Porto)	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	Portugal (Linda-a-Velha)	100,00			
Mota-Engil Mediação de Seguros, S.A. ("Mota-Engil Mediação")	Portugal (Porto)	100,00	Insurance mediation	Jul-20	-
Through Mota-Engil SGPS	Portugal (Porto)	100,00			
Mota-Engil Real Estate Hungary Ingatlanforgalmazó, Kereskedelmi és Szolgáltató Kft. ("Mota-Engil Real Estate Hungria")	Hungary (Budapest)	100,00	Real Estate development	Jul-05	-
Through Mota-Engil Real Estate, SGPS	Hungary (Budapest)	100,00			
Mota-Engil Real Estate Portugal, S.A. ("Mota-Engil Real Estate Portugal")	Portugal (Porto)	100,00	Real Estate development	Sep-01	-
Through Mota-Engil Real Estate, SGPS	Portugal (Porto)	100,00			
Mota-Engil Real Estate, SGPS, S.A. ("Mota-Engil Real Estate SGPS")	Portugal (Porto)	100,00	Management of financial holdings	Dec-02	-
Through Mota-Engil Capital	Portugal (Porto)	100,00			
Mota-Engil Renewing, S.A. ("ME Renewing")	Portugal (Porto)	100,00	Energy, sustainable mobility, recycling and reuse and resource utilization	Aug-18	-
Through Mota-Engil Capital	Portugal (Porto)	100,00			
Öböl Invest Befektetési És Üzletviteli Tanácsadó Korlátolt Felelősségű Társaság Kft. ("Obol Invest")	Hungary (Budapest)	77,50	Real Estate development	-	May-05
Through Mota-Engil Real Estate, SGPS	Hungary (Budapest)	77,50			
Öböl XI. Ingatlanhasznosítási Beruházó És Szolgáltató Korlátolt Felelősségű Társaság Kft. ("Obol XI")	Hungary (Budapest)	76,73	Real Estate development	-	Dec-03
Through Obol Invest	Hungary (Budapest)	76,73			
Proempar - Promoção e Gestão de Parques Empresariais e Tecnológicos, S.A. ("Proempar")	Portugal (Porto)	100,00	Marketing, management and exploitation of technological and industrial business parks	Oct-06	-
Through Mota-Engil Real Estate Portugal	Portugal (Porto)	100,00			
PTT - Parque Tecnológico do Tâmega, S.A. ("PTT")	Portugal (Felgueiras)	90,00	Marketing, management and exploitation of technological and industrial business parks	Dec-06	-
Through Mota-Engil Real Estate Portugal	Portugal (Felgueiras)	90,00			
Sikorki Project Development Sp. z o.o. ("Sikorki")	Poland (Krakow)	100,00	Real Estate development	Oct-12	-
Through Mota-Engil Real Estate, SGPS	Poland (Krakow)	100,00			
Soltysowska Project Development Sp. z o.o. ("Soltysowska")	Poland (Krakow)	100,00	Real Estate development	Nov-05	-
Through Mota-Engil Real Estate, SGPS	Poland (Krakow)	100,00			
Takargo - Transportes de Mercadorias, S.A. ("Takargo")	Portugal (Linda-a-Velha)	100,00	Railway transportation of goods	Oct-06	-
Through Mota-Engil Ambiente e Serviços	Portugal (Linda-a-Velha)	100,00			
Turalgo-Sociedade de Real Estate development e Turística do Algarve, S.A. ("Turalgo")	Portugal (Oeiras)	51,00	Real Estate development	May-92	-
Through Mota-Engil Real Estate Portugal	Portugal (Oeiras)	51,00			
Wilanow Project Development Sp. z o.o. ("Wilanow")	Poland (Krakow)	100,00	Real Estate development	Jun-07	-
Through Mota-Engil Real Estate, SGPS	Poland (Krakow)	100,00			

Designation	Head Quarters	Effective holding percentage	Activity	Incorporation date	Acquisition date
Europe					
Mota-Engil Europa, S.A. ("Mota-Engil Europa") Through Mota-Engil SGPS	Portugal (Linda-a-Velha)	100,00 100,00	Management of financial holdings	Jun-10	-
Engineering and Construction					
Áreagolfe - Gestão, Construção e Manutenção de Campos de Golfe, S.A. ("Áreagolfe") Through Vibeiras	Portugal (Torres Novas)	77,78 77,78	Golf courses construction, management and maintenance	-	Jul-07
Arkona Property Development Sp z o.o. ("Arkona") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Real Estate development	Nov-15	-
Balice Project Development Sp. z o.o. ("Balice") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Real Estate development	Oct-12	-
Belém Grid - Promoção Imobiliária e de Animação Turística, S.A. ("Belém Grid") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	100,00 100,00	Real Estate development and tourist entertainment	Oct-19	-
Bukowinska Project Development ("Bukowinska Project Development") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Design and construction of social housing	Mar-15	-
Carlos Augusto Pinto dos Santos & Filhos S.A. ("Capsfil") Through Mota-Engil Engenharia e Construção	Portugal (Vila Flor)	100,00 100,00	Extraction of gravel, sand and crushed stone	Mar-77	Oct-09
Diace - Construtoras das Estradas do Douro Interior A.C.E. ("Diace ACE MEEC") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	53,10 53,10	Realization of construction works and services and providing design	Nov-08	Dec-15
Dzieci Warszawy Project Development Sp. z o.o. ("Dzieci") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Real Estate development	Nov-15	-
Ekosrodowisko z.o.o. In Liquidation ("Ekosrodowisko") Through MES	Poland (Bytom)	61,50 61,50	Urban solid waste	Feb-05	Dec-05
Glace - Construtoras das Auto-estradas da Grande Lisbon A.C.E. ("Glace ACE MEEC") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	52,87 52,87	Realization of construction works and services and providing design	Dec-06	Dec-15
Glan Agua, Ltd ("Glanagua") Through MEIS	Ireland (Ballinasloe)	70,00 70,00	Realization of construction works and services and providing design	Jan-08	-
Glan Agua (UK), Ltd ("Glan Agua UK") Through MEIS	UK (St Albans)	70,00 70,00	Treatment of waste, exploitation and management of water systems	Jul-15	-
Grodowska Project Development Sp. z o.o. ("Grodowska") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Design and construction of social housing	Mar-14	-
Hygeia - Edifícios Hospitalares, SGPS, S.A. ("Hygeia") Through Mota-Engil Engenharia e Construção	Portugal (Lisbon)	99,00 98,99	Management of financial holdings	Dec-18	-
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	-
Kilinskigo Project Development Sp. z o.o. ("Kilinskigo") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Real Estate development	Aug-07	-
Kilinskigo Property Investment Sp. z o.o. ("Kilinskigo PI") Through Kilinskigo Project Development Sp. z o.o.	Poland (Krakow)	100,00 99,99	Real Estate development	Sep-11	-
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	-
Lusitânia - Construtoras das Auto-estradas das Beiras Litoral e Alta A.C.E. ("Lusitânia ACE MEEC") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	83,95 83,95	Realization of construction works and services and providing design	Apr-01	Dec-15
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	-
MES, Mota-Engil Srodowisko, Sp. z o.o. ("MES") Through Suma	Poland (Krakow)	61,50 61,50	Urban solid waste	Dec-05	-
Mota-Engil Central Europe Ceska Republika, AS ("Mota-Engil Central Europe República Checa") Through Mota-Engil Europa	Czech Rep. (Prague)	100,00 100,00	Construction and public works	Jan-97	-
Mota-Engil Central Europe Management, SGPS, S.A. ("Mota-Engil Central Europe Management") Through Mota-Engil Europa	Portugal (Porto)	100,00 100,00	Management of financial holdings	Aug-17	-
Mota-Engil Central Europe PPP 2 Sp. z o.o. ("ME Central Europe PPP 2") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100,00 100,00	Design, construction, management and exploitation of parking	Dec-13	-
Mota-Engil Central Europe PPP 3 Sp. z o.o. ("ME Central Europe PPP 3") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100,00 100,00	Design, construction, management and exploitation of parking	Apr-14	-
Mota-Engil Central Europe PPP 4 Sp. z o.o. ("ME Central Europe PPP 4") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100,00 100,00	Design, construction, management and exploitation of parking	Oct-20	-
Mota-Engil Central Europe PPP Road Sp. z o.o. ("ME Central Europe PPP Road") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100,00 100,00	Design, construction, management and exploitation of parking	-	Nov-13
Mota-Engil Central Europe PPP Sp. z o.o. ("ME Central Europe PPP") Through Mota-Engil Central Europe Poland	Poland (Krakow)	100,00 100,00	Design, construction, management and exploitation of parking	Mar-12	-
Mota-Engil Central Europe, S.A. ("ME Central Europe Poland") Through Mota-Engil Central Europe Management	Poland (Krakow)	100,00 100,00	Construction works	Feb-53	Mar-99
Mota-Engil Engenharia e Construção, S.A. ("Mota-Engil Engenharia e Construção") Through Mota-Engil Europa	Portugal (Amarante)	100,00 100,00	Construction works	Dec-00	-
Mota-Engil International Construction (UK) Ltd ("Mota-Engil UK") Through Mota-Engil Engenharia e Construção	UK (St Albans)	60,00 60,00	Construction works	Jul-15	-
Mota-Engil Ireland Construction Limited ("Mota-Engil Irlanda") Through Mota-Engil Engenharia e Construção	Ireland (Dublin)	60,00 60,00	Construction works	Oct-07	-
Mota-Engil Ireland Services Ltd. ("MEIS") Through Mota-Engil Engenharia e Construção	Ireland (Dublin)	70,00 70,00	Treatment of waste, exploitation and management of water systems	Jan-08	-
Mota-Engil Magyarország Beruházási És Építőipari Zrt. ("Mota-Engil Magyarország") Through Mota-Engil Europa	Hungary (Budapest)	100,00 100,00	Construction and public works	Jan-96	-
Mota-Engil Railway Engineering, S.A. ("ME Railway Engineering") Through Mota-Engil Engenharia e Construção	Portugal	100,00 96,15	Study, projects, execution of works and representation of materials and equipment related to railway works	Jun-18	-
Mota-Engil Real Estate Management, sp. z o.o. ("Mota-Engil Real Estate Management") Through Mota-Engil Central Europe Poland	(Porto)	1,92 1,92			
Mota-Engil Vermelo Sp. z o.o. ("ME Vermelo") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Real Estate development	Jun-05	-
Norace - Construtoras das Auto-estradas do Norte A.C.E. ("Norace ACE MEEC") Through Mota-Engil Engenharia e Construção	Poland (Krakow)	100,00 100,00	Real Estate development	Mar-12	-
Norace - Construtoras das Auto-estradas do Norte A.C.E. ("Norace ACE MEEC") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	82,87 82,87	Realization of construction works and services and providing design	Jun-99	Dec-15
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	-
Pinhal - Construtoras das Auto-estradas do Pinhal Interior A.C.E. ("Pinhal ACE MEEC") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	53,52 53,52	Realization of construction works and services and providing design	Apr-10	Dec-15
Portuscale - Construtoras das Auto-estradas do Grande Porto A.C.E. ("Portuscale ACE MEEC") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	83,95 83,95	Realization of construction works and services and providing design	Jul-02	Dec-15
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	-

Designation	Head Quarters	Effective holding percentage	Activity	Incorporation date	Acquisition date
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	-
Senatorska Project Development Sp. z.o.o. ("Senatorska") Through Mota-Engil Real Estate Management	Poland (Krakow)	100,00 100,00	Real Estate development	Nov-15	-
Streamgrest Limited ("Streamgrest") Through Mota-Engil Irlanda Through GlanÁgua	Ireland (Galway)	65,00 30,00 35,00	Comercial	Feb-18	-
VBT - Projectos e Obras de Arquitectura Paisagística, Lda ("VBT") Through Vibeiras Through Mota-Engil Ambiente e Serviços	Angola (Luanda)	48,89 38,89 10,00	Landscape gardening	Sep-08	-
Vianor - Construtoras das Auto-estradas da Costa de Prata A.C.E. ("Vianor ACE MEEC") Through Mota-Engil Engenharia e Construção	Portugal (Porto)	83,95 83,95	Realization of construction works and services and providing design	Apr-00	Dec-15
Vibeiras - Sociedade Comercial de Plantas, S.A. ("Vibeiras") Through Mota-Engil Engenharia e Construção	Portugal (Torres Novas)	77,78 77,78	Landscape gardening	Jul-88	Oct-98
Designation	Head Quarters	Effective holding percentage	Activity	Incorporation date	Acquisition date
Environment and Services					
AGIR - Ambiente e Gestão Integrada de Resíduos, Lda. ("Agir") Through Mota-Engil Ambiente e Serviços Through Suma	Cape Verde (Praia)	80,75 50,00 30,75	Treatment and recovery of urban solid waste	Dec-07	-
Algar - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Algar") Through EGF	Portugal (Loulé)	33,15 33,15	Treatment and recovery of urban solid waste	-	Jun-15
Amarsul- Valorização e Tratamento de Resíduos Sólidos, S.A. ("Amarsul") Through EGF	Portugal (Setúbal)	30,19 30,19	Treatment and recovery of urban solid waste	-	Jun-15
Citrave - Centro Integrado de Tratamento de Resíduos de Aveiro, S.A. ("Citrave") Through Novaflex Through Suma Through Suma Esposende	Portugal (Lisbon)	61,50 0,05 61,41 0,05	Treatment and disposal of non-hazardous waste	Dec-87	Oct-06
Correia & Correia, Lda. ("Correia & Correia") Through Enviroil	Portugal (Sertão)	48,18 48,18	Trade and collection of used oils	Sep-88	Feb-00
Eco Vision LLC ("Eco Vision") Through Suma	Oman (Muscat)	31,37 31,37	Treatment and recovery of urban solid waste	Jul-15	-
Empresa Geral de Fomento, S.A. ("EGF") Through Suma Tratamento	Portugal (Lisbon)	59,19 59,19	Treatment and recovery of urban solid waste	-	Jun-15
Enviroil II - Reciclagem de Óleos Usados, Lda. ("Enviroil II") Through Enviroil Through SRI	Portugal (Torres Novas)	45,77 43,37 2,41	Oil recycling, electricity production and bulk trade of fuels and related products	Apr-11	-
Enviroil SGPS, Lda. ("Enviroil") Through Suma	Portugal (Torres Novas)	48,18 48,18	Management of financial holdings	Nov-97	-
Ersuc - Resíduos Sólidos do Centro, S.A. ("Ersuc") Through EGF Through Suma	Portugal (Coimbra)	34,14 30,46 3,68	Treatment and recovery of urban solid waste	-	Jun-15
InvestAmbiente - Recolha de Resíduos e Gestão de Sistemas de Saneamento Básico, S.A. ("InvestAmbiente") Through Novaflex	Portugal (Lisbon)	31,98 31,98	Collection of non-hazardous waste	Feb-00	Dec-07
Mota-Engil, Ambiente e Serviços, SGPS, S.A. ("Mota-Engil Ambiente e Serviços") Through Mota-Engil Europa	Portugal (Porto)	100,00 100,00	Management of financial holdings	Jun-97	-
Nova Beira - Gestão de Resíduos, S.A. ("Nova Beira") Through Novaflex	Portugal (Lisbon)	41,72 20,30	Treatment and disposal of non-hazardous waste	-	Dec-07
Novaflex - Técnicas do Ambiente, S.A. ("Novaflex") Through Suma	Portugal (Lisbon)	61,50 61,50	Treatment and disposal of non-hazardous waste	-	Dec-07
Real Verde - Técnicas de Ambiente, S.A. ("Real Verde") Through Novaflex	Portugal (Vila Real)	61,50 61,50	Treatment and disposal of non-hazardous waste	Dec-07	-
Resiestrela - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Resiestrela") Through EGF	Portugal (Castelo Branco)	37,26 37,26	Treatment and recovery of urban solid waste	-	Jun-15
Resiges - Gestão de Resíduos Hospitalares, Lda. ("Resiges") Through Novaflex	Portugal (Setúbal)	61,50 61,50	Collection of hazardous waste	May-98	Dec-07
Resilei - Tratamento de Resíduos Industriais, S.A. ("Resilei") Through Suma	Portugal (Leiria)	30,75 30,75	Treatment and disposal of non-hazardous waste	-	Jun-03
Resinorte - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Resinorte") Through EGF	Portugal (Braga)	44,46 44,46	Treatment and recovery of urban solid waste	-	Jun-15
Resulima - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Resulima") Through EGF	Portugal (Viana do Castelo)	30,19 30,19	Treatment and recovery of urban solid waste	-	Jun-15
Rima - Resíduos Industriais e Meio Ambiente, S.A. ("Rima") Through Suma	Portugal (Lousrosa)	59,12 59,12	Treatment of industrial waste	Aug-01	-
SIGA - Sistema Integrado de Gestão Ambiental, S.A. ("Siga") Through Suma	Portugal (Ponta Delgada)	43,05 43,05	Treatment and disposal of non-hazardous waste	Oct-08	-
SIGAMB - Sistemas de Gestão Ambiental, Lda. ("SIGAMB") Through Novaflex	Angola (Luanda)	61,44 61,44	Technical studies, consultancy and formation in the environmental area	Feb-14	-
SRI - Gestão de Resíduos, Lda ("SRI") Through Correia & Correia	Portugal (Sertão)	48,18 48,18	Collection of hazardous waste	Jul-08	-
Suldouro - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Suldouro") Through EGF	Portugal (Vila Nova de Gaia)	35,52 35,52	Treatment and recovery of urban solid waste	-	Jun-15
Suma (Douro) - Serviços Urbanos e Meio Ambiente, Lda. ("Suma Douro") Through Suma	Portugal (Murça)	61,50 61,50	Treatment and recovery of urban solid waste	Jul-00	-
Suma (Esposende) - Serviços Urbanos e Meio Ambiente, Lda. ("Suma Esposende") Through Suma	Portugal (Esposende)	61,50 61,50	Treatment and recovery of urban solid waste	Dec-99	-
Suma (Macau), Lda. ("Suma Macau") Through Suma	China (Macau)	60,89 60,89	Treatment and recovery of urban solid waste	-	Dec-13
Sumalab, S.A. ("Sumalab") Through Suma	Portugal (Matosinhos)	61,50 61,50	Treatment and recovery of urban solid waste	Dec-00	-
Suma (Porto) - Serviços Urbanos e Meio Ambiente, S.A. ("Suma Porto") Through Suma	Portugal (Porto)	61,50 61,50	Treatment and recovery of urban solid waste	Nov-08	-
Suma Tratamento, S.A. ("Suma Tratamento") Through Suma Through Suma Esposende Through Novaflex	Portugal (Lisbon)	59,20 49,19 0,01 0,01	Management of financial holdings	Oct-14	-
Suma - Serviços Urbanos e Meio Ambiente, S.A. ("Suma") Through Mota-Engil Ambiente e Serviços	Portugal (Lisbon)	61,50 61,50	Treatment and recovery of urban solid waste	Jun-94	-
Triaza - Tratamento de Resíduos Industriais da Azambuja, S.A. ("Triaza") Through Suma	Portugal (Azambuja)	61,50 61,50	Treatment and recovery of urban solid waste	Nov-15	-
Triu - Técnicas de Resíduos Industriais e Urbanos, S.A. ("Triu") Through Enviroil	Portugal (Loures)	48,18 48,18	Collection of non-hazardous waste	Apr-91	Sep-08
Valnor - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Valnor") Through EGF	Portugal (Portalegre)	31,57 31,57	Treatment and recovery of urban solid waste	-	Jun-15
Valorlis - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Valorlis") Through EGF	Portugal (Leiria)	30,19 30,19	Treatment and recovery of urban solid waste	-	Jun-15
Valorminho - Valorização e Tratamento de Resíduos Sólidos, S.A. ("Valorminho") Through EGF	Portugal (Valença)	30,19 30,19	Treatment and recovery of urban solid waste	-	Jun-15
Valorsul - Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisbon e do Oeste, S.A. ("Valorsul") Through EGF	Portugal (Loures)	31,33 31,33	Treatment and recovery of urban solid waste	-	Jun-15

