



CONSOLIDATED 20 ANNUAL REPORT 22



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