Designation	Head Quarters	Effective holding percentage	Activity	Incorporation date	Acquisition date
Africa					
Akwangola, S.A. ("Akwangola")	Angola	51,00	Exploitation of water market	Dec-10	Dec-13
Through Mota-Engil Angola	(Luanda)	51,00			
AMGP Agricultura, S.A. ("AMGP")	Portugal	100,00	Management of farm projects	Feb-19	Sep-20
Through MEEC África	(Porto)	100,00			
Cecot - Centro de Estudos e Consultas Técnicas, Lda. ("Cecot")	Mozambique	100,00	Construction works' projects and inspection	Sep-98	Apr-11
Through MEEC África	(Maputo)	100,00			
Clean Eburnie SARL ("Clean Eburnie")	Ivory Coast	60,00	Technical studies, conception, finance, constructions and exploration of landfills	Dec-17	-
Through MEEC África	(Abidjan)	60,00			
Cosamo (Proprietary) Limited ("Cosamo")	South Africa	100,00	Commercial	Dec-76	-
Through Mota Internacional	(Joanesburgo)	100,00			
Eco Eburnie, S.A. ("Eco Eburnie")	Ivory Coast	100,00	Treatment and recovery of urban solid waste and cleaning and maintenance of streets	Oct-17	-
Through MEEC África	(Abidjan)	100,00			
Ecolife, S.A. ("Ecolife")	Mozambique	58,45	Treatment and recovery of urban solid waste	Dec-13	-
Through Mota-Internacional	(Maputo)	40,00			
Through Suma	(Maputo)	18,45			
Empresa Agrícola Florestal Portuguesa, S.A. ("Empresa Agrícola Florestal")	Portugal	100,00	Forestry exploration	Feb-18	Sep-20
Through AMGP	(Porto)	55,28			
Through Mota-Engil Engenharia e Construção	(Porto)	44,72			
Estradas do Zambeze ("Estradas do Zambeze")	Mozambique	95,00	Road concession	Nov-09	Apr-20
Through MEEC África	(Maputo)	95,00			
Fatra - Fábrica de Trefilaria de Angola, S.A. ("Fatra")	Angola	70,00	Manufacturing of iron-derived products	May-08	Nov-10
Through Mota Internacional	(Luanda)	70,00			
Fibreglass Sundlete (Mozambique), Lda. ("Fibreglass")	Mozambique	100,00	Commercial	Aug-62	Mar-99
Through ME Maurícias	(Maputo)	100,00			
Indimo, Lda. ("Indimo")	Mozambique	100,00	Real Estate development	-	Oct-04
Through Cecot	(Maputo)	50,00			
Through MEEC África	(Maputo)	50,00			
Infraconnect Eighteen Kenya Limited ("Infraconnect Eighteen Kenya")	Kenya	78,65	Public works and /or construction works contractor	Mar-21	-
Through Mota-Engil Kenya	(Nairobi)	48,00			
Through Meeecake Holdco	(Nairobi)	16,58			
Through Karp Joint Venture	(Nairobi)	14,07			
Infraconnect Fifteen Kenya Limited ("Infraconnect Fifteen Kenya")	Kenya	78,44	Public works and /or construction works contractor	Mar-21	-
Through Mota-Engil Kenya	(Nairobi)	48,00			
Through Meeecake Holdco	(Nairobi)	16,47			
Through Karp Joint Venture	(Nairobi)	13,97			
KARP Joint Venture LLP ("KARP Joint Venture")	Quênia	62,00	Management of financial holdings	Feb-21	-
Através da MEEC África	(Nairobi)	62,00			
Liwonde Logistics Platform Limited ("Liwonde")	Malawi	99,49	Management of financial holdings	Jun-15	-
Through ME Investments Malawi	(Lilongwe)	50,00			
Through MEEC África – Malawi Branch	(Lilongwe)	49,49			
Malawi Ports Company Limited ("Malawi Ports Company")	Malawi	100,00	Shipping	Nov-10	-
Through MEEC África	(Lilongwe)	88,00			
Through ME Malawi	(Lilongwe)	12,00			
Malawi Shipping Company Limited ("Malawi Shipping Company")	Malawi	100,00	Shipping	Nov-10	-
Through ME Malawi	(Lilongwe)	100,00			
Mamaland - Produção Agroflorestal, Lda. ("Mamaland")	Angola	100,00	Agroforestry activity	Sep-21	-
Through MEEC África	(Cabinda)	50,00			
Through Mota Internacional	(Cabinda)	50,00			
Martinox, S.A. ("Martinox")	Angola	51,00	Stainless steel works	Feb-08	Dec-11
Through Mota-Engil Angola	(Benguela)	51,00			
Meeecake Holdco Limited ("Meeecake Holdco")	Kenya	100,00	Management of financial holdings	May-21	-
Through MEEC África	(Nairobi)	100,00			
MEIM Morila SARL ("MEIM Morila")	Mali	70,00	Execution of all types of mining drilling services	Aug-21	-
Through MEEC África	(Cité du Niger)	40,00			
Through Mota-Engil Mali SARL	(Cité du Niger)	30,00			
Mota & Companhia Maurícias, Lda. ("ME Maurícias")	Maurícias	100,00	Construction works	May-10	-
Through MEEC África	(Ebene)	100,00			
Mota-Engil África, SGPS, S.A. ("Mota-Engil África")	Portugal	100,00	Management of financial holdings	May-10	-
Through MEEC África	(Porto)	100,00			
Mota-Engil África Global Technical Services B.V. ("ME África GTS BV")	Netherlands	100,00	Management of companies	May-14	-
Through MEEC África	(Amsterdam)	100,00			
Mota-Engil Angola, S.A. ("Mota-Engil Angola")	Angola	51,00	Public works and /or construction works contractor	May-10	-
Through Mota Internacional	(Luanda)	51,00			
Mota-Engil Cameroon SARL ("Mota-Engil Cameroon")	Cameroon	100,00	Public works and /or construction works contractor	Jan-18	-
Through MEEC África	(Douala)	100,00			
Mota-Engil Côte D'Ivoire, SARL ("Mota-Engil Ivory Coast")	Ivory Coast	100,00	Public works and /or construction works contractor	Apr-18	-
Through MEEC África	(Abidjan)	100,00			
Mota-Engil Engenharia e Construção África PTY LTD ("Mota-Engil Engenharia e Construção África PTY")	South Africa	100,00	Construction works	Feb-17	-
Through MEEC África	(Joanesburgo)	100,00			
Mota-Engil Engenharia e Construção África, S.A. ("MEEC África")	Portugal	100,00	Construction works	Aug-12	-
Through Mota-Engil SGPS	(Porto)	100,00			
Mota-Engil Guinée Conakry, SARL ("Mota-Engil Guiné")	Guinea Conakry	100,00	Public works and /or construction works contractor	Aug-17	-
Through MEEC África	(Conacri)	100,00			
Mota-Engil Guinée Mandiana, SARL ("Mota-Engil Guiné Mandiana")	Guinea Conakry	100,00	Mining and forestry extraction	Feb-20	-
Through MEEC África	(Conacri)	100,00			
Mota-Engil Investments (Malawi) Limited ("ME Investments Malawi")	Malawi	99,00	Public works and /or construction works contractor	Mar-11	-
Through Mota-Engil África	(Lilongwe)	99,00			
Mota-Engil Kenya - Road Construction, Operation and Maintenance, Sociedade Unipessoal Lda. ("Mota-Engil Kenya")	Portugal	100,00	Public works and /or construction works contractor	Jul-21	-
Through MEEC África	(Porto)	100,00			
Mota-Engil (Malawi) Limited ("ME Malawi")	Malawi	99,99	Public works and /or construction works contractor	Jul-11	-
Through MEEC África	(Lilongwe)	99,99			
Mota-Engil Mali SARL ("Mota-Engil Mali")	Mali	100,00	Public works and /or construction works contractor	Jul-21	-
Through MEEC África	(Cité du Niger)	100,00			
Mota-Engil Mozambique, Lda. ("ME Mozambique")	Mozambique	100,00	Real Estate Development	Jul-94	-
Through MEEC África	(Maputo)	50,00			
Through Indimo	(Maputo)	50,00			
Mota-Engil Nigeria Limited ("Mota-Engil Nigeria")	Nigeria	51,00	Public works and /or construction works contractor	Jul-18	-
Through MEEC África	(Lagos)	51,00			
Mota-Engil S. Tomé e Príncipe, Lda. ("Mota-Engil S. Tomé")	S. Tomé e Príncipe	100,00	Public works and /or construction works contractor	Dec-04	-
Through Mota Internacional	(S. Tomé)	95,00			
Through MEEC África	(S. Tomé)	5,00			
Mota-Engil Trading (Beijing) Co. Ltd. ("Mota-Engil Trading Beijing")	China	100,00	Commercial	Dec-20	-
Through MEEC África	(Beijing)	100,00			
Mota-Engil (Uganda) Limited ("Mota-Engil Uganda")	Uganda	60,00	Exploring, extracting, drilling, pumping, supplying and transporting of oil, gas, petroleum and other related products	out/20	-
Through MEEC África	(Kampala)	60,00			
Mota Internacional – Comércio e Consultadoria Económica, Lda. ("Mota Internacional")	Portugal	100,00	Management of financial holdings	Sep-97	Dec-98
Through Mota-Engil África	(Funchal)	100,00			
Novicer - Cerâmicas de Angola, (SU) Limitada. ("Novicer")	Angola	51,00	Manufacture and trade of clay materials	Sep-07	-
Through Mota-Engil Angola	(Luanda)	51,00			
Operadora Estradas do Zambeze ("Operadora Estradas do Zambeze")	Mozambique	95,00	Road operation and maintenance	Nov-09	Apr-20
Through MEEC África	(Maputo)	95,00			
Penta - Engenharia e Construção, Lda. ("Penta")	Cape Verde	100,00	Public works and /or construction works contractor	Apr-07	-
Through MEEC África	(Praia)	96,00			
Through Mota Internacional	(Praia)	4,00			

Designation	Head Quarters	Effective holding percentage	Activity	Incorporation date	Acquisition date
Prefal – Préfabricados de Luanda, Lda. ("Prefal") Through Mota-Engil Angola	Angola (Luanda)	45,90 45,90	Manufacturing of prestressed goods	Dec-93	-
Rentaco Angola - Equipamentos e Transportes, (SU) Limitada. ("Rentaco Angola") Through Mota-Engil Angola	Angola (Luanda)	51,00 51,00	Rental of construction equipment	Jan-08	-
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)	51,00 51,00	Road signs	-	Sep-07
Vista Energy Environment & Services, S.A. ("Vista SA") Through Mota-Engil Angola	Angola (Luanda)	51,00 51,00	Management of financial holdings	Jul-08	Dec-13
Vista Multi Services, Lda. ("Vista Multi Services") Through Vista SA Through Mota-Engil Angola	Angola (Luanda)	51,00 40,80 10,20	Urban services	May-09	Dec-13
Vista Waste Management, Lda. ("Vista Waste") Through Mota-Engil Angola Through Vista SA Through Suma	Angola (Luanda)	56,15 5,10 20,91 30,14	Collection of waste	Dec-09	Dec-13
Latin America					
Administradora Desarrollo MEM ("Administradora Desarrollo MEM") Through Mota-Engil Mexico Through Mota-Engil América Latina SAPI	Mexico (Mexico City)	51,49 50,49 1,00	Business Administration	Feb-18	-
Ambiente y Servicios Peru S.A. ("Ambiente y Servicios Peru") Through Mota-Engil Engenharia e Construção Through Mota-Engil Peru	Peru (Lima)	100,00 0,00 100,00	Terminals exploration	-	-
Colombia ME S.A.S. ("Colombia ME") Through ME Latin America Through Mota-Engil Engenharia e Construção	Colombia (Bogotá)	100,00 99,00 1,00	Construction and public works	Oct-21	-
Concesionaria Tultepec AIFA Pirâmides, S.A. de C.V. ("Concesionaria Tultepec") Through Mota-Engil América Latina SAPI Through Mota-Engil Mexico	Mexico (Mexico City)	51,00 0,00 51,00	Motorway concessionaire	Dec-20	-
Concesiones e Infraestructuras Andina S.A. ("Concesiones e Infraestructuras Andina") Through Mota-Engil Engenharia e Construção África Through Mota-Engil Latam PT	Peru (Lima)	100,00 1,00 99,00	Civil construction	Feb-21	-
Consórcio EE Canoas ("Consórcio EE Canoas") Through Empresa Construtora do Brazil Through Mota-Engil Latam Colombia SAS	Colombia (Bogotá)	87,50 21,88 65,63	Construction and public works	Sep-18	-
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 Mexico	Mexico (Mexico City)	21,88 21,88	Construction and public works	Jun-14	-
Consorcio Hospitalario Chavin ("Consórcio Hospitalario Chavin") Through Mota- Engil Peru	Peru (Lima)	90,00 100,00	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	-
Consórcio Lamat Tramo 1 SAPI ("Consórcio Lamat") Through Mota-Engil Mexico	Mexico (Mexico City)	29,58 29,58	Construction and public works	Apr-20	-
Consórcio Los Castaños ("Consórcio Los Castaños") Through Mota- Engil Peru	Peru (Lima)	100,00 100,00	Real Estate development	Dec-11	-
Consórcio ME Carrera 43 ("Consorcio ME Carrera 43") Through Mota-Engil Engenharia e Construção - Colombia Branch Through Mota-Engil Latam Colombia SAS	Colombia (Bogotá)	51,00 0,00 51,00	Construction and public works	Feb-18	-
Consórcio MEC Arroyo Carrera 65 ("Consórcio MEC Arroyo Carrera") Through Mota-Engil Engenharia e Construção - Colombia Branch Through Mota-Engil Colombia	Colombia (Bogotá)	51,00 0,00 51,00	Construction and public works	Sep-16	-
Consórcio MEC-Av.Malecon-UF1 ("Consórcio MEC-Av.Malecon-UF1") Through Mota-Engil Engenharia e Construção - Colombia Branch Through Mota-Engil Colombia	Colombia (Buenaventura)	51,00 0,00 51,00	Construction and public works	May-16	-
Consórcio MEC-Av.Malecon-UF2 ("Consórcio MEC-Av.Malecon-UF2") Through Mota-Engil Engenharia e Construção - Colombia Branch Through Mota-Engil Colombia	Colombia (Bogotá)	51,00 0,00 51,00	Construction and public works	Nov-16	-
Consórcio ME-Contrato Colegios ("Consórcio ME Colegios") Through Mota-Engil Engenharia e Construção - Colombia Branch Through Mota- Engil Peru	Colombia (Buenaventura)	100,00 75,00 25,00	Construction works	May-16	-
Consórcio Mota-Engil Ojeda & Iju Paracas ("Consórcio ME Ojeda & Iju") Through Mota- Engil Peru	Peru (Lima)	100,00 100,00	Real Estate development	Dec-11	-
Consórcio Mota-Engil TR ("Consórcio Mota-Engil TR") Through Mota- Engil Peru Through Mota-Engil Engenharia e Construção -	Peru (Lima)	100,00 50,00 50,00	Construction works	-	Nov-21
Consórcio Porta ("Consórcio Porta") Through Mota- Engil Peru	Peru (Lima)	100,00 100,00	Real Estate development	Dec-11	-
Consórcio Túnel Guadalajara, SAPI de C.V. ("Consórcio GDL Túnel") Through Mota-Engil Mexico	Mexico (Mexico City)	21,88 21,88	Construction and public works	Jul-14	-
Constructora APP Tabasvera S.A. de C.V. ("Constructora APP Tabasvera") Through Mota-Engil Mexico	Mexico (Mexico City)	38,25 38,25	Construction and public works	Jul-16	-
Constructora Autopista Cardel-Poza Rica, S.A. de C.V. ("Constructora Cardel-Poza Rica") Through Mota-Engil Mexico	Mexico (Mexico City)	40,80 40,80	Construction and public works	-	Nov/17
Constructora Gran Canal SAPI de C.V. ("Construtora Gran Canal") Through Mota-Engil Mexico	Mexico (Mexico City)	2,04 2,04	Construction and public works	-	Apr-21
CTR Santa Luzia Tratamento e Disposição de Resíduos Ltda. ("CTR Santa Luzia") Through Suma Brasil	Brasil (Belo Horizonte)	60,89 60,89	Treatment of non-hazardous waste	Dec-18	-
Desarrolladora Cuatro Caminos SAPI de C.V. ("Desarrolladora Cuatro Caminos") Through ME Inmobiliaria SAPI	Mexico (Mexico City)	49,99 49,99	Construction works	Jun-19	-
Desarrolladora Patzcuaro, SAPI de C.V. ("Desarrolladora Patzcuaro") Through ME Inmobiliaria SAPI	Mexico (Mexico City)	49,99 49,99	Construction works	Aug-19	-
Desarrollos DOT Mexico, S.A. de C.V. ("Desarrollos DOT Mexico") Through Mota-Engil Mexico	Mexico (Mexico City)	43,35 43,35	Construction and public works	Apr-18	-
Empresa Construtora Brazil, S.A. ("Empresa Construtora Brazil") Through MEBR	Brasil (Belo Horizonte)	50,00 50,00	Construction and public works	Nov-12	-
Empresa Construtora de Honduras, S.A. ("Empresa Construtora Honduras") Through Mota-Engil Mexico	Honduras (Villanueva)	35,70 35,70	Construction and public works	Aug-18	Sep-18
Fideicomiso de Vivienda de Bajo Costo Mota Engil, S.R.L. ("Fideicomiso VBC") Through Mota-Engil Dominicana	Dominican Republic (Santo Domingo)	100,00 100,00	Construction, renovation and repair of residential buildings	Nov-15	-
Flame Investments, B.V. ("Flame Investments") Through Mota-Engil Latin America BV	Netherlands (Amsterdam)	51,00 51,00	Management of financial holdings	Mar-15	-
FSE Comercializadora Fenix, SAPI de C.V. ("FSE Comercializadora Fenix") Through Mota Engil America Latina SAPI Through ME Energia operacional	Mexico (Mexico City)	51,01 0,01 51,00	Energy trading	Sep-16	-
FSE Suministradora Fenix, SAPI de C.V. ("FSE Suministradora Fenix") Through Mota Engil America Latina SAPI Through ME Energia operacional	Mexico (Mexico City)	51,01 0,01 51,00	Energy distribution	Aug-16	-
Generadora Fenix, SAPI de C.V. ("Generadora Fenix") Through ME Energia operacional	Mexico (Mexico City)	46,41 46,41	Energy production	Sep-15	-
Geres Participações, S.A. ("Geres Participações") Through Suma	Brasil (Belo Horizonte)	61,50 61,50	Management of financial holdings	Dec-14	Oct-21
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	-

Designation	Head Quarters	Effective holding percentage	Activity	Incorporation date	Acquisition date
Mais ITAPEVI - SPE S/A ("Mais ITAPEVI") Through Suma Brasil	Brazil (São Paulo)	43,05 43,05	Waste treatment	Mar-21	-
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	-
Minería y Ingeniería Andina S.A. ("Minería y Ingeniería 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 0,02 99,98	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 Colombia, S.A.S. ("Mota-Engil Colombia") 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 Energía, S.A. de C.V. ("ME Energía operacional") Through Mota-Engil Energy Holding Through Mota-Engil América Latina SAPI de CV	Mexico (Mexico City)	51,00 51,00 0,00	Development and operationalization of energy production	Sep-15	-
Mota-Engil Energy Holding Mexico, SAPI de C.V. ("ME Energy Holding") Through Mota-Engil Mexico 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 Mexico 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 Mexico	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 Colombia 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 Mexico, S.A. de C.V. ("Mota-Engil Mexico") Through Mota-Engil Latin America BV Through Mota-Engil América Latina SAPI Through Mota Internacional	Mexico (Mexico City)	51,00 19,18 31,82 0,00	Construction and public works	Jan-10	-
Mota-Engil O&M Mexico, SAPI de C.V. ("Mota-Engil O&M Mexico SAPI") Through Mota-Engil Mexico	Mexico (Mexico City)	51,00 51,00	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 Mexico 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 Mexico 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	México (Ciudad de México)	51,00 51,00 0,00	Gestão de participações financeiras	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 Mexico Through Mota-Engil Engenharia e Construção	Mexico (Mexico City)	58,35 43,35 15,00	Construction and public works	May-16	-
Suma Brasil - Serviços Urbanos e Meio Ambiente, S.A. ("Suma Brasil") Through Geres Participações	Brazil (Belo Horizonte)	61,50 61,50	Waste treatment	-	Dec-14
Tarucani Generating Company, S.A. ("Tarucani") Through Luso Energy del Peru Through Mota-Engil Peru	Peru (Lima)	100,00 99,98 0,02	Electricity generation and distribution	Apr-00	-
Tracevia Mexico S.A. de C.V. ("Tracevia Mexico") Through Tracevia Brazil	Mexico (Mexico City)	50,00 50,00	Design, installation, development and maintenance of ITS	Jun-17	-
Tracevia S.A. ("Tracevia Brazil") Through MEBR	Brazil (São Paulo)	50,00 50,00	Design, installation, development and maintenance of ITS	Mar-11	-
Tuxpan - Tampico Construcciones, S.A. de C.V. ("Construtora Tuxpan Tampico") Through Mota-Engil Mexico Through Mota-Engil América Latina SAPI	Mexico (Mexico City)	51,00 50,99 0,01	Construction and public works	-	Nov/17

COMPANIES / ENTITIES INCLUDED IN THE CONSOLIDATION BY THE EQUITY METHOD

The companies / entities included in the attached consolidated financial statements by the equity method, their head quarters and effective holding percentage as at December 31, 2021, were as follows:

Designation	Head Quarters	Effective holding percentage
Associated and jointly controlled companies		
Parent Company of the Group and related activities		
HL - Sociedade Gestora do Edifício, S.A. ("HL - Sociedade Gestora do Edifício")	Portugal	50,00
Ibercarga Rail, S.A. ("Ibercarga")	Spain	50,00
MERESOL I – Real Estate, Lda. ("MERESOL I")	Portugal	50,00
MERESOL II – Real Estate, Lda. ("MERESOL II")	Portugal	50,00
Riscos e Diâmetros Angola, SGPS, S.A. ("Riscos e Diâmetros Angola")	Portugal	30,10
Europe - Environment and Services		
Ambilital – Investimentos Ambientais no Alentejo, EIM ("Ambilital")	Portugal	30,14
Citrup – Centro Integrado de Resíduos, Lda. ("Citrup")	Portugal	18,45
Ecolezíria - Empresa Intermunicipal para Tratamento de Resíduos Sólidos, EIM ("Ecolezíria")	Portugal	15,07
Africa		
Automatriz, S.A. ("Automatriz")	Angola	25,50
Icer – Indústria de Cerâmica, Lda. ("Icer")	Angola	25,50
Mebisa - Minerais e Britagens, S.A. ("Mebisa")	Angola	15,30
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	25,50
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	17,49
AZPAU Entretenimiento, SAPI de C.V. ("AZPAU")	Mexico	29,33
Comercializadora Costa Canuva ("Comercializadora Costa Canuva")	Mexico	14,00
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-Tampico")	Mexico	25,85
Concesionaria Cua SAPI de C.V. ("Concesionaria Cua")	Mexico	34,00
Concesionaria Urbana Arco Oriente S.A. de C.V. ("Concesionaria Urbana Arco Oriente")	Mexico	17,00
Consortio ME Colombia ("Consortio ME Colombia")	Colombia	38,06
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	25,50
Constructora Cuapixtla - Cuacnopalan, S.A. de CV ("Constructora Cuapixtla - Cuacnopalan I")	Mexico	25,50
Constructora Cuapixtla - Cuacnopalan II, S.A. de CV ("Constructora Cuapixtla - Cuacnopalan II")	Mexico	25,50
Constructora M&R, S.A. de C.V. ("Constructora M&R")	Mexico	10,20
Constructora Tampico Ciudad Victoria, SAPI de C.V. ("Constructora Tampico Ciudad Victoria")	Mexico	20,40
ECOSS Ambiental Serviços de Limpeza Urbana - SPE Ltda. ("ECOSS Ambiental")	Brazil	20,91
Fideicomiso el Capomo ("Fideicomiso el Capomo")	Mexico	21,00
Fideicomiso Fairmont Costa Canuva ("Costa Canuva")	Mexico	13,08
Grupo Constructor y Desarrollador de Puebla, S.A. de C.V. ("Grupo Constructor y Desarrollador de Puebla")	Mexico	25,50
M&R de Occidente SAPI de C.V. ("Concesionária M&R")	Mexico	20,00
Mota-Engil Tourism, B.V. ("Mota-Engil Tourism BV")	Mexico	30,00
Mota-Engil Turismo Holding, S.A.P.I. de C.V. ("Mota-Engil Turismo Holding")	Mexico	21,00
Mota-Engil Turismo, S.A. de C.V. ("Mota-Engil Turismo")	Mexico	21,00
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
Sistemas Electricos Metropolitanos ("Sistemas Electricos Metropolitanos")	Mexico	25,50
Trans Tamaulipas, S.A. de C.V. ("Trans Tamaulipas")	Mexico	17,00
Martifer Group	Portugal	37,50

The “Agrupamentos Complementares de Empresas” (ACE) included in the accompanying consolidated financial statements by the equity method and their effective holding percentage as at December 31, 2021, were as follows:

Jointly controlled entities - "Agrupamentos Complementares de Empresas"	Effective holding percentage
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
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 Construção, ACE	65,00
LGC - Linha Gondomar, Construtores, ACE	30,00
Metroligeiro Construção de Infraestruturas, ACE	53,20
Mota-Engil/Acciona/Edvisa - 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

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 effective holding percentage as at December 31, 2021, were as follows:

Designation	Head Quarters	Effective holding percentage
Latin America		
BEME VOF ("BEME VOF")	Netherlands	50,00
Through MEEC África - Netherlands Branch	(Dordrecht)	50,00
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 Ibagué")	Colombia	45,65
Through Mota-Engil Engenharia e Construção - Colombia Branch	(Bogotá)	39,65
Through Mota- Engil Colombia		6,00
Consorcio Línea Panama Norte ("Consórcio Línea Panamá Norte")	Panamá	50,00
Through Mota-Engil Engenharia e Construção	(Panamá City)	50,00
Consórcio Mota-Engil Dominicana SAS/IEMCA ("Consórcio Mota-Engil Dominicana")	Dominican Rep.	42,00
Through Mota-Engil Dominicana	(Santo Domingo)	42,00
Consórcio Mota-Engil Peru HL Paíta ("Consórcio Mota-Engil Peru HL Paíta")	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 el Descanso-Langui ("Consórcio Vial el Descanso-Langui")	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 Sur del Peru ("Consórcio Vial Sur del Peru")	Peru	50,00
Through Mota- Engil Peru	(Lima)	50,00
Consórcio Vial Tambillo ("Consórcio Vial Tambillo")	Peru	50,00
Through Mota- Engil Peru	(Lima)	50,00
Consórcio Vial Valle Sagrado ("Consórcio Vial Valle Sagrado")	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
Translei Consórcio Cusco-Quillabanba ("Translei Consórcio Cusco-Quillabanba")	Peru	50,00
Through Mota- Engil Peru	(Lima)	50,00

The acceleration of Innovation

To inspire progress

To invest in innovation as a relevant source of the GROUP evolution and to assure the value capture in differentiating businesses

A Legacy of Trust.

1998 Vasco da Gama Bridge, Portugal.

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PART I – INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

INTRODUCTORY NOTE

References throughout this document to the Securities Code ("CVM") refer to the version in effect on 31 December 2021.

A. SHARE CAPITAL STRUCTURE

I. Capital structure

1. Share 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 245-A, paragraph 1, subparagraph a)).

The share capital of MOTA-ENGIL, SGPS, SA ("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 2021:

Shareholders	No. of shares	% of capital held	% of voting rights
Own shares:	6,091,581	1.99%	-
Qualified holdings:			
FM – Sociedade de Controlo, SGPS, SA	122,800,167	40.03%	40.84%
China Communications Construction Group	99,426,974	32.41%	33.07%
Mutima Capital Management, LLC	6,476,809	2.11%	2.15%
Other holdings	71,980,419	23.46%	23.94%
	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 245-A, 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 (Art. 245-A, paragraph 1, subparagraph a)).

As at 31 December 2021, 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 245-A, 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 may lead to restrictions in the transmission of securities or voting rights (article 245-A, 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 245-A, paragraph. 1, subparagraph c) and d), and article 16), with detailed indication of the percentage of capital and of attributable votes, source and causes of attribution.

As at 31 December 2021, and according to the notices received by the COMPANY, the shareholders who, as per article 20 of the Portuguese Securities Code, hold a qualified holding representing at least 2% of the share capital of MOTA-ENGIL are as follows:

Shareholders	No. of Shares	% of shares held	% of voting rights
Mota Gestão e Participações, SGPS, SA (*)	117,827,648	38.41%	39.19%
António Manuel Queirós Vasconcelos da Mota (**) / (***) (a)	1,500,000	0.49%	0.50%
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, SA	122,800,167	40.03%	40.84%
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	222,227,141	72.44%	73.91%
Ghotic Corp Mutima Capital (*)	3,153,453	1.03%	1.05%
Ghotic HSP Corp Mutima Capital (*)	1,228,745	0.40%	0.41%
Ghotic JBD LLC Mutima Capital (*)	1,146,803	0.37%	0.38%
Gothic ERP LLC Mutima (*)	820,821	0.27%	0.27%
The Mutima Africa Fund LP (*)	126,987	0.04%	0.04%
Attributable to Mutima Capital Management, LLC	6,476,809	2.11%	2.15%
Own shares	6,091,581	1.99%	-
Other shareholders holding less than 2%	71,980,419	23.46%	23.94%
Sub-total II	84,548,809	27.56%	26.09%
TOTAL	306,775,950	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, SA

As at 31 December 2021, Mota Gestão e Participações, SGPS, SA was 100% held by FM – SOCIEDADE DE CONTROLO, SGPS, S.A., which is 100% held by the members of the Board of Directors mentioned above under (a).

As at the date of this report, 122,800,167 shares corresponding to 40.03% of the share capital of MOTA-ENGIL, granting 40.03% of voting rights, were attributable to FM – SOCIEDADE DE CONTROLO, SGPS, SA.

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.

9. Special powers of the management body, namely regarding the decision to increase capital (article 245-A, 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 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 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 2021 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 Shareholders' General Meeting and respective mandate (beginning and end)

As at 31 December 2021, the General Meeting was composed of the following members appointed for the 2018-2021 mandate:

Chairman: António Cândido Lopes Natário

Secretary: Rui Jorge Teixeira de Carvalho Pedrito

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 245-A, 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.

Even though 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.

According to article 16, paragraph 3 of the COMPANY's articles of association, for the General Meeting to meet and decide at first notice, shareholders who hold shares corresponding to more than 50% of the share capital must necessarily be 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. This form may be obtained through the services of the Investors Relations Board (Mr. Pedro Arrais – email: 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 2021, remote attendance and the exercise of voting rights were not possible. However, the COMPANY's articles of association provide for such possibility.

The shareholders of the COMPANY may access, on the website (www.mota-engil.pt), the necessary information from the General Meeting's minutes, which must be disclosed within five days following the realisation of the respective meetings.

The COMPANY provides, on its website (www.mota-engil.pt), information concerning the resolutions made in the COMPANY's General Meetings for at least the latest three financial years, as well as and 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 Meeting shall be taken by a simple majority, except where the law requires differently or related with the issues focused in article 16, paragraph 2, for which a qualified majority of at least 70.01% is required.

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 designation and general supervision of the Executive Committee and the expert committees it forms. The other two bodies are responsible for the 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 Administration Board and the General and Supervisory Board (art. 245-A, paragraph 1, subparagraph h))

The members of the Board of Directors are designated in accordance with the law and the articles of association under the terms of the proposal approved at the annual 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 designation 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 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 2021, MOTA-ENGIL had a Board of Directors made up of 14 members (21 members up to 30 June 2021): one chairman, one deputy-chairmen and twelve members. At the same date, five of its members performed executive functions and formed an Executive Committee, while the remaining nine 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
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

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
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).

Additionally, it is understood that the annual remuneration (disclosed in paragraph 77), under 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 four independent directors according to the above referred criteria, from a total of nine non-executive directors, a proper ratio of independent directors is deemed to exist 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 Administration Board.

António Manuel Queirós Vasconcelos da Mota (Chairman)

Professional qualifications

- Bachelor's Degree in Civil Engineering (Transport Links) at the Engineering Faculty of University of Porto

Career path in the last five years

- At least for five years, apart from being Chairman of the Board of Directors and Chairman of the Remuneration Committee of Mota-Engil, SGPS, SA, 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

- Apart from being member of the Board of Directors and member of the Remuneration Committee of Mota-Engil, SGPS, SA, has been performing/has performed 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, SA, 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 University of Porto
- Master in Business Administration at University of Porto

Career path in the last five years

- At least for five years, apart from being member of the Board of Directors and Executive Committee of Mota-Engil, SGPS, SA, 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

- Apart from being member of the Board of Directors and Executive Committee of Mota-Engil, SGPS, SA, has been performing/has performed duties 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 a non-executive independent member of the Board of Directors of Mota-Engil, SGPS, SA and Mota-Engil, Engenharia e Construção África, SA, has been performing/has performed duties in the last five years in various governing bodies of 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, SA, 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, SA, 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 (New 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, SA, has been performing/has performed duties in the last five years in various governing bodies of companies outside the Group

Manuel António da Fonseca Vasconcelos da Mota (Member)**Professional qualifications**

- Master's Degree in Civil Engineering at the 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, SA, has been performing/has performed duties in the last five years in various governing bodies of Group companies and companies outside the Group

Maria Paula Queirós Vasconcelos Mota de Meireles (Member)**Professional qualifications**

- Bachelor's Degree in Civil Engineering at the Engineering Faculty of University of Porto

Career path in the last five years

- And at least for five years, apart from being member of the Board of Directors of Mota-Engil, SGPS, SA, has been performing/has performed duties 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

- And at least for five years, apart from being a member of the Board of Directors of Mota-Engil, SGPS, SA, has not been performing/has performed duties in various 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

- And at least for five years, apart from being a member of the Board of Directors Mota-Engil, SGPS, SA, has been performing/has performed duties 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

- At least for five years, apart from being member of the Board of Directors and Executive Committee of Mota-Engil, SGPS, SA, has not been performing/has performed duties in governing bodies of Group companies or companies outside the Group

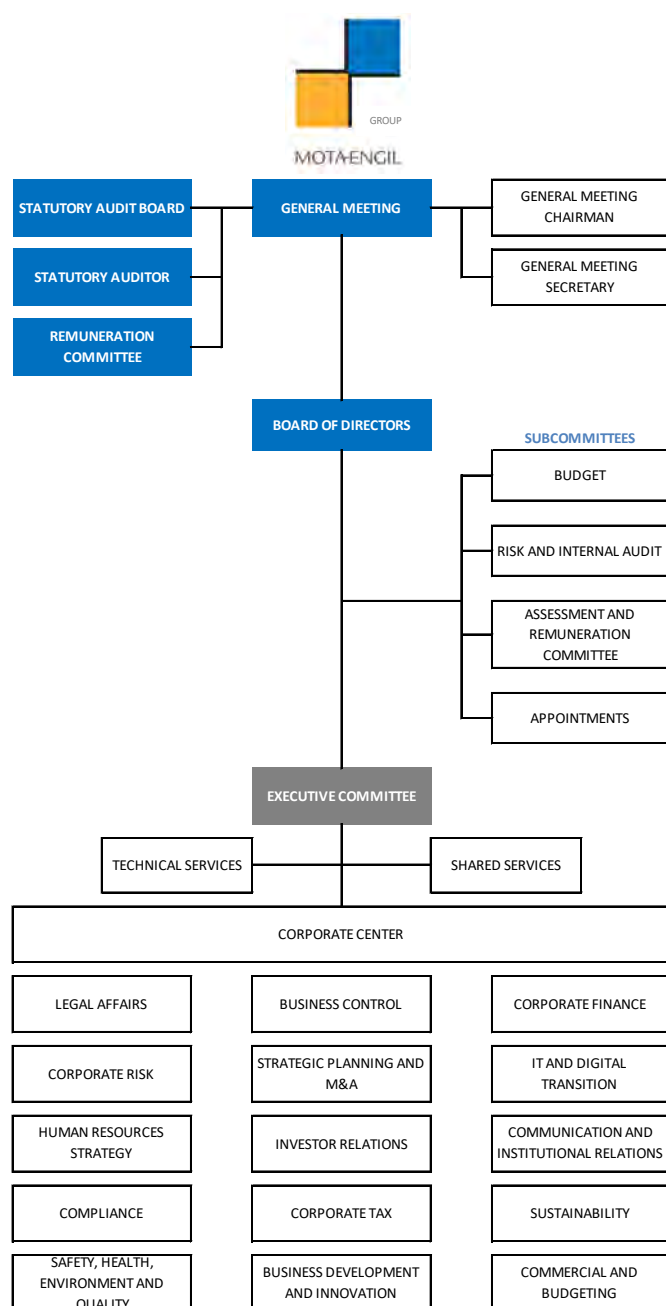
Annex 5 – point 7 of the present report contains a list of positions held by the members of the Board of Directors of MOTA-ENGIL in other GROUP companies and outside the GROUP.

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 – SOCIEDADE DE CONTROLO, SGPS, SA.

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 – SOCIEDADE DE CONTROLO, SGPS, SA).

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 2021, MOTA-ENGIL had a Board of Directors made up of 14 members: one Chairman, one Deputy-Chairman and twelve members. At the same date, five of its members performed executive functions and formed an Executive Committee, while the remaining nine 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 and the GROUP.

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) the dialogue with the Chairman of the Board of Directors and other directors; (2) the conditions and means necessary to the performance of the 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, 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 interests 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, including an annual assessment of the degree of internal 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 large guidelines of the management model of the GROUP and its subsidiaries and may submit proposals to the General Meeting of Shareholders on changes to governance model of the GROUP.

The Board of Directors, within the limits permitted by law, may delegate the day-to-day management of the COMPANY to an Executive Committee, appointing the respective 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 various directors the handling of certain administration matters, namely through the constitution of Committees, and appointing their Chairman.

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 the fulfilment of 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 between the COMPANY'S bodies and Committees.

Functioning

The Board of Directors meets on at least a monthly basis or whenever convened by its Chairman or two Directors, with the schedule for the meetings of 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 being ensured by its Assistance Office.

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 accounts for 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 at 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 definition of the main policies and corporate structure 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 2021. 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 interests 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 submitted 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 the GROUP companies, supporting its 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 of less than a pre-defined amount;
- Any change to the object or articles of association of the subsidiaries with a turnover of less 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) of less than an individually pre-defined amount or less than an amount pre-defined in aggregated regarding obligations towards related third parties on part of subsidiaries;
- The submission of commercial proposals of less 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 of less than a pre-defined amount;
- Conclusion of contracts for goods and services of less than a pre-defined amount;
- Investment strategic operations, including concessions or divestments not included in the investment plan, of a value less 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 of less than a pre-defined amount);
- Increase in less than 20% of 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 at the governing bodies of subsidiaries with a turnover of less than a pre-defined amount;
- Any contribution of a cultural, social or scientifically nature, within the scope of the social responsibility programme of the GROUP of less 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 GROUP;
- 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 the short, medium and long-term decisions related to the debt;
- The official administrative and judicial 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 resources action annual plan (Top Management and young workers with high potential);
- Approving the human resources policies for Top Management regarding the development of career, remuneration and incentives;
- Approving the human resources policies, including the management and performance and incentives assessment systems for workers.

In addition, it is up to the Chairman of the Executive Committee to inform the Board of Directors, through its Chairman, of the activity of the Executive Committee and 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, extraordinarily, whenever convened by its Chairman or by two Directors, with the schedule for the meetings of each year 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 corporate department, the CEO of a business area 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 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 at eighty percent of the meetings of the Committee held in each financial year.

The resolutions of the Executive Committee shall be taken 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 2021, 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 matters
 - Communication 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 2021, 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 Mrs. Xiangrong Wang, in the capacity of officer responsible for the financial areas of the COMPANY, was considered Chief Financial Officer (CFO).

Supervisory bodies

Supervision of the COMPANY is performed by a Statutory Audit Board and by a Statutory External Auditor (Auditing firm), 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 adequate to the duties to perform, including individual qualities 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% of its members.

In addition, the members of the Statutory Audit Board are subject, during their term of office, to the incompatibilities regulations 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 full members, one Chairman and two other members, with the requirement that the majority of members 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 on at least once a month and, extraordinarily, 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 taken by a simple majority of votes cast. The minutes from each meeting are drafted and validated by the persons attending 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, as well as all the others whenever the Chairman deems it to be appropriate.

The Statutory Audit Board shall meet with the CEO of each Business Unit at least twice a year and whenever a relevant non-budgeted transaction is being studied or proposed.

Subcommittees:

Budget Committee

Composition

The composition of the Budget Committee was approved at a meeting of the Board of Directors and is as follows:

- A Chairwoman (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 adequate to the duties to perform, including individual qualities 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 on part of 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 of 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 respective implementation.

Functioning

The Budget Committee shall meet at least four times a year and, extraordinarily, whenever convened by its Chairwoman or by two other members.

The notice for each meeting of the Committee shall be sent by the Chairwoman to the remaining members at least 5 working days in advance, together with the proposed agenda.

Any member of the Budget Committee may request to the Chairwoman, within 3 working days before each meeting, the inclusion of additional items to the agenda, attaching all documents deemed indispensable.

The Chairwoman is responsible for drawing up and distributing the agenda and the respective documentation.

The resolutions of the Budget Committee shall be taken by a simple majority of votes cast, explanations of vote in the minutes being admitted. The minutes from each meeting are drafted and validated by all members of the Budget Committee.

During 2021, three meetings of the Budget Committee were held, with the actual presence of all its members in office.

Risk and Internal Audit Committee

Composition

The composition of the Risk and Internal Audit Committee was approved at a meeting of the Board of Directors and is as follows:

- A Chairwoman (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 adequate to the duties to perform, including individual qualities 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 the implementation of measures and specific procedures related to the control and reduction of risks in the COMPANY's activity, with a view to improve 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, as per 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 fulfilment of internal policies by the 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 the fulfilment of the Procedure for Reporting Irregularities, namely guaranteeing the whistle-blower's rights.

Finally, it is up to the Chairwoman 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 activity, its decisions and respective implementation.

Functioning

The Risk and Internal Audit Committee shall meet at least four times a year and, extraordinarily, whenever convened by its Chairwoman or by two other members.

The notice for each meeting shall be sent by the Chairwoman to the remaining members at least 5 working days in advance, together with the proposed agenda.

The Chairwoman 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 taken by a simple majority of votes cast, explanations of vote in the minutes being admitted. The minutes from each meeting are drafted and validated by the persons attending and shown to all members of the Risk and Internal Audit Committee.

During 2021, eight meetings of the Risk and Internal Audit Committee were held, with the actual presence of all of its members in office.

Assessment and Remuneration Committee

Composition

The composition of the Assessment and Remuneration Committee was approved 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 adequate to the duties to perform, including individual qualities 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 global 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 make the recommendations deemed adequate and necessary;
- 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 approved 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 account 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 to perform its duties as per the law and article 27 of the articles of association, namely through the submission of the proposed Remuneration Policy and the proposed package of remuneration for all governing bodies of the COMPANY; and
- to inform the Chairman of the Board of Directors of the activity of the Assessment and Remuneration Committee, its decisions and the respective implementation.

Functioning

The Assessment and Remuneration Committee shall meet four times a year, but some of those regular meetings may, under proposal of the Chairman and with the unanimous agreement of its members, be cancelled for absence of object. The Committee may also meet, extraordinarily, 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 working 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 documents deemed 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 taken by a simple majority of votes cast, explanations of vote in the minutes being admitted. The minutes from each meeting are drafted and validated by the persons attending and shown to all members of the Assessment and Remuneration Committee,

During 2021, 1 meeting of the Assessment and Remuneration Committee was held, with the presence of all of its 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 Chairwoman (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 adequate to the duties to perform, including individual qualities 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, knowledge and experience) of each governing body at least on an annual basis and make 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 applicants to any governing body, to make 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 make 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 duly qualified individuals to act as directors, appoint those candidates to the management or make recommendations to the Board of Directors.

Finally, it is up to the Chairman 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 activity, its decisions and respective implementation.

Functioning

The Appointments Committee shall meet at least four times a year and, extraordinarily, whenever convened by its Chairwoman or by two other members.

The notice for each meeting shall be sent by the Chairwoman 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 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 Chairwoman is responsible for drawing up and distributing the agenda and the respective documentation.

The resolutions of the Appointments shall be taken by a simple majority of votes cast. The minutes from each meeting are drafted and validated by the persons attending and shown to all effective members of the Appointments Committee.

During 2021, 2 meetings of the Appointments Committee were held, with the actual presence of all its 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, the COMPANY must arrange, with the support of the Appointments Committee, for the proposals for the election of the new members of the Board of Directors to be accompanied by a statement of grounds concerning the adequacy of the profile, knowledge and resume to the duties to be performed.

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.

During 2021, 3 meetings of the Remuneration Committee were held, with the presence of all its members in office.

22. Existence and site where the regulations for the functioning, where applicable, of the Board of Directors, the General and Supervisory Board and Executive Administrative Board may be consulted.

The management and supervisory bodies for the COMPANY have internal regulations for their functioning which are not released on the COMPANY'S website and are not available for consultation. MOTA-ENGIL considers that 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 paragraphs 21 and 38.

23. Number of meetings held and level of attendance of each member, where applicable, of the Management Board, the General and Supervisory Board and the Executive Administration Board to those meetings.

During 2021, 24 meetings of the Board of Directors and 23 meetings of the Executive Committee were held, with the following attendance:

BOARD MEMBER	BOARD OF DIRECTORS	EXECUTIVE COMMITTEE
António Manuel Queirós Vasconcelos da Mota	100%	n/a
Jingchun Wang ¹⁾	100%	n/a
Arnaldo José Nunes da Costa Figueiredo ²⁾	100%	n/a
Jorge Paulo Sacadura Almeida Coelho ³⁾	65%	n/a
Ana Paula Chaves e Sá Ribeiro	100%	n/a
António Bernardo A. da Gama Lobo Xavier ²⁾	100%	n/a
António Manuel da Silva Vila Cova ²⁾	100%	n/a
Carlos António Vasconcelos Mota dos Santos	100%	100%
Di Xiao ¹⁾	100%	100%
Eduardo João Frade Sobral Pimentel ²⁾	100%	100%
Emídio José Bebiano e Moura da Costa Pinheiro ²⁾	100%	n/a
Francisco Manuel Seixas da Costa	100%	n/a
Gonçalo Nuno Gomes de A. Moura Martins	100%	100%
Helena Sofia Salgado Cerveira Pinto	100%	n/a
Isabel Maria Pereira Aníbal Vaz ¹⁾	86%	n/a
Ismael Antunes Hernandez Gaspar ²⁾	94%	100%
João Pedro dos Santos Dinis Parreira ²⁾	100%	100%
José Pedro Matos Marques Sampaio de Freitas ²⁾	100%	100%
Luís Filipe Cardoso da Silva ²⁾	100%	100%
Luís Valente de Oliveira ²⁾	100%	n/a
Manuel António da Fonseca Vasconcelos da Mota	92%	100%
Maria Manuela Queirós V. Mota dos Santos ²⁾	100%	n/a
Maria Paula Queirós V. Mota de Meireles	100%	n/a
Maria Teresa Queirós V. Mota Neves da Costa ²⁾	100%	n/a
Ping Ping ¹⁾	100%	n/a
Tian Feng ¹⁾	100%	n/a
Xiangrong Wang ¹⁾	100%	100%

1) First appointment in 2021/30/06

2) End of term in 2021/30/06

3) Term interruption in April 2021

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 global 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 point 7 of Annex 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 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 Administration Board and the site where the regulations for their functioning 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 (as per paragraph 21 above). The respective internal operating regulations are not available for consultation, although the main functions and responsibilities of those Committees are appropriately 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 2021, 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-Chief Executive Officer
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

29. Indication of the responsibilities of each of the committees created and synthesis of the activities carried on in their exercise.

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 Firm of Official Accountants 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 effective members, the date of appointment and the termination date for each member with reference to the point in the report where this information appears 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 also will have one or two alternate members if constituted with three or more effective members respectively. 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	23 May 2019	31 December 2022
Cristina Maria da Costa Pinto	Full member	23 May 2019	31 December 2022
Susana Catarina Iglésias Couto Rodrigues de Jesus	Full member	23 May 2019	31 December 2022
Pedro Manuel Seara Cardoso Perez	Alternate member	30 March 2007	31 December 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, paragraph 5, of the Portuguese Commercial Companies Code, referring to the point in the report where this information appears under the provisions of paragraph 19.

All members of the Statutory Audit Board, both full and alternate members, comply with the independence criteria provided for under article 414, paragraph 5, along with the incompatibility regulations 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 appears 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 University of Porto

Career path in the last five years

- Chairman of the Statutory Audit Board of Mota-Engil, SGPS, SA
- Chairman of the Statutory Audit Board of CIN - Corporação Industrial do Norte, SA
- Chairman of the Statutory Audit Board of Instituto Português de Tabacologia (Portuguese Institute of Tobaccology)
- Chairman of the Statutory Audit Board of AMIC - Associação Promotora do Museu da Ciência e Indústria, SA
- Chairman of EMCE - Estrutura de Missão para a Capitalização das Empresas (Mission Structure for Capitalisation of Businesses)
- Manager of SPAL – Sociedade Portuguesa do Ar Líquido, Lda
- Member of the Board of Curators of the Eça de Queiroz Foundation
- Chairman of the General Meeting of STCP - Sociedade de Transportes Coletivos do Porto, SA
- Chairman of the General Meeting of FASE - Estudos e Projectos, SA
- Chairman of the General Meeting of APDL - Administração dos Portos do Douro, Leixões e Viana do Castelo, SA
- Chairman of the General Meeting of AEP - Associação Empresarial de Portugal, Câmara de Comércio e Indústria para o Norte de Portugal, SA
- 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, SA
- 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, SA
- Member of the Statutory Audit Board of various companies outside the Grupo
- Member of the Statutory Audit Board, as Statutory Auditor, of various companies outside the Grupo
- Member of the Supervision Committee, as Statutory Auditor, of the Supervisory Authority for Insurance and Pension Funds

34. Existence and site where the functional 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 appears 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 operation 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 to those meetings, referring to the point in the report where this information appears under the provisions of paragraph 25.

During 2021, 14 meetings of the Statutory Audit Board were held, with the presence of all its members in office.

36. Availability of each of the members, as applicable, of the Statutory Audit Board, the Audit Committee, the General and Supervisory Board and the Committee for Financial Matters, 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, referring to the point in the report where this information appears 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 2021

- 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 2021

- Chairman of the Statutory Audit Board of CIN - Corporação Industrial do Norte, SA
- Chairman of the Statutory Audit Board of Instituto Português de Tabacologia (Portuguese Institute of Tobaccology)
- Manager of SPAL – Sociedade Portuguesa do Ar Líquido, Lda
- Member of the Board of Curators of the Eça de Queiroz Foundation
- Chairman of the General Meeting of FASE - Estudos e Projectos, SA
- Chairman of the General Meeting of AEP - Associação Empresarial de Portugal, Câmara de Comércio e Indústria para o Norte de Portugal, SA
- 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 2021

- 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 2021

- 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:
 - Sogrape SGPS, SA
 - Haitong Bank SGPS, SA
 - Super Bock Group SGPS, SA

Susana Catarina Iglésias Couto Rodrigues de Jesus (Permanent Member)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- 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 2021

- Chairman of the Statutory Audit Board of Flexdeal – Sociedade de Investimento Mobiliário para Fomento da Economia, SA
- Chairman of the Statutory Audit Board of Bright Ventures Capital, SCR, SA
- Member of the Statutory Audit Board of Sonae Capital, SGPS, SA
- Member of the Statutory Audit Board of Sociedade Banco Primus, SA
- Member of the Statutory Audit Board, as Statutory Auditor, da Associação Porto Digital (Digital Porto Association)
- Member of the Statutory Audit Board, as Statutory Auditor of Sociedade Lusa - Agências de Notícias de Portugal, SA
- Statutory Auditor of the following entities:
 - Frezite - Ferramenta de Corte, SA
 - Frezigest, SA
 - Oftaline, SA
 - Comissão de Coordenação e Desenvolvimento Regional do Norte (Northern Coordination and Regional Development Committee)
 - Gestão e Obras do Porto, EM

37. Description of the procedures and criteria applicable to the activities of the supervisory body for the purposes of contracting services additional to 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 487/99 of 16 November (amended by Decree Law 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.

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 terms of the law and the respective operating regulation:

- to supervise the COMPANY's management;
- to check the compliance of 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, at the companies of the GROUP, 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 adequacy and supervision of fulfilment of the accounting policies, criteria and practice adopted, the estimates and judgments 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 following up 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 the proposals submitted by the Board of Directors, including the declaration laid down in article 245, paragraph 1, subparagraph c) of the Portuguese Securities Code and attesting to whether the report on the structure and practices of corporate governance published includes the elements referred to in article 245-A of the Portuguese Securities Code;
- to convene the General Meeting when the respective 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 Statutory Auditor for election to the General Meeting and recommendation, in a substantiated manner, its preference as per article 16 of Regulation (EU) no. 537/2014;
- to follow up the periodic auditing of the individual and consolidated annual accounts, including their execution, taking any conclusions and recommendations of CMVM into consideration;
- to review and discuss with the Statutory Auditor the contents of the additional report for the supervisory body provided in article 11 of Regulation (EU) no. 537/2014;
- to inform the Board of Directors of the results of the periodic audit of accounts and explaining how it contributed to the integrity of the financial information preparation and disclosure integrity, as well as the role it performed throughout this procedure;
- to supervise the Statutory Auditor's independence and assess and decide on the provision of additional services by the Statutory Auditor or by its subsidiaries to the COMPANY, as well as the respective conditions;
- to provide an opinion on keeping the Statutory Auditor beyond a period of eight years, weighing in the conditions of independence and the advantages and costs of the 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 the respective renewals, except when the amount belongs to the normal course of business, meaning less than 1,000,000 Euros;
- to monitor the fulfilment of the Policy of Transactions with Related Parties, particularly analysing the recording of potential transactions from Related Parties twice a year.

In order to submit to the Executive Committee a proposal regarding the 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; (5) selection and proposal of contract.

On the other hand, the Statutory Audit Board also needs to come to a decision on the general lines 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 ensure that the risks actually incurred by the Group are consistent with the risk-related goals established by the Board of Directors.

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 areas. 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 referred 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 Mr. António Joaquim Brochado Correia.

40. Indication of the number of consecutive years during which the statutory auditor performs the respective duties with the Company and/or Group.

The position of Statutory Auditor is performed since 2017 (five 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 fulfilment of these functions together with the respective CMVM registration number.

The Statutory Auditor of the COMPANY, as per article 8, paragraph 2, of the Portuguese Securities Code, is PricewaterhouseCoopers & Associates – SROC, Lda, represented by António Joaquim Brochado Correia, and is registered with 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 fulfilment of these functions perform their duties with the Company and/or the Group.

PricewaterhouseCoopers & Associates – SROC, Lda and its representative started to provide their audit services to the COMPANY in 2017 (five years ago).

44. Policy and frequency of rotation of the external auditor and the statutory auditor partner representing the former in the fulfilment of these functions.

The COMPANY's policy in terms of rotation of the External Auditor is to carry out a consultation process regularly 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 promoted the launch of a new consultation process for the period between 2017 and 2022 and invited three out of the four large audit firms of international reputation to submit a proposal 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 exercise of their functions, is in accordance with applicable legal requirements, i.e. two or three terms in 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 on an annual basis assesses the Auditor, 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 not a specific or exclusive competence of the Shareholders' General Meeting, nothing prevents it to be called upon to decide, in case of questioning by the Statutory Audit Board, on the removal of the Auditor, if a valid reason is identified. In any case, and to date, the Statutory Audit Board of MOTA-ENGIL has found 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 as well as indication of the internal procedures for the approval of the services and the reasons for doing so.

The services other than audit provided by the Auditor and the Statutory Auditor during the financial year of 2021 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);
- Provision of a license to access the Consult@able, which consists in a repository of accounting, financial and tax information of a generic content;
- 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 of agreed upon procedures, "Report of factual findings", associated with the issue of a debenture loan on part of the COMPANY;
- Issue of a comfort letter associated with an increase in share capital carried out by part of the COMPANY;
- Realisation of specific procedures for auditing the Group Reporting Forms prepared by a mixed-ownership company for purposes of consolidation of accounts of any other accountant.

As referred in paragraph 38 above, the Statutory Audit Board is responsible for inspecting the independence of the Auditor and, within that scope, assess and issue an opinion on the provision of additional services (other than audit) by the Auditor to the COMPANY or subsidiaries. Therefore, a duly justified analysis was issued for each service provision request.

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 audit 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 to that, within the scope of its work, the Auditor checks the application of the remuneration policies and systems as well as 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 which it controls or are 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)

During 2021, the annual remuneration supported by the COMPANY and by GROUP and controlled companies with the external auditors (PricewaterhouseCoopers & Associates – SROC, Lda), including other entities forming part of the same network, was 2,068,545 Euros which was distributed among the following services:

Service nature	By the Company		By other Group entities		TOTAL	
	Amount (Euros)	%	Amount (Euros)	%	Amount (Euros)	%
Audit and statutory audit	118,800	33%	1,629,196	95%	1,747,996	85%
Other reliability guarantee services	239,500	67%	78,400	5%	317,900	15%
Tax consultancy	-	0%	849	0%	849	0%
Services other than statutory audit	-	0%	1,800	0%	1,800	0%
TOTAL	358,300	100%	1,710,245	100%	2,068,545	100%

C. INTERNAL ORGANISATION

I. Articles of association

48. Regulations applicable to the amendment of the articles of association of the Company (art. 245-A, paragraph 1, subparagraph h)).

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 for reporting irregularities. The procedure considers that 'irregularities' are all acts or omissions, wilful or negligent, practiced by workers 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 accounting 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) rights of the whistle-blower of non-retaliation, bullying 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
- <https://www.mota-engil.com/en/ombudsman/>

By delegation of the Statutory Audit Board, in charge of the reception of whistleblowing under the Portuguese Commercial Companies Code, reception and forwarding of reports of concerns or infringements is the responsibility of the Audit & Compliance area. Some cases, due to their nature, may be forwarded to the corresponding corporate functional areas of the company.

The stages in the whistleblowing process include receipt and registration; 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 and the Board of Directors.

A yearly report is made summarising the most frequent situations reported and the relevant indicators of the findings made over the year. 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 safeguard the compliance with processes and procedures, and reporting to the Board of Directors, the Risk and Internal Audit Committee is aimed to support the management of the MOTA-ENGIL GROUP, strengthening the means and methods of operation as regards internal control and business risk monitoring. It is also this Committee's responsibility to monitor the development of overall risk levels and assess, together with the Executive Committee, the 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.

The Audit and Compliance team has a structure specifically allocated to perform the following functions:

- fulfilment of management, financial, operating and technologic audits in the various regions, companies and projects of the GROUP;
- auditing the proper functioning of procedures, establish best practises and policies defined;
- checking the compliance with internal defined procedures, laws, regulations and contracts;
- checking 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 regions in which the GROUP is present;
- ensuring the adequate follow-up of the recommendations issued in the reports sent to the Audit, Investment and Risk Committee.
- assess the reporting and compliance procedures with the GROUP'S Code of Ethics and Business Conduct and Compliance Policies;
- supporting 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.

The Statutory Audit Board is responsible, among other things, for assessing the functioning of the internal control system and to proposing the respective adjustment to the GROUP'S needs. On this point, it should also 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 adoption 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 have in the Organisation, encouraging the human and technological conditions susceptible of providing an environment of control that is proportionate and suited to the risks of the activity.

The Executive Committee is 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 becomes increasingly bigger and more complex.

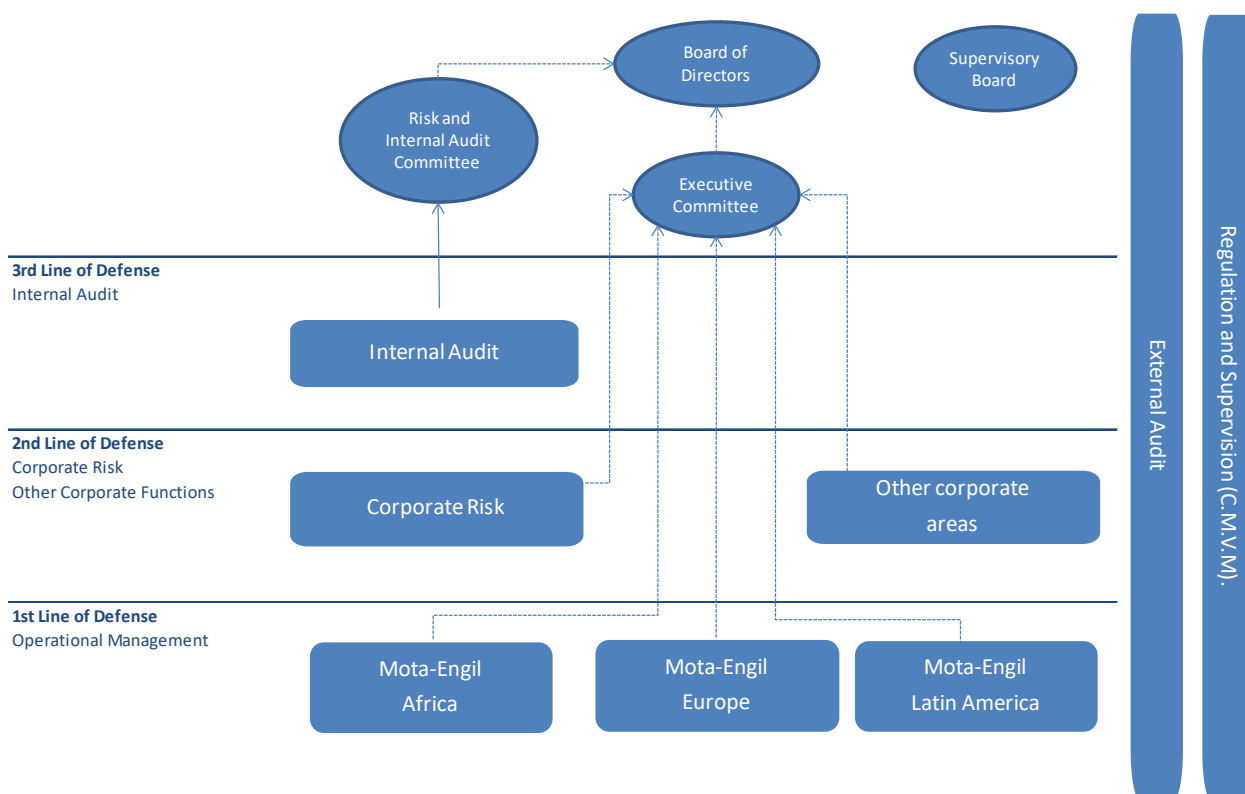
Ensuring the proper operational autonomy to business, MOTA-ENGIL, within its strategic and financial aspect, has a governance model which includes a structure named Corporate Centre, encompassing all corporate functions supporting the Executive Committee, which work as control instruments for business 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 regions/markets.

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 MOTA-ENGIL's ethical principles and the reliability of information reported.

51. Explanation, even if through the inclusion 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 the best international practices regarding Corporate Governance, which ensures a full 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 the guidelines of the declaration of positioning of the "Institute of Internal Auditors" for an efficient risk and control management of an Organisation.



- The first line of defence consists on the Management Business Units, which are responsible for performing their operational activities integrated into the strategic guidelines defined by the Board of Directors, ensuring compliance with the GROUP's rules and procedures, which are aimed at ensuring action in accordance with a cultural identity and are based on ethical principles and conduct embodied in cross-sectional policies.

The Management Business Units are responsible for the identification, assessment, reporting and mitigation of risks, to facilitate, standardise and make more effective the risk management process. Operational management defines risk managers, called Risk Owners who are 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 and Sustainability Strategy; Legal Matters; Compliance, IT and Digital Transition, Safety, Health, Environment and Quality and Business and Budgeting. All these areas contribute, supplementary and within the scope of their functional areas, to the spread of the cross-sectional risk policies, provided that with the Executive Committee gives its due consent/approval.
- The third line of defence is represented by the Internal Audit area, whose main function is to independently and systematically check the activities carried out by the first and second lines in accordance with the rules and regulations established.

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, 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:

- The regulatory entity, the Auditor and the Statutory Audit Board can be considered as additional lines of defence, since they provide assessments to the COMPANY's stakeholders, including to the governance bodies and the Board of Directors.
- The regulating bodies established requirements with the intention of strengthening controls and have an independent and objective function, to evaluate the whole or part of the first, second or third line of defence with respect to these requirements, seeking to operate in a cooperative spirit 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.

In addition, the Corporate Risk area aims to promote the establishment and implementation of a risk management policy, as well as to identify and analyse, by previously established parameters, the risks that may affect the sustainability of the business/market and value creation.

Furthermore, that area also assumes the responsibility of drawing up quarterly reports detailing the levels of exposure to each of the main risks, through Key Performance Indicators (KPI) identified throughout the year, as well as mitigating measures proposed/implemented. These reports are analysed by the Executive Committee, which enables the analysis of the main recommendations and the decision regarding the measures necessary for mitigating the signalled risks, which are also shared with the Risk and Internal Audit Committee.

The Corporate Risk area directly reports to the Executive Committee and has autonomous powers for identifying, assessing, monitoring and mitigating risks, the execution of the following main activities being defined within its scope:

- mapping transversal risks based on a risk matrix (reviewed on an annual basis) supported by a gathering of information on certain KPI;
- checking risk levels by collecting and assessing critical information for monitoring transversal risks;
- defining models and lines of actions for mitigating transversal risks;
- developing and implementing risk action plans and relevant integration in the business management;
- monitoring and reporting risk evolution and the respective compliance with actions carried out for their mitigation;
- promoting the dynamization and implementation of cross-sectional risk policies in the regions/Business Units, properly customised for each company;
- systemizing the risk management policies and systems to be integrated in the GROUP's Reports and Accounts;
- reporting, for discussion at the Executive Committee, the main risks and mitigating measures.

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 MOTA-ENGIL GROUP is based on the permanent identification and analysis of the different types of risks inherent to its activity, in the various 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, among others – and the adoption of profitability maximization 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 (part I, chapter C of the Non-Financial Information Report).

54. Description of the process of risk identification, assessment, monitoring, control and management.

Risk management is embedded throughout the Organization and the main objective is to identify, assess and manage the opportunities and threats that the different businesses in different locations face in the pursuit of value creation objectives.

The MOTA-ENGIL GROUP applies the best practices defined for internal control and risk management and, in that regard, its management comprehends an internal control system based on the international guidelines of COSO (The Committee of Sponsoring Organizations of the Treadway Commission), more specifically regarding the assessment and attribution of degrees of criticalness and priority to risks according to their impact on business objectives and the 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 for the Internal Audit area.

The cyclical and consecutive cluster of risk identification stages of the GROUP is described as follows:

- Risk identification - determination of the risks to which the Organisation is exposed to and the level of tolerance of exposure to those risks;
- Risk measurement - quantification of risk exposure and production of decision support reports;
- Risk control and management - definition of actions to be taken to cope with risk;
- Implementation of the risk management measures defined - systematic aggregation of risk information and relevant reporting to the Executive Committee;
- Monitoring - evaluation of the risk management process and, if necessary, realignment and redefinition of strategies.

Each year, according to a plan defined and approved 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 intends to achieve an evolution and continuous improvement, as adequate to the development of the company Organization 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 for partially ensuring the COMPANY'S long-term success.

On the other hand, the fulfilment of the main policies defined by the Board of Directors (described in greater detailed in the attached report related to non-financial information) in the environmental, social, human rights, gender equality, non-discrimination between workers and fight against corruption and attempted bribery fields, among others, constitute an example of the positive contribute the Group offers and plans to continue to offer 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 financial information disclosure (article 245-A, 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 the financial information.

The Board of Directors is continually committed to ensure that appropriate policies are implemented, ensuring that the financial statements are reported in accordance with the accounting principles adopted.

The financial information disclosed to the market is prepared by the people 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 Market Relations.

All financial information documents to be submitted to the market are sent to management and supervisory bodies 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 thoroughly manner, to its various stakeholders and within internal defined deadlines (monthly) or within the dates established by law, the financial information necessary to 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 Council, MOTA-ENGIL drafted a list - constantly updated - of all its workers, whether employed by the COMPANY, who have regular or occasional access to privileged information. Each worker 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 workers 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 a conclusion in its audit report on the inclusion of elements required by the COMPANY under article 245-A of the Portuguese Securities Code regarding the report on Corporate Governance Practices. In this sense, and in view of line 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 Relations

56. Responsible service for investor relations, its composition, functions, information provided by such service and contacts.

The COMPANY maintains ongoing contact with investors and analysts through the Investors Relations Board, 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 Investor Relations Board, jointly with the Strategic Planning and M&A area and 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.pt).

The head of the Investor Relations area is Mr. Pedro Manuel Arrais, whose details are:

Rua Mário Dionísio, 2
2796-957 Linda-a-Velha
Tel.: 351 214 158 200
Fax: +351 214 158 688
Email: pedro.arrais@mota-engil.pt

57. Representative for market relations.

The representative for market relations is Mr. Luís Filipe Cardoso da Silva, whose details are:

Edifício Mota
Rua do Rego Lameiro, 38
4300-454 Porto
Tel.: +351 225 190 300
Fax: +351 225 190 303
Email: investor.relations@mota-engil.pt

58. Information on the proportion and the period for responses to requests for information 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 register of applications requested and the respective treatment that was given.

V. Website

59. Address(es).

The institutional website of the COMPANY is made available in Portuguese, Spanish, French and English and may be accessed on the following address www.mota-engil.pt. In the area for investor information, information is provided to enable third parties to analyse the evolution of the COMPANY and its current positioning 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 Portuguese Commercial Companies Code.

<https://www.mota-engil.com/en/investors/corporate-profile/>

61. Web address for the articles of association and the regulations for the function 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 offices on company 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 documents providing accounts can be found and which should be available for at least five years together with a six-monthly calendar of corporate events published at the beginning of each period including annual 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 annual general meeting is published together with all of 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 taken at annual general meetings for the Company, the share capital represented and the results of votes for the previous 3 years.

<https://www.mota-engil.com/en/investors/general-meetings/>

D. REMUNERATION

I. Power to Establish

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 taking into account the duties performed, their performance and the COMPANY'S economic situation.

The remuneration of officers of the COMPANY is determined by the respective administration body, observing the principles of the remuneration policy submitted by the Remuneration Committee for evaluation of 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 components) remuneration policy which was approved for the managing bodies' members and for the members of the various COMPANY'S 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 made up 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) form the Remuneration Committee, having been appointed for these duties by the General Meeting, under a proposal from the majority shareholder Mota Gestão e Participações, SGPS, SA. Their participation on the Remuneration Committee is limited exclusively to the representation of the 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 Annual General Meeting that appointed them to their positions, that the members of the Remuneration Committee accumulate an experience, a weighting and an ethic that allows them to fully protect the interests conferred upon them.

In 2021, the COMPANY did not hire any individual or legal person to support the Remuneration Committee in its functions. Notwithstanding, 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 or convenient to the performance of its 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 execution of other services without its authorisation.

Lastly, to provide information or clarifications to the shareholders, the Chairman or, in the Chairman's absence, other member of the Remuneration Committee attends the annual General Meetings or those in which the agenda includes items related to the remuneration of the members of the managing bodies and various COMPANY'S Committees.

68. Knowledge and experience of the members of the remuneration committee on remuneration policy.

It is considered that, by virtue of their respective resumés and/or career path (see point 7 of Annex 5 “List of positions held by the members of the Board of Directors”), the members of the Remuneration Committee have knowledge and experience in matters of remuneration policy. Additionally, and when proven 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 management and other statutory governing bodies referred to in article 2 of Law 28/2009 of 19 June.

On 30 June 2021, the COMPANY’S Remuneration Policy, was submitted to the approval to the General Meeting of shareholders, having been subsequently approved.

The general principles observed in the establishment of remuneration were essentially the following:

a) Functions performed

The functions performed by each member should be considered in the broadest sense of the activity exercised and the associated responsibilities rather than solely in a formal sense. All 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. Such consideration should be taken into account not discounting any functions performed at other companies controlled, which implies an increase in responsibility as well as a cumulative source of income.

In line with the principle expressed above, the GROUP has a remuneration policy established, the coverage of which is extended by segments to members of management and workers based on the international Korn Ferry / HayGroup model for marking of functions.

In accordance with the current methodology, functions are assessed on knowledge, complexity and responsibility / autonomy required and subsequently into predefined functional groups, which constitutes the benchmark vector for the determining of conditions in matters of remuneration.

b) Financial situation of the Company

The financial position of the COMPANY, as well as its interests, should be taken into consideration from a long term perspective, as well as its growth and the creation of value to the shareholder.

Within this scope, the GROUP has been supporting its development by means of a short and medium-term plan (GROUP’S Strategic Plan), setting goals and preparing initiatives, being its execution subject to periodic assessment through a series of KPIs.

As the GROUP’S Strategic Plan is the instrument guiding its strategy, the KPIs comprise one of the key components for the assessment of members of the GROUP’S management and for the determination of their remuneration, driving the incentive mechanisms toward the effective creation of value with a long-term horizon.

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 should be in line with the market and stimulating as a means for achieving 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 marking of functions is adopted along with Korn Ferry / HayGroup salary studies aimed at the comparative functional groups, thus ensuring competitive rationales of adjustments to the strategy for the development of human capital 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 variable components.

The remuneration policy embodies two fundamental aspects in the compensation of all members of management and workers 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 the holders of the position (using the Korn Ferry / HayGroup methodology as support); secondly, meritocracy, complementing the fixed salary with a variable component dependent upon the assessment of performance.

2. The remuneration of non-executive, independent members of the Board of Directors, the members of the Statutory Audit Board and the members of the Shareholders' General Meeting Board 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, although not 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 have essentially non-executive functions.

6. The fixed remuneration of the members of the Statutory Audit Board and the Board of the Annual 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-executive non-independent 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 long-term COMPANY performance criteria, of the real growth of the performance and of the selected performance variables.

Under the remuneration policy defined for the GROUP, the variable remuneration is dependent on the assessment of performance, the general principles of which and the respective mode of application are to be found in the Corporate Performance Management Model.

The assessment of performance in the GROUP covers two components: quantitative evaluation, measured through the fulfilment of the KPIs indexed to the Group's Strategic Plan and expressed in annual targets at the beginning of each evaluation cycle; and qualitative evaluation which results from an individual assessment covering key skills for the GROUP.

The determination of variable remuneration within the GROUP presupposes the observance of two cumulative conditions: achievement of barrier-targets, defined for each annual evaluation cycle and drawn from the GROUP's Strategic Plan; and the satisfactory average achievement of the quantitative targets, weighed with the individual qualitative evaluation, 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 unaligned results with a perspective of the creation of sustainable value with a long-term horizon.

Therefore, no variable remuneration will be allocated were any of the following conditions is found:

- 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) not being attained in accordance with the parameters set for each annual assessment cycle.

- The attainment on average of the targets defined by KPI weighted with the individual qualitative assessment being unsatisfactory.

8. In the setting of all remuneration and the specific distribution of the total sum for 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 workers 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 marking 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 produced periodically.

Regarding the groups of companies whose policy and remuneration practices were used for comparison for remuneration setting purposes, the Remuneration Committee considers, within the limits of available information, all Portuguese companies of an equivalent size, specifically within PSI-20, as well as companies in other international markets with characteristics equivalent to those of the GROUP.

No agreements for payments by the GROUP are set by the Remuneration Committee for the dismissal or termination by agreement.

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, in overall terms, 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 one hand, at rewarding the effective creation of value in a long-range perspective, whilst on the other hand they seek to discourage the assumption of excessive risks and behaviours that are out of line with the strategy outlined for the GROUP.

In this way, the fixed and variable remuneration are delimited by remuneration place holders that are based on the function, 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 evaluation, 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 will have the effect of mitigating the risk inherent in the variability of their remuneration as fixed by the COMPANY.

70. Information on the method by which 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 is based on assessment of performance while acting as a disincentive to the excessive assumption of risk.

The GROUP's current remuneration policy, as approved by the General Meeting, seeks to promote the alignment of the interests of the directors, and other governing bodies and managers with the interests of the COMPANY in the medium and long term perspective, and is set on a fixed bases 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 acts 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 a 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 determination of the variable remuneration in the GROUP requires an average satisfactory attainment of the targets set, weighed by the individual qualitative assessment (which may result in a pay-out sum which varies between predefined minimum and maximum percentages).

In addition, preventive mechanisms for the inhibition of the payment of the variable remuneration are established should any of the following conditions be found:

- 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) not being attained in accordance with the parameters set for the annual assessment cycle;
- The attainment on average of the targets defined by KPI, weighted with the individual qualitative assessment, being unsatisfactory.

71. Reference, if applicable, to the existence of a variable component of remuneration and information regarding the way this component depends on the performance.

The remuneration and compensation policy for executive members of the COMPANY's Board of Directors, as well as for non-executive and non-independent members, abides by a plan comprised 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 Korn Ferry / HayGroup international methodology for the marking of functions), which includes the base gross remuneration paid in reference to the period of one year; and (ii) a variable component paid as performance bonus, taking into consideration the progress of performance, based upon criteria defined and revised annually by the Remuneration Committee.

The criteria for allocating 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.

Performance evaluation comprises two components: quantitative evaluation, measured through the fulfilment of the KPIs indexed to the GROUP's Strategic Plan and expressed in annual targets, which are set at the beginning of each evaluation cycle; and qualitative evaluation that results from a discretionary individual evaluation.

The payment of variable remuneration applicable to members of management within the GROUP presumes the observance of two cumulative conditions: achievement of barrier-goals, defined at the beginning of each annual evaluation cycle, and drawn from the GROUP's Strategic Plan; and the satisfactory average achievement of quantitative goals weighed with individual qualitative evaluation, which can result in a pay-out amount that varies between predefined minimum and maximum percentages.

Finally, in order to safeguard the long-term interests of shareholders and stakeholders, MOTA-ENGIL 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 horizon 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. Deferral in the payment of the variable component of the remuneration, with mention to the deferment period.

There is no deferral in the payment of the variable remuneration mentioned. 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, which allows for monitoring the COMPANY'S performance evolution. Ex-post, there are mechanisms defined in the remuneration policy that are aimed at inhibiting the payment of the 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) not being attained in accordance with the parameters set for each annual assessment cycle;
- The attainment on average of the targets defined by KPI weighted with the individual qualitative assessment being unsatisfactory.

In order to safeguard the long-term interests of shareholders and stakeholders, MOTA-ENGIL 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 horizon 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.

The Remuneration Committee considers that the way the directors' remuneration is structured, particularly the lack of any deferment mechanism for the variable component, is appropriate and allows for the alignment of their interests with the interests of the COMPANY in the long run. For the same reason, the Remuneration Committee deems it unnecessary to set any possible 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 allocation 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 value of total annual remuneration.

The COMPANY does not have, nor plans 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 attribution of variable remuneration in options and indication of the period of deferral and the price of exercise.

The COMPANY presently does not have or expects 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 annual bonus system or non-monetary benefits.

76. Main characteristics of the complementary pension regimes or early retirement for directors and date on which they were approved individually in a General Meeting.

Apart from the two 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 Annex to the consolidated financial statements). This plan was already in effect prior to MOTA-ENGIL'S admission to stock exchange.

As at 31 December of 2021 and 2020, the accrued amounts of liabilities related to retirement plan benefits set for the above mentioned directors were as follows:

Name	Value in Euros		
	2021	2020	Variation
António Manuel Queirós V. da Mota	4,133,034	4,313,609	(180,575)
Maria Manuela Queirós V. Mota dos Santos	(*)	3,369,697	-
Maria Paula Queirós V. Mota de Meireles	5,291,270	5,309,921	(18,651)
Maria Teresa Queirós V. Mota Neves da Costa	(*)	3,598,784	-
	9,424,303	16,592,011	(199,227)

(*) Ceased to be a member of the Board of Directors on 30 June 2021

The variation taken place in 2021 in the accrued liabilities was essentially due to an increase in total wages higher than expected the increase in the discount rate and the increase 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	Other Remunerations	Attendance fees	Total
Executive directors					
Carlos António Vasconcelos Mota dos Santos		384,500	240,000		624,500
Di Xiao	(a)	228,682	9,787		238,468
Eduardo João Frade Sobral Pimentel	(b)	127,000	82,404		209,404
Emídio Jose Bebiano Moura Costa Pinheiro	(b)	142,500	113,158		255,658
Gonçalo Nuno Gomes de Andrade Moura Martins		468,500	380,243		848,743
Ismael Antunes Hernandez Gaspar	(b)	143,000	1,795		144,795
João Pedro Santos Dinis Parreira	(b)	150,571	5,666		156,237
José Pedro Matos Marques Sampaio de Freitas	(b)	117,500	103,587		221,087
Luís Filipe Cardoso da Silva	(b)	119,000	110,000		229,000
Manuel António Fonseca Vasconcelos da Mota		395,002	240,000		635,002
Non-executive non-independent directors					
António Manuel Queirós Vasconcelos da Mota		523,000			523,000
Arnaldo José Nunes da Costa Figueiredo	(b)	143,000			143,000
Maria Manuela Queirós Vasconcelos Mota dos Santos	(b)	125,500			125,500
Maria Paula Queirós Vasconcelos Mota de Meireles		251,000	7,157		258,157
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	(b)	125,500			125,500
Independent non-executive directors					
Ana Paula Chaves e Sá Ribeiro				60,000	60,000
António Bernardo Aranha da Gama Lobo Xavier	(b)			25,000	25,000
António Manuel da Silva Vila Cova	(b)			28,000	28,000
Francisco Manuel Seixas da Costa			20,000	60,000	80,000
Helena Sofia Salgado Cerveira Pinto				60,000	60,000
Isabel Maria Pereira Aníbal Vaz	(a)			35,000	35,000
Jorge Paulo Sacadura Almeida Coelho	(c)		1,403	15,000	16,403
Luís Francisco Valente de Oliveira	(b)			25,000	25,000
					5,067,454
Of which in office on December 31, 2021					3,362,870

(a) First appointment in 2021/30/06

(b) End of term in 2021/30/06

(c) Term interruption in April 2021

There are no plans for 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 premiums 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, with regard to this topic, reference is also made to point 8 of Annex 5, where the Remuneration Report provided under article 26 G of the Portuguese Securities Code is presented.

78. Amounts paid for any reason by other companies in a control or Group relationship or subject to a common 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 functions during the period.

No compensation was paid to former executive directors relating to the termination of their functions 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	30,000
		90,000

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 2,068,545 Euro during (see paragraphs 46 and 47).

82. Indication of the remuneration of the chairperson of the annual general meeting for the period.

During 2021, the current chairman of the Shareholder's General Meeting received 6,000 Euros and the current secretary received 3,000 Euros.

V. Agreements with remunerative implications**83. Contractual limitations for the compensation to be paid for undue termination 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 termination 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 involved, 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 245-A, paragraph 1, subparagraph I)).

No agreements were entered into between the COMPANY, its members of 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 the workers 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 latter (art. 245-A, paragraph 1, subparagraph 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. Control mechanisms and procedures

89. Mechanisms implemented by the company for the purposes of the control of transactions with related parties.

All business carried out between the COMPANY and related parties' respects 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 the 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 attained a favourable prior opinion of 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 different from a transaction 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 Euro 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 integrated in the various types of related parties shall be identified and registered in the COMPANY's computer systems through the creation of a complete list of related parties 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 commercial registration number and the respective percentage of all direct or indirect holdings, 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, with a view to the adequate fulfilment of that policy.

4 - Communication, registration and approval of transactions with related parties;

- If the counterparty of a transaction is included in the list of related parties, the Business Control area of the COMPANY shall insert 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: (i) 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 prior to the realisation of the transaction or the signature of any related commitment, 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 the proposed transactions of which the former was notified by Business Control to fall under a transaction with related parties for purposes of the present Policy. In that 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 registration of all approvals of 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 executed in the regular course of business and under market conditions, in particularly analysing the Registration mentioned above. The Statutory Audit Board shall take part, at least with regard to this item, in the meeting of the Board of Directors in which the analysis referred to above is made.

5 - Definitions of exempt related parties.

90. Indication of the transactions which were subject to control in the period in question.

During 2021 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 the prior assessment of the transactions to be carried out between the company and the holders of qualified shares or entities with which there is a relationship under the terms of article 20 of the Portuguese Securities Code.

See response in paragraph 89 above.

Additionally, on a biannual basis, the Statutory Audit Board is provided with an analysis of the transactions carried out with related parties, segregating the transactions carried out in the regular course of business from those which are not and must be previously approved by the Statutory Audit Board.

II. Elements relative to the business
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92. Indication of where can be found the accounting documents related with 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 2021.

PART II – ASSESSMENT OF CORPORATE GOVERNANCE

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

The present report is in line with the model contained in the annex to the CMVM Regulation no. 4/2013, of 1 August, and is based on Corporate Governance Code of the Corporate Governance Portuguese Institute (2018 and reviewed 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	Fulfilment	Report
I. GENERAL SECTION			
I.1. Relations of the Company with investors and information			
I.1.1. The Company must set up mechanisms that ensure, in an adequate and thorough manner, the production, processing and timely disclosure of information to its governing bodies, shareholders, investors and remaining 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 regarding the profile of the company bodies' new members that are adequate to the duties to be performed and which must take into consideration not only individual qualities (such as competence, independence, integrity, availability and experience) but also diversity-related requirements, with special focus on the gender, which may contribute to improving the performance of the body and the balance in the respective composition.		Complied with	21
I.2.2. The managing and supervisory bodies and their internal committees must have internal regulations — particularly concerning the fulfilment of the respective responsibilities, chairman duties, frequency of meetings, operation and framework of their members' duties — fully disclosed on the company's website, with detailed minutes being drawn up from the respective meetings.	Board of Directors	The two sub-recommendations are complied with	21
	Statutory Audit Board	The two sub-recommendations are complied with	
	Executive Committee	The two sub-recommendations are complied with	
	Budget Committee	The two sub-recommendations are complied with	
	Risk and Internal Audit Committee	The two sub-recommendations are complied with	
	Assessment and Remuneration Committee	The two sub-recommendations are complied with	
	Appointments Committee	The two sub-recommendations are complied with	
	Remuneration Committee	Internal regulation not complied with	
I.2.3. The composition and the number of annual meetings of the managing, 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 should be adopted to ensure the appropriate means for communicating and handling them, 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 set out mechanisms so as to guarantee that, within the limits of the applicable legislation, the managing and supervisory bodies' members are permanently granted access to all information and workers of the company for purposes of assessment of the performance, situation and development of prospects of the company, including, but not limited to, the minutes, the documentation supporting the decisions taken and the notices and filing of the executive administration body' 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, that is necessary to the exercise by each of the remaining bodies and committees of the powers laid down under legislation and in the articles of association.		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 preventing the member in a situation of conflict of interest from interfering in the decision-taking process, without prejudice to the duty to provide information and clarifications that the body, the committee or the respective members may request to said member, must also be adopted.		Complied with	21 and 67
I.5. Transactions with related parties			
I.5.1. The management body must disclose, in the governance report or by other publicly available manner, the internal procedure for checking the transactions with related parties.		Complied with	89
I.5.2. The managing body must, at least every six months, report to the supervisory body all business covered by Recommendation I.5.1.		Complied with	89

Recommendation/chapter	Sub-Recommendation	Fulfilment	Report
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)	N/A	
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 to 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 voting right at a distance, including by correspondence and by electronic means.		Complied with	12
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, shall 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.		N/A	
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 managing body and which appear likely to impair the economic interest in the 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 Board, if said chairman is not independent, the independent directors must appoint a coordinator from among themselves, particularly for (i) acting, whenever necessary, as an interlocutor with the chairman of the Board of Directors and with the remaining directors, (ii) arranging that said chairman and directors have a set of conditions and means necessary to the performance of their duties; and (iii) coordinating them in the assessment of the managing body's assessment provided for in recommendation V.1.1.		Complied with	21
III.2. The number of non-executive members of the managing body, as well as the number of members of the supervisory body and the number of members of the committee for financial matters must be suitable to the size of the company and to the complexity of the risks inherent to its activity, but sufficient for efficiently ensuring the duties allocated to it; this adequacy finding must be contained in the governance report.	a)	Complied with	17 and 18
	b)	Complied with	31
	c)	N/A	
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 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, in an ongoing or interspersed manner, duties in any body of the company; ii. Having been an employee at the company or at a company in a control or group relationship with the former in the last three years; iii. Having, in the past three years, provided services or established commercial relationship with the company or company in a control or group relationship with the former, either directly or as a partner, director, manager or officer of a legal person; iv. Being the recipient of a remuneration paid by the company or by company in a control or group relationship with the former apart from the remuneration resulting from the performance of director duties; v. Being the unmarried partner or spouse, lineal and collateral relative up to the third degree of consanguinity or affinity of directors of the company, of directors of a legal person with a qualified holding in the Company or of individuals directly or indirectly holding a qualified holding; vi. Being a qualifying shareholder or representative of a qualifying shareholder.		Complied with	18
III.5. The provisions in subparagraph (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.		N/A	
III.6. In observance of the powers conferred by law, the supervisory body must follow up, assess and give its opinion on the strategic lines 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 separate or cumulatively specialised committees related to corporate governance, appointment and performance assessment. In case the remuneration committee provided for in article 399 of the Portuguese 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 referred to matters.	Corporate Governance	Not complied with	21
	Assessment and Remuneration	Complied with	
	Appointments	Complied with	
IV. EXECUTIVE BOARD			
IV.1. The managing body must approve, through internal regulations or equivalent form, the scheme for the executive Board members' action and the performance of their executive duties in entities outside the group.		Not complied with	
IV.2. The managing 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 managing body clarifies in which terms the strategy and main policies defined seek to ensure the company's long-term success and which the main contributors to the overall community resulting therefrom are.		Complied with	54 and Non-Financial Information Report

Recommendation/chapter	Sub-Recommendation	Fulfilment	Report
V. PERFORMANCE ASSESSMENT, REMUNERATIONS AND APPOINTMENTS			

V.1 Performance Annual Assessment

V.1.1. The managing body must assess, on an annual basis, its assessment as well as the assessment of its committees and delegate Board members, considering the fulfilment of the Company's strategic plan and the budget, the risk management, its internal operation and the contribution of each member to that effect, and the relation between bodies and committees of the Company.	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 as per article 399 of the Portuguese Companies Code.		Complied with	21 and 68
V.2.2. The establishment 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	24
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 necessary or convenient consultancy 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 those members' remuneration must be of a variable nature so as to reflect the sustained performance of the company and in order not to encourage the assumption of excessive risks.		Complied with	69
V.2.8. A significant part of the variable component must be partially deferred in time for a period of not less than three years, so as to associate it with the sustained 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 beginning of the exercise period shall be deferred for a period of not less than three years.		N/A	85
V.2.10. The remuneration of non-executive directors shall not include any component the value of which depends on the performance of the company or 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 resumé 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 must be attributed to a 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 arrange that the candidates who prove to be of worth, who are better meet the requirements of the relevant function and who represent, within the organisation, an appropriate diversity, namely of gender, are taken into consideration.		Complied with	21

VI. INTERNAL CONTROL

VI.1. The managing body must discuss and approve the strategic plan and the risk policy of the company, including the establishment of limits as regards risk assumption.	Strategic plan	Complied with	21 and 50 and 55
	Whistleblowing Policy	Complied with	
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 managing body.		Complied with	38 and 50 and 55
VI.3. The internal control system, encompassing the risk management, compliance and internal audit functions, must be structures 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, 51 and 54
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 and 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)	Complied with	52 to 54
	(ii)		
	(iii)		
	(iv)		
VI.7. The company must establish procedures for inspection, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and the performance of that system, as well as the prospect of changing the risk framework previously defined.		Complied with	52, 54 and 55

Recommendation/chapter	Sub-Recommendation	Fulfilment	Report
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 managing 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 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)	Complied with	38 and 45
	b)	Complied with	
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.



2012 Baía de Luanda, Angola.

1 - DECLARATION UNDER THE TERMS OF ARTICLE 245, PARAGRAPH 1, SUBPARAGRAPH C) OF PORTUGUESE SECURITIES CODE

Under the terms of article 245, paragraph 1, subparagraph c) of the 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, providing a true and fair view of assets and liabilities, the financial performance and the results of MOTA-ENGIL and of the companies included in the consolidation perimeter, and that this management report faithfully mirrors the development of the business, the performance and the position of MOTA-ENGIL and the companies included in the consolidation perimeter, and contains a description of the main risks and uncertainties with which they are confronted.

Porto, 5 April 2022

António Manuel Queirós Vasconcelos da Mota
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

Carlos António Vasconcelos Mota dos Santos
Member of the Board of Directors and
Member of the Executive Committee

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

Gonçalo Nuno Gomes de Andrade Moura Martins
Member of the Board of Directors and
Chairman of the Executive Committee (Chief Executive Officer)

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

Manuel António da Fonseca Vasconcelos da Mota
Member of the Board of Directors and
Member of the Executive Committee

Maria Paula Queirós Vasconcelos Mota de Meireles
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

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

2 - ARTICLES 324, PARAGRAPH 2 AND ARTICLE 66, PARAGRAPH 5, SUBPARAGRAPH D) OF THE PORTUGUESE COMMERCIAL COMPANIES CODE

During the financial year of 2021, MOTA-ENGIL carried out no transaction on own shares.

As at 31 December 2021, 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:

Directors	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	4,210,020				1.77%	0	0.0%	28,701	34.48%	
	10 May 2021	-3,196,265	3.080	Sell	Outside market						
	07 September 2021	200,000	1.395	Buy	Market						
	07 September 2021	77,694	1.373	Buy	Market						
	09 September 2021	208,551	1.375	Buy	Market						
	Closing balance	1,500,000				0.49%	0	0.0%	28,701	34.48%	
Maria Paula Queirós Vasconcelos Mota de Meireles	Opening balance	4,494,211				1.89%	0	0.0%	17,902	21.51%	
	10 May 2021	-10,000		Donation	Outside market						
	09 September 2021	-2,825,536	3.080	Sell	Outside market						
	Closing balance	1,444,490				0.47%	0	0.0%	17,902	21.51%	
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	Opening balance	3,676,836				1.55%	0	0.0%	17,902	21.51%	
	10 May 2021	-2,820,536	3.080	Sell	Outside market						
	Closing balance	856,300				0.28%	0	0.0%	17,902	21.51%	
Maria Manuela Queirós Vasconcelos Mota dos Santos	Opening balance	3,275,066				1.38%	0	0.0%	17,902	21.51%	
	10 May 2021	-2,445,536	3.080	Sell	Outside market						
	Closing balance	829,530				0.27%	0	0.0%	17,902	21.51%	
Maria Sílvia Fonseca Vasconcelos Mota	Opening balance	437,061				0.18%					
	10 May 2021	-250,000	3.080	Sell	Outside market						
	Closing balance	187,061				0.06%					
Manuel António da Fonseca Vasconcelos da Mota	Opening balance	440,000				0.19%					
	10 May 2021	-300,000	3.080	Sell	Outside market						
	Closing balance	140,000				0.05%					
Carlos António Vasconcelos Mota dos Santos	Opening balance	480,000				0.20%					
	10 May 2021	-380,000	3.080	Sell	Outside market						
	Closing balance	100,000				0.03%					
José Manuel Mota Neves da Costa	Opening balance	40,000				0.02%					
	10 May 2021	-5,000	3.080	Sell	Outside market						
	Closing balance	35,000				0.01%					
José Pedro Matos Marques Sampaio de Freitas	Opening balance	20,138				0.01%					
		20,138				0.01%					
Luís Filipe Cardoso da Silva (*)	Opening balance	12,500				0.01%					
	27 May 2021	5,401	1.500	Buy	Market						
	Closing balance	17,901				0.01%					
Gonçalo Nuno Gomes de Andrade Moura Martins	Opening balance	12,435				0.01%					
	27 May 2021	5,373	1.500	Buy	Market						
	Closing balance	17,808				0.01%					
Emídio José Bebiano e Moura da Costa Pinheiro (*)	Opening balance	10,000				0.00%					
	27 May 2021	4,321	1.500	Buy	Market						
	Closing balance	14,321				0.00%					

(a) Following the qualification of heirs

(*) As at June 30, 2021 (including) is no longer a member of the Company's Board of Directors

Directors	Date	Holding shares of									
		MOTA-ENGIL, SGPS, SA						MGP, SGPS, SA		FM, SGPS, SA	
		Qt.	Price	Buy / Sell	Inside / Outside market	%	Qt.	%	Qt.	%	
António Cândido Lopes Natário											
Opening balance		10,000				0.00%					
Closing balance		10,000				0.00%					
Rui Jorge Teixeira de Carvalho Pedroto											
Opening balance		2,000				0.00%					
Closing balance		2,000				0.00%					
Ismael Antunes Hernandez Gaspar (*)											
Opening balance		1,000				0.00%					
Closing balance	30 June 2021	1,000				0.00%					
António Lago Cerqueira, S.A.											
Opening balance		3,091,577				1.30%					
Closing balance	10 May 2021	-3,091,577 0	3.080	Sell	Outside market	0.00%					
F.M. - Sociedade de Controlo, SGPS, SA											
Opening balance							6,337,640	100.0%			
Closing balance							6,337,640	100.0%			
Mota Gestão e Participações, SGPS, SA											
Opening balance		134,147,973				56.48%					
	10 May 2021	16,078,590	3.080	Buy	Outside market						
	10 May 2021	-55,000,000	3.080	Sell	Outside market						
	27 May 2021	22,601,085	1.500	Buy	Market						
Closing balance		117,827,648				38.41%					
Epoch Capital Investments BV											
Opening balance		0				0.00%					
	10 May 2021	55,000,000	3.080	Buy	Outside market						
	27 May 2021	44,426,974	1.500	Buy	Market						
Closing balance		99,426,974				32.41%					

(*) As at June 30, 2021 (including) is no longer a member of the Company's Board of Directors

The bonds held by the members of the Board of Directors, officials and members of other governing bodies of MOTA-ENGIL as at 31 December 2021 were as follows:

Name	No. of Bonds	Bonds ME 2021/2026 (NV - 500€)	Bonds ME 2019/2024 (NV - 500€)	Bonds ME 2018/2022 (NV - 500€)
António Manuel Queirós Vasconcelos da Mota	576	576	-	-
José Pedro Matos Marques Sampaio de Freitas	359	190	19	150
José Manuel Mota Neves da Costa	340	200	140	-
Carlos António Vasconcelos Mota dos Santos	298	224	74	-
Maria Paula Queirós Vasconcelos Mota de Meireles	251	251	-	-
Maria Manuela Queirós Vasconcelos Mota dos Santos	250	140	110	-
Manuel António da Fonseca Vasconcelos da Mota	46	-	-	46
Ana Paula Chaves e Sá Ribeiro	40	40	-	-
Gonçalo Nuno Gomes de Andrade Moura Martins	39	20	19	-
António Cândido Lopes Natário	14	14	-	-
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	12	-	12	-
Maria Sílvia Fonseca Vasconcelos Mota	10	10	-	-

NV: nominal value

In addition, the list of the shareholders who, as at 31 December 2021 and 2020, held at least 10%, 33% or 50% of the share capital of MOTA-ENGIL is presented below:

Shareholder	2021		2020	
	No. of shares	% capital	No. of shares	% capital
Mota Gestão e Participações, SGPS, SA (Directly and indirectly held in 2020 through António Lago Cerqueira, SA)	117,827,648	38.41%	137,239,550	57.78%
Epoch Capital Investments BV	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 past-due debt to Social Security.

5 - ARTICLE 66, PARAGRAPH 5, SUBPARAGRAPH G) OF THE PORTUGUESE COMMERCIAL COMPANIES CODE

As at 31 December 2021, the companies included in the MOTA-ENGIL GROUP held branches in the following countries:

Company	Country
Empresa Construtora Brasil SA	Colombia
Manvia II Condutas, Lda.	Angola
Manvia – Manutenção e Exploração de Instalações e Construção, SA	France
	Spain
Mota-Engil Africa, BV	Uganda
Mota-Engil, Engenharia e Construção, SA	Algeria
	Brazil
	Cape Verde
	Colombia
	France
	Hungary
	Ireland
	Panama
	Paraguay
	Peru
	Poland
	Spain
	United Kingdom
	USA
Mota-Engil, Engenharia e Construção África, SA	Angola
	Cameroon
	Cape Verde
	Cote d'Ivoire
	Eswatini
	Gabon
	Ghana
	Kenya
	Malawi
	Mozambique
	Netherlands
	Peru
	Rwanda
	South Africa
	Tanzania
	Uganda
	Zambia
	Zimbabwe
Mota-Engil Peru, SA	Colombia
SUMA - Serviços Urbanos e Meio Ambiente, Lda.	Brazil
	Oman
Vibeiras – Sociedade Comercial de Plantas, SA	Morocco

6 - QUALIFIED HOLDINGS

In compliance with the provisions of article 2, paragraph 4 of CMVM regulation no. 5/2008 (republished by CMVM Regulation no. 7/2018), hereunder is the list of holders of qualifying holdings as at 31 December 2021, with indication of the number of shares held and the corresponding percentage of voting rights vote, under the terms of article 20 of the Portuguese Securities Code:

Shareholders	No. of Shares	% of shares held	% of voting rights
Mota Gestão e Participações, SGPS, SA (*)	117,827,648	38.41%	39.19%
António Manuel Queirós Vasconcelos da Mota (**) / (***) (a)	1,500,000	0.49%	0.50%
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, SA	122,800,167	40.03%	40.84%
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	222,227,141	72.44%	73.91%
Ghotic Corp Mutima Capital (*)	3,153,453	1.03%	1.05%
Ghotic HSP Corp Mutima Capital (*)	1,228,745	0.40%	0.41%
Ghotic JBD LLC Mutima Capital (*)	1,146,803	0.37%	0.38%
Gothic ERP LLC Mutima (*)	820,821	0.27%	0.27%
The Mutima Africa Fund LP (*)	126,987	0.04%	0.04%
Attributable to Mutima Capital Management, LLC	6,476,809	2.11%	2.15%
Own shares	6,091,581	1.99%	-
Other shareholders holding less than 2%	71,980,419	23.46%	23.94%
Sub-total II	84,548,809	27.56%	26.09%
TOTAL	306,775,950	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, SA

As at 31 December 2021, Mota Gestão e Participações, SGPS, SA is 100% held by FM – Sociedade de Controlo, SGPS, S.A., which is 100% held by the natural persons mentioned above under (a).

As at the date of this report, 122,800,167 shares corresponding to 40.03% of the share capital of MOTA-ENGIL, granting 40.84% of voting rights, were attributable to FM – Sociedade de Controlo, SGPS, SA.

7 - LIST OF POSITIONS HELD BY THE MEMBERS OF THE BOARD OF DIRECTORS

António Manuel Queirós Vasconcelos da Mota (Chairman)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- Chairman of the Board of Directors of AMGP Agricultura, SA
- Chairman of the Board of Directors of Valorsul – Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisboa e do Oeste, SA
- Chairman of the Annual General Meeting of Mota-Engil Angola, SA
- Chairman of the Annual General Meeting of Mota-Engil, Engenharia e Construção, SA
- Member of the Remuneration Committee of Mota-Engil, Angola, SA
- Member of the Supervisory Higher Board of Mota-Engil, Angola, SA

Duties in other companies outside the Mota-Engil Group as at 31 December 2021

- Chairman of the Board of Directors of FM – Sociedade de Controlo, SGPS, SA
- Chairman of the Board of Directors of Mota Gestão e Participações, SGPS, SA
- Chairman of the Board of Directors of Sociedade Agrícola Moura Basto, SA
- Member of the Remuneration Committee of António Lago Cerqueira, SA
- 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, SA
- 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”

Jingchun Wang (Deputy-Chairman)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- 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 2021

- 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

Ana Paula Chaves e Sá Ribeiro (Independent member)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- 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 2021

- Member of the Board of Directors of Vila Avenida Hotel, SA
- Member of the Board of Directors of Hotel Vista da Ponte, SA
- Member of the Board of Directors of Eaglestone Capital Partners - Sociedade de Capital de Risco, SA (undergoing approval by 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 2021

- Chairman of the Board of Directors of Mota-Engil America Latina, SAPI de CV
- Chairman of the Board of Directors of Mota-Engil, Latam Portugal, SA
- Chairman of the Board of Directors of Concesiones e Infraestructuras Andina, SA
- Chairman of the Board of Directors of Minería y Engenharia Andina, SA
- Deputy-Chairman of the Board of Directors of Empresa Construtora do Brasil, SA
- Member of the Board of Directors of AMGP Agricultura, SA
- Member of the Board of Directors of Hygeia - Edifícios Hospitalares, SGPS, SA
- Member of the Board of Directors of Valorsul - Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisboa e do Oeste, SA
- Director of Flame Investments, BV
- Director of Mota-Engil Energy, BV
- Director of Mota-Engil Tourism, BV
- Director of Mota-Engil, Latin America, BV
- Chairman of the General Meeting of Mota-Engil, Indústria e Inovação, SGPS, SA
- Member of the Supervisory Board of Mota-Engil Central Europe Česká Republika, A.S.
- Member of the Supervisory Board of Mota-Engil Central Europe, SA
- Member of the Board of Directors of Mota-Engil Magyarország Beruházási És Építőipari Zrt
- Member of the Remuneration Committee of Belém Grid - Promoção Imobiliária e de Animação Turística, SA
- Member of the Remuneration Committee of Hygeia - Edifícios Hospitalares, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil Capital, SA
- Member of the Remuneration Committee of Mota-Engil, Ambiente e Serviços, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil, Real Estate Portugal, SA
- Member of the Remuneration Committee of Oriental Hub, Reconversão e Exploração do Antigo Matadouro Industrial do Porto, SA
- Member of the Remuneration Committee of Mota-Engil, Indústria e Inovação, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil Railway Engineering, SA
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção, SA
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção África, SA
- Member of the Remuneration Committee of Martifer, SGPS, SA
- Member of the Remuneration Committee of MESP – Mota-Engil, Serviços Partilhados, Administrativos e de Gestão, SA
- Member of the Remuneration Committee of Empresa Geral do Fomento, SA
- Member of the Remuneration Committee of Mota-Engil Central Europe Management, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil Concessões, SA
- Member of the Remuneration Committee of Suma – Serviços Urbanos e Meio Ambiente, SA
- Member of the Remuneration Committee of Suma Tratamento, SA
- Member of the Remuneration Committee of Takargo – Transporte de Mercadorias, SA
- Member of the Remuneration Committee of Largo do Paço - Investimentos Turísticos e Imobiliários, SA
- Chairman of the Higher Council of Suma Tratamento, SA
- Member of the Higher Council of Suma – Serviços Urbanos e Meio Ambiente, SA

Duties in other companies outside the Mota-Engil Group as at 31 December 2021

- Member of the Board of Directors of Mota Gestão e Participações, SGPS, SA
- Member of the Board of Directors of António Lago Cerqueira, SA
- Member of the Board of Directors of Dourowood - Entidade de Gestão Florestal, SA
- Member of the Board of Directors of Mota Global - Planeamento, SA
- Member of the Board of Directors of Motawood - Entidade de Gestão Florestal, SA
- Member of the Board of Directors of Sociedade Agrícola Moura Basto, SA
- Member of the Board of Directors of Sem Par - Sociedade Imobiliária e Turística, SA
- 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

Di Xiao (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2021**

- Member of the Remuneration Committee of MESP – Mota-Engil, Serviços Partilhados, Administrativos e de Gestão, SA

Duties in other companies outside the Mota-Engil Group as at 31 December 2021

- Senior Director of the Portugal Branch of China Communications Construction Company Ltd

Francisco Manuel Seixas da Costa (Independent Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2021**

- Independent member of the Board of Directors of Mota-Engil Engenharia e Construção Africa SA

Duties in other companies outside the Mota-Engil Group as at 31 December 2021

- Member of the non-executive Board of Directors of Jerónimo Martins, SGPS, SA
- Chairman of the Statutory Audit Board of Tabaqueira PMM SGPS, SA
- Chairman of the International Strategic Council of the Calouste Gulbenkian Foundation
- President of “Clube de Lisboa”
- Chairman of the Advisory Board of 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

Gonçalo Nuno Gomes de Andrade Moura Martins (Member)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- Chairman of the Board of Directors of Ascendi Douro - Estradas do Douro Interior, SA
- Chairman of the Board of Directors of Ascendi Operadora DI, Operação e Manutenção Rodoviária, SA
- Chairman of the Board of Directors of Ascendi Mexico SA de CV
- Chairman of the Board of Directors of Lineas – Concessões de Transportes, SGPS, SA
- Chairman of the Board of Directors of Lineas Investimentos, SGPS, SA
- Member of the Board of Directors of Concessionaria Urbana Arco Oriente, SA from CV
- Member of the Board of Directors of Lusoponte – Concessionária para a Travessia do Tejo SA
- Manager of Lineas – Serviços de Administração e Gestão, Lda
- Director of Mota-Engil Nigeria, Limited
- Member of the Remuneration Committee of Ascendi Douro – Estradas do Douro Interior, SA
- Member of the Remuneration Committee of Ascendi Operadora DI, Operação e Manutenção Rodoviária, SA
- Member of the Remuneration Committee of Belém Grid - Promoção Imobiliária e de Animação Turística, SA
- Member of the Remuneration Committee of Largo do Paço - Investimentos Turísticos e Imobiliários, SA
- Member of the Remuneration Committee of Lusoponte – Concessionária para a Travessia do Tejo SA, in representation of Lineas – Concessões de Transportes, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil Capital, SA
- Member of the Remuneration Committee of Mota-Engil Railway Engineering, SA
- Member of the Remuneration Committee of Mota-Engil, Ambiente e Serviços, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil Central Europe Management, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil Concessões, SA
- Member of the Remuneration Committee of Mota-Engil, Europa, SA
- Member of the Remuneration Committee of Mota-Engil, Indústria e Inovação, SGPS, SA
- Member of the Remuneration Committee of Mota-Engil Renewing, SA
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção, SA
- Member of the Remuneration Committee of Mota-Engil, Engenharia e Construção África, SA
- Member of the Remuneration Committee of Oriental Hub, Reconversão e Exploração do Antigo Matadouro Industrial do Porto, SA
- Member of the Remuneration Committee of Takargo – Transporte de Mercadorias, SA
- Member of the Supervisory Higher Board of Mota-Engil, Angola, SA

Duties in other companies outside the Mota-Engil Group as at 31 December 2021

- 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

Helena Sofia Salgado Cerveira Pinto (Independent Member)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- 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 2021

- 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, SA

Isabel Maria Pereira Aníbal Vaz (Independent member)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- 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 2021

- Chairwoman of the Board of Directors of Capital Criativo HealthCare Investments II
- Chairwoman of the Board of Directors of GLSMED Learning Health, SA
- Chairwoman of the Board of Directors of Hospital da Luz - Guimarães, SA
- Chairwoman of the Board of Directors of Hospor – Hospitais Portugueses, SA
- 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, SA
- Chairwoman of the Board of Directors of RML – Residência Medicalizada de Loures, SGPS, SA
- Chairwoman of the Board of Directors of SGHL – Sociedade Gestora do Hospital de Loures, SA
- Chairwoman of the Board of Directors of Surgicare – Unidades de Saúde, SA
- Chairwoman of the Board of Directors of Vila Lusitano – Unidades de Saúde, SA
- Chairwoman of the Board of Directors of Casas da Cidade – Residências Sénior de Carnaxide, SA
- Chairwoman of the Board of Directors of Casas da Cidade – Residências Sénior, SA
- Chairwoman of the Board of Directors of CRB – Clube Residencial da Boavista, SA
- Chairwoman of the Board of Directors of H.M.E. – Gestão Hospitalar, SA
- Chairwoman of the Board of Directors of Hospital da Luz – Centro Clínico da Amadora, SA
- Chairwoman of the Board of Directors of Hospital da Luz - Coimbra SA
- Chairwoman of the Board of Directors of Hospital da Luz - Oeiras, SA
- Chairwoman of the Board of Directors of Hospital da Luz Arrábida, SA
- Chairwoman of the Board of Directors of Hospital da Luz Aveiro, SA
- Chairwoman of the Board of Directors of Hospital da Luz, SA (Lisboa)
- Chairwoman of the Board of Directors of Hospital Residencial do Mar, SA
- Chairwoman of the Executive Committee of Luz Saúde, SA
- Deputy-Chairwoman of the Board of Directors of Luz Saúde, SA
- Member of the Board of Directors of Genomed-Diagnósticos de Medicina Molecular, SA
- Member of the Board of Directors of Sonae Capital, SGPS, SA
- Member of the Board of Directors of Hospital da Luz Funchal, SA
- Non-executive member of the Board of Directors of CTT

Manuel António da Fonseca Vasconcelos da Mota (Member)

Duties in other companies of the Mota-Engil Group as at 31 December 2021

- Chairman of the Board of Directors of Empresa Agrícola Florestal Portuguesa, SA
- Chairman of the Board of Directors of Mota-Engil Angola, SA
- Sole Director of Luso Global Mining, SA
- Sole Director of Global Mining Cameroon, SA
- Member of the Board of Directors of Mota-Engil África (PTY), Ltd
- Member of the Board of Directors of Mota-Engil África, SGPS, SA
- Member of the Board of Directors of Mota-Engil Engenharia e Construção África, SA
- Director of Mota-Engil, Minerals & Mining, Limited
- Director of Cosamo (PTY), Ltd.
- Director of Luso Global Mining B.V.
- Director of Luso Resources Limited
- Director of Mota-Engil Magyarország Beruházási És Építőipari Zártkörűen Működő Részvénytársaság
- Director of Mota-Engil Nigeria, Limited
- Manager of Mota Internacional, Comércio e Consultadoria Económica, Lda
- Member of the Remuneration Committee of Mota-Engil, Europa, SA
- Member of the Supervisory Higher Board of Mota-Engil, Angola, SA
- Member of the Supervisory Board of Mota-Engil Central Europe, SA
- Member of the Supervisory Board of Mota-Engil Central Europe Ceska Republika, AS
- Member of the Supervisory Board of Obol Invest Befektetési Es Üzletviteli Tanácsadó Kft
- Member of the Supervisory Board of Obol XI Ingatlanhasznosítási Beruházó Es Szolgáltató Kft

Duties in other companies outside the Mota-Engil Group as at 31 December 2021

- 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 2021

- Chairman of the Board of Directors of Largo do Paço – Investimentos Turísticos e Imobiliários, Lda
- Member of the Board of Directors of AMGP Agricultura, SA
- Manager of Botelho, Silva & Abreu, Lda
- Member of the Remuneration Committee of Mota-Engil Renewing, SA
- Member of the Remuneration Committee of Vibeiras – Sociedade Comercial de Plantas, SA
- Member of the Supervisory Higher Board of Mota-Engil, Angola, SA

Duties in other companies outside the Mota-Engil Group as at 31 December 2021

- Member of the Board of Directors of FM – Sociedade de Controlo, SGPS, SA
- Member of the Board of Directors of Mota Gestão e Participações, SGPS, SA
- Member of the Board of Directors of Sociedade Agrícola Moura Basto, SA
- Manager of Edifícios Galiza – Sociedade Imobiliária, Lda
- Manager of Mineira de Pensalvos, Lda
- Manager of Mineira do Jarmelo, Lda
- Manager of Verotâmega – Sociedade Imobiliária, Lda
- Member of the Remuneration Committee of António Lago Cerqueira, SA
- Member of the Board of Curators of the Manuel António da Mota Foundation

Ping Ping (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2021**

- 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 2021

- Does not perform any other duties outside Mota-Engil Group companies

Tian Feng (Member)**Duties in other companies of the Mota-Engil Group as at 31 December 2021**

- 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 2021

- 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 2021**

- 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 2021

- Does not perform any other duties in other companies outside the Mota-Engil Group

8 – REMUNERATION 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 2021 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.

I. Remuneration of members of the managing and supervisory bodies

The remuneration map of the members of the managing and supervisory bodies, as well as the appropriate break-down between fixed remuneration, variable remuneration, attendance fees and other remuneration, as well as the relative ratio fixed to variable remuneration, is presented below. Furthermore, the source of the remuneration of the various companies of the MOTA-ENGIL GROUP is also highlighted.

Members	Obs.	Company	Fixed component	Other Remunerations	Attendance fees	Total	% fixed remuneration
Executive directors							
Carlos António Vasconcelos Mota dos Santos		(d)	384,500	240,000		624,500	100%
Di Xiao	(a)	(d)	228,682	9,787		238,468	100%
Eduardo João Frade Sobral Pimentel	(b)	(d)	127,000	82,404		209,404	100%
Emídio Jose Bebiano Moura Costa Pinheiro	(b)	(d)	142,500	113,158		255,658	100%
Gonçalo Nuno Gomes de Andrade Moura Martins		(d)	468,500	380,243		848,743	100%
Ismael Antunes Hernandez Gaspar	(b)	(e)	143,000	1,795		144,795	100%
João Pedro Santos Dinis Parreira	(b)	(f)	150,571	5,666		156,237	100%
José Pedro Matos Marques Sampaio de Freitas	(b)	(d)	117,500	103,587		221,087	100%
Luís Filipe Cardoso da Silva	(b)	(g)	119,000	110,000		229,000	100%
Manuel António Fonseca Vasconcelos da Mota		(h)	395,002	240,000		635,002	100%
Non-executive non-independent directors							
António Manuel Queirós Vasconcelos da Mota		(d)	523,000			523,000	100%
Arnaldo José Nunes da Costa Figueiredo	(b)	(d)	143,000			143,000	100%
Maria Manuela Queirós Vasconcelos Mota dos Santos	(b)	(d)	125,500			125,500	100%
Maria Paula Queirós Vasconcelos Mota de Meireles		(d)	251,000	7,157		258,157	100%
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	(b)	(d)	125,500			125,500	100%
Independent non-executive directors							
Ana Paula Chaves e Sá Ribeiro		(d)			60,000	60,000	100%
António Bernardo Aranha da Gama Lobo Xavier	(b)	(d)			25,000	25,000	100%
António Manuel da Silva Vila Cova	(b)	(d)			28,000	28,000	100%
Francisco Manuel Seixas da Costa		(d)		20,000	60,000	80,000	100%
Helena Sofia Salgado Cerveira Pinto		(d)			60,000	60,000	100%
Isabel Maria Pereira Anibal Vaz	(a)	(d)			35,000	35,000	100%
Jorge Paulo Sacadura Almeida Coelho	(c)	(d)		1,403	15,000	16,403	100%
Luís Francisco Valente de Oliveira	(b)	(d)			25,000	25,000	100%
Members of the Statutory Audit Board							
Cristina Maria da Costa Pinto		(d)	30,000			30,000	100%
Jose Antonio Ferreira de Barros		(d)	30,000			30,000	100%
Susana Catarina Iglesias Couto Rodrigues de Jesus		(d)	30,000			30,000	100%
			3,534,255	1,315,199	308,000	5,157,454	100%
Of which in office on December 31, 2021			2,340,684	897,186	215,000	3,452,870	100%

(a) - First appointment in June 30, 2021

(b) - End of term in June 30, 2021

(c) - Term interruption in April, 7 2021

(d) - Through Mota-Engil SGPS, S.A.

(e) - Through Mota-Engil Capital, S.A.

(f) - Through Global Technical Services Latam, B.V.

(g) - Through MESP - Mota-Engil Serviços Partilhados A.G., S.A.

(h) - Through Mota-Engil África GTS, B.V.

The year of 2021 was exceptional in nature, considering the occurrence of the process of the increase in capital and disposal of part of the MOTA-ENGIL's capital to a new partner, as well as the drawing-up of the Strategic Plan – Building 26, projecting the targets for the pluriannual horizon 2026.

As a corollary, the remuneration structure was subject to a set of changes to the fixed and variable components and to other remuneration, as well as limited in order to allow, under the new Strategic Plan – Building 26, for creating a tool for managing and monitoring the achievement of the pluriannual targets, with the objective of boosting a long-term vision underpinned by the liability of the participants.

As a result of the operation of the increase in capital, it was decided to reward some managing bodies for their effort and performance exceptionally shown in the management of the process of disposal, such extra effort being reflected mostly in the heading of other remunerations.

This way, except where the previous paragraph is concerned, the total remuneration attributed to the GROUP's managing and supervisory bodies was in line with the Remuneration Policy in force.

In addition, given the GROUP's past performance (a loss of approximately 20 million Euro in the 2020 period - heavily influenced by the effects caused by the Covid-19 pandemic) and its medium and long-term sustainability, there was no attribution or payment of variable remuneration in 2021.

II. Annual variation of the GROUP's performance and remuneration

Over the last 5 years, the MOTA-ENGIL GROUP exhibited a consistent performance, demonstrating growing turnover and EBITDA, with the exception of the Covid period (between 2020 and 2021), which, as a result of the inevitable downturn of activity and the suspension of relevant projects, hindered the trajectory of growth. Nevertheless, it is possible to see that the GROUP got closer to the pre-Covid turnover and EBITDA levels in 2021.

	(thousand Euros)				
	2017	2018	2019	2020	2021
Group performance indicators (*)					
Turnover	2,597,294	2,801,749	2,912,440	2,429,134	2,591,776
EBITDA	404,738	407,077	417,071	380,256	411,632
Net profit / (loss)	1,588	23,612	26,728	-19,944	21,641
Average wage mass (**)					
Management and supervisory bodies members	222,646	190,500	184,243	187,572	187,427
Other workers	11,499	11,373	10,117	9,961	10,362

* 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, personal accident insurance). In the case of managing and supervisory bodies, it corresponds to fixed remuneration earned during the term of office or to attendance fees.

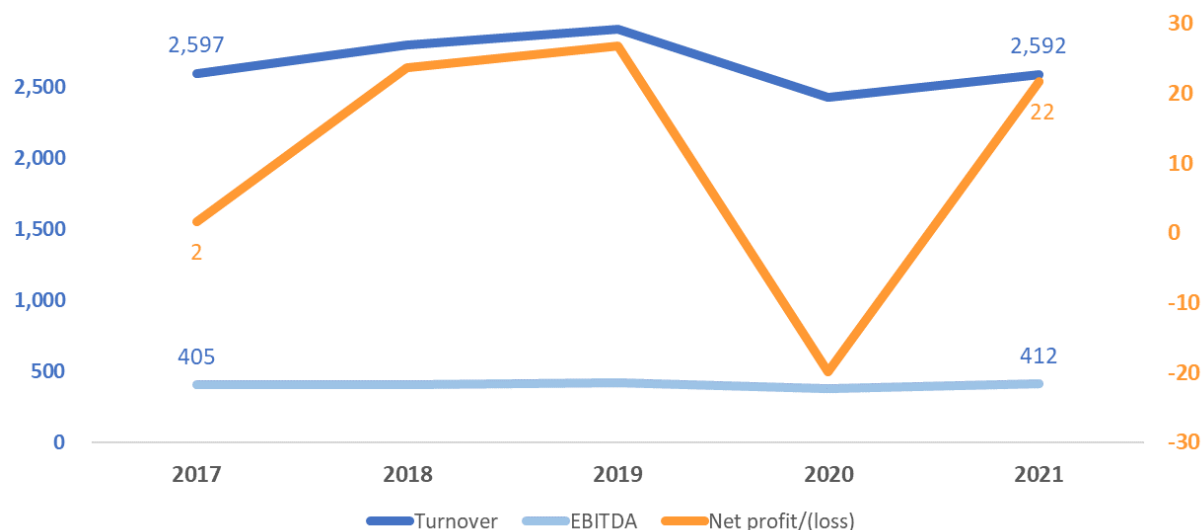
At the level of the variation of the number of workers, a substantial decrease of the workforce during the Covid period was observed, from 41,036 (2019) to 35,331 (2020), the GROUP returning the staff establishment plan to pre-Covid levels (with 38,574 workers in 2021).

These fluctuations at the level of the staff establishment plan explain, to a certain extent, the differences found at the level of the annual variation of remuneration, for the period, with the most constant Region being Europe, both as regards stability of the staff establishment plan and, accordingly, the respective remuneration.

When comparing the average remuneration per Region, the main differences arise from the heterogeneity of the markets in which the GROUP operates, on an economic, social and labour level.

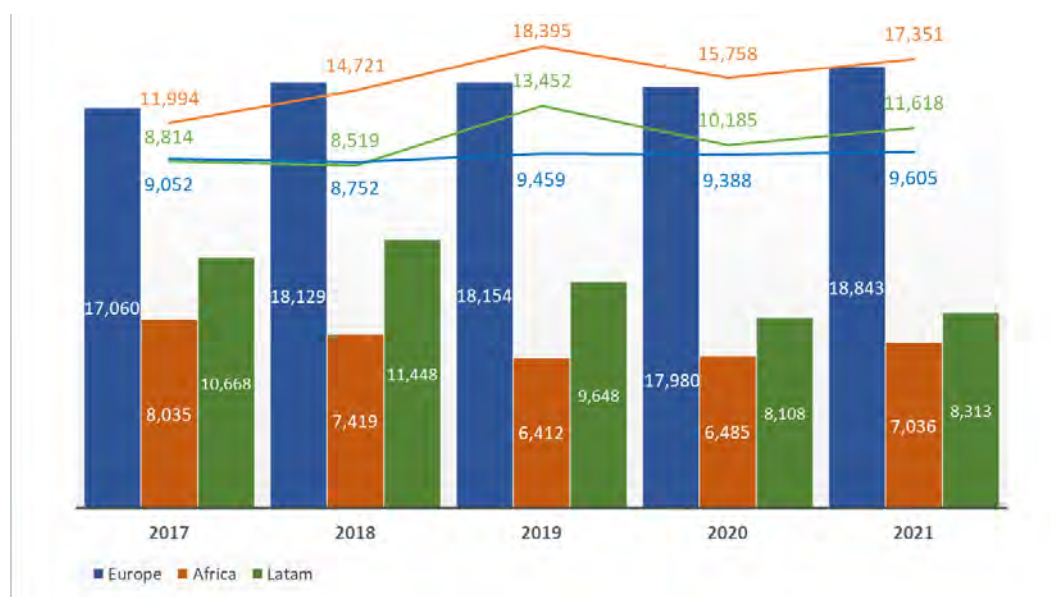
In fact, and in compliance with the existing Remuneration Policy at the GROUP, the remuneration systems adopted seek to ensure, on the one hand, the competitiveness of the remuneration regarding the wages market of the geography in which it operates and, on the other hand, the fairness of both by comparison with the comparable functional levels.

Evolution of the Group's performance (values in million Euro)



Evolution of the Headcount and average remuneration per Region (values in million Euro)

(Excluding the members of the managing and supervisory bodies over the last five periods)



The average remuneration presented above is based on the concept of total amount of wages which, contrary to wages and salaries depicted in the Report and Accounts, only comprehends the fixed and permanent components of the workers' 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, personal accident insurance), constituting the aspect adopted for externally and internally comparing the remuneration and its evolution over time.

III. Restitution of variable remuneration

As provided for in the Remuneration Policy of the MOTA-ENGIL GROUP, there is a mechanism for restituting compensation paid as variable remuneration in case 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 period to which the present report refers, no such situations were observed, therefore no restitution mechanism occurred.

IV. Information on the application of the Remuneration Policies and derogations

The exceptional nature involving in 2021 the operation of the increase in capital and disposal of part of the MOTA-ENGIL GROUP'S capital triggered the decision to reward the extra effort of some members of the managing body directly involved in the referred to operation. As such, the map of Chapter 1, under the "Other remunerations" column, exhibits the consideration resulting from the effort mentioned above.

V. Programmes for the allotment of shares and equity options

The GROUP has no programme for the allotment of shares or equity options.

VI. Assessment and disclosure of the Remuneration Report

The present Remuneration Report shall be submitted to the General Meeting and released on MOTA-ENGIL institutional website (www.mota-engil.com) for a period of no less than 10 years, in order to remain available for public consultation, against the background of the principles of transparency and disclosure of relevant information.

The Operation Efficiency

To o Monetize Resources

To o Monetize Resources

To simplify the organizacional structure and to implement global support platforms which capitalize the Group best practices.

A Legacy of Trust

2012 Road work Perote-Xalapa, Mexico.



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 2021 (which shows total assets of Euros 5,423,525 thousand and total shareholders' equity of Euros 449,909 thousand including a consolidated net profit of the year of Euros 21,641 thousand), the consolidated income statement, 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 2021, 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.

PricewaterhouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Lda.

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Construction contracts revenue recognition

Disclosures related to construction contracts revenue presented in notes 1.4 xii), 1.4 xvii), 1.4 xxii), 2, 8, 24, 34 and 37 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. Construction contracts revenue at 31 December 2021 amounts to Euros 1,705,163 thousand.

The Group recognizes revenue according to the guidelines of IFRS 15 – Revenue from contracts with customers. In accordance to IFRS 15, revenue and margins related to ongoing construction 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 contract 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;
- analysis 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
Non-current assets impairment and valuation	<ul style="list-style-type: none"> 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 known factors, litigation and disputes with the counterparties or the outcomes of events after the reporting period. <p>We have also revised the disclosures related to construction contracts presented in the consolidated financial statements.</p>
<p><i>Disclosures related to non-current assets impairment and valuation presented in notes 1.2, 1.4 v), 1.4 ix), 1.4 xxii), 8, 15, 16, 20 and 45 to the consolidated financial statements.</i></p> <p>At 31 December 2021 the Group holds non-current tangible and intangible assets allocated to the following cash generating units (CGU), and for which impairment indicators were identified:</p> <p>Intangible assets</p> <ul style="list-style-type: none"> waste treatment and recovery (EGF), in the amount of Euros 298,660 thousand; solid waste collection and treatment in Abidjan (Ivory Coast - EcoEburnie), amounting to Euros 23,698 thousand; agricultural and forest exploitation right in Cabinda (Angola – AMGP) amounting to Euros 49,823 thousand; <p>Tangible assets</p> <ul style="list-style-type: none"> solid waste treatment in Luanda (Angola – Vista Waste) amounting to Euros 15,443 thousand; logistics operation to develop in <i>Malawi Gateway Project</i>, amounting to Euros 21,737 thousand; and quarry exploration, amounting to Euros 36,816 thousand. 	<p>The analysis of the evaluation of these assets' impairment losses, of the external appraisals of the heavy equipments of engineering and construction and of the equity instrument's fair value consisted of:</p> <ul style="list-style-type: none"> 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; reexecute 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, 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; 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	Summary of the Audit Approach
<p>As mentioned in the Group's accounting policies, in each reporting period an evaluation is made to determine if there are indicators that assets might be impaired, and tests are performed in order to estimate its recoverable amount.</p> <p>Additionally, in 2021, the Group made a voluntary change in accounting policy, according to which it started to use the revaluation method to measure heavy equipment of engineering and construction, having been created a new class of tangible assets and rights of use for this purposes. To determine the assets fair value of this new class, the Group carried out appraisals made by external experts. This policy change generated an impact on the consolidated statement of other comprehensive income in the amount of Euros 60,600 thousand.</p> <p>The Group also holds an equity instrument in an entity not listed in a regulated market amounting to Euros 36,300 thousand. This instrument is valued at its fair value, through other comprehensive income, and a positive fair value variation amounting to Euros 5,504 thousand was recognized in the consolidated statement of other comprehensive income.</p> <p>The execution of the abovementioned UGCs impairment tests, the revaluation of the heavy equipment of engineering and construction, 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, obtaining and selection of market benchmarks, discount rates, as well as analysis of the documentation related to assets future use.</p> <p>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.</p>	<ul style="list-style-type: none"> • understand the definition that management assigned to the new class of tangible assets and rights of use and test the process of capturing and identifying the respective assets; • assess the competence and independence of external experts used by management for the revaluation of heavy equipment of engineering and construction; • obtain the external appraisals for a sample of assets classified in the new class, and: (i) test the adequacy of the fair value calculation methodology with the applicable accounting standards; and (ii) challenge the expert to corroborate the main assumptions adopted, especially the sources used for the market comparables; and • test whether the revaluations surplus of the new asset class is correctly accounted for in accordance with the guidelines of IAS 16 – Tangible assets for the revaluation model. <p>We have also revised the disclosures presented in the financial statements related to non-current assets impairment and fair value, as well as to the voluntary accounting policy change adopted.</p>

Key Audit Matter

Summary of the Audit Approach

Accounts receivable valuation and impairment recognition

Disclosures related to Accounts receivable presented in the notes 1.4 ix), 1.4 xxii), 8 and 23 to the consolidated financial statements.

At 31 December 2021 the Group presents accounts receivable from Customers and Other Debtors – Others amounting to Euros 1,158,015 thousand, (net of cumulative impairment losses of Euros 228,248 thousand, of which Euros 13,582 thousand were recognized, 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

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, 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.

Key Audit Matter	Summary of the Audit Approach
<p>entities considered as public entities, raises an additional level of subjectivity and uncertainty to those judgements.</p> <p>Moreover, as reported in 1.4 ix), 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.</p> <p>Estimates of accounts receivable impairment and present value are a key audit matter because they require a high level of judgement by management.</p>	<p>Our procedures concerning the valuation of accounts receivable were mainly as follows:</p> <ul style="list-style-type: none"> • 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 • 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. <p>We have also revised disclosures related to the valuation and impairment of accounts receivable presented in the consolidated financial statements.</p>
Real estate inventory and investment properties valuation	
<p><i>Disclosures related to real estate inventory and investment property presented in 1.4 vii), 1.4 xi), 1.4 xxii), 6, 8, 21 and 22 to the consolidated financial statements.</i></p> <p>At 31 December 2021, the Group holds real estate inventory ready for sale or for real estate development and future sale, amounting to Euros 141,000 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 112,412 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.</p> <p>Determination of the net realizable value or fair value of these assets requires estimations involving the use of management assumptions, namely market benchmarks,</p>	<p>Audit procedures performed, concerning inventory and investment property valuation included:</p> <ul style="list-style-type: none"> • 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; (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,

Key Audit Matter	Summary of the Audit Approach
<p>future cash flow projections (sales prices and construction costs to be incurred until completion of the asset), market rents and discount rates.</p> <p>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.</p>	<p>involving in this exercise, whenever necessary, our internal experts.</p> <p>We have also revised the disclosures related to real estate inventory and to investment property presented in the consolidated financial statements.</p>
<hr/> <p>Provisions and contingencies</p>	
<p><i>Disclosures related to provisions and contingencies presented in 1.4 xvii), 1.4 xxii), 8, 12, 37 and 40 to the consolidated financial statements.</i></p> <p>The Group recognizes provisions for contingencies, namely claims and other liabilities related to construction contracts, including construction guarantees. At 31 December 2021 provisions presented in the consolidated financial statements amount to Euros 123,182 thousand, of which Euros 14,738 thousand were recognized in the 2021 consolidated income statement, net of reversals.</p> <p>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.</p> <p>Contingent liabilities related to tax proceedings amount to Euros 99,057 thousand, and related to legal proceedings over Euros 500 thousand, individually, amount to Euros 141,000 thousand, approximately.</p> <p>In accordance with IAS 37 - Provisions, Contingent Liabilities and Contingent Assets,</p>	<p>Concerning the provisions and contingent liabilities for obligations regarding construction contracts, the procedures we performed included, among others:</p> <ul style="list-style-type: none"> • 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. <p>Concerning the provisions and contingent liabilities for obligations arising from tax and legal litigation, we have performed, among others, the following procedures:</p> <ul style="list-style-type: none"> • 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;

Key Audit Matter	Summary of the Audit Approach
<p>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.</p> <p>Considering the high 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.</p>	<ul style="list-style-type: none"> • 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 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. <p>We have also revised the disclosures related to provisions and contingencies presented in the consolidated financial statements.</p>

Gain arising from the loss of control of the Tourism business in Mexico

Disclosures related to the sale transaction of the tourism business in Mexico presented in 11, 18, 21, 38 and 42 to the consolidated financial statements.

In December 2021, through the sale to third parties of 30% of the share capital of the entities Mota-Engil Tourism BV and Mota-Engil

Our audit procedures performed concerning this sale transaction included, among others:

- Reading of all documentation and contracts supporting the various steps that led to the sale of the business, in order to verify the main terms of the transactions, namely entities involved, dates on which they

Key Audit Matter	Summary of the Audit Approach
<p>Turismo Holding SAPI de CV, the Group lost control over the tourism business held in Mexico, essentially made up of lands for tourism development. Consequently, net assets in the amount of Euros 8,852 thousand were derecognized from the consolidated statement of financial position and a gain in the amount of Euros 46,331 thousand was accounted for in the consolidated income statement, which includes the remeasurement effect of the interests previously held by the Group in this business amounting to Euros 19,081 thousand.</p> <p>The significant amount of the gain recognized in the net profit of the year led us to consider the accounting for this sale as a key audit matter.</p>	<p>became effective, object, prices and payment terms;</p> <ul style="list-style-type: none"> • Analysis of the effective loss of control after the transfer to third parties of 30% of the share capital of Mota-Engil Tourism BV and of Mota-Engil Turismo Holding SAPI de CV, based on the Group companies by-law that directly or indirectly hold these entities; • Recalculation of the recognized gain, comparison of its amount with the consolidated accounting records and verification of its correct classification in the consolidated income statement; • Test of the net present value of the sale price used in the calculation of the gain, verifying the adequacy of the discount rate used considering the payment terms of the contract and the counterparty's credit risk; • Verification of the net book value of the net assets considered in the calculation of the gain and subsequently derecognized from the consolidated statement of financial position, as at the date of the sale transaction; • Assessment of the fair value reasonableness attributed to the interests previously held by the Group in the entities Mota-Engil Tourism BV and Mota-Engil Turismo Holding SAPI de CV and considered in the calculation of the recognized gain; and • Analysis, supported by internal experts, of the adequate tax treatment given to the sale transaction, including the transactions previously occurred, considering the jurisdictions of the various parties involved. <p>We have also revised the disclosures related to this transaction 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 (*Date*) 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 6 April 2021.
- 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.

6 April 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

António Joaquim Brochado Correia, R.O.C. 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 2021, 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, which include the Management Report and the Consolidated Financial Statements related to that year prepared 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 accompanied, also, 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.

In addition, the Statutory Audit Board analysed the aforesaid documents associated with the consolidated financial report, included in the above referred file, the Consolidated Legal Certification of Accounts / Audit Report, issued by the Statutory Auditor / Auditor, registered in the CMVM (Portuguese Market Securities Commission), having also received and analysed the respective additional report addressed to it.

Pursuant to the terms of Art. 245(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 2021 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 6, 2022

José António Ferreira de Barros

Susana Catarina Iglésias Couto Rodrigues de Jesus

Cristina Maria da Costa Pinto

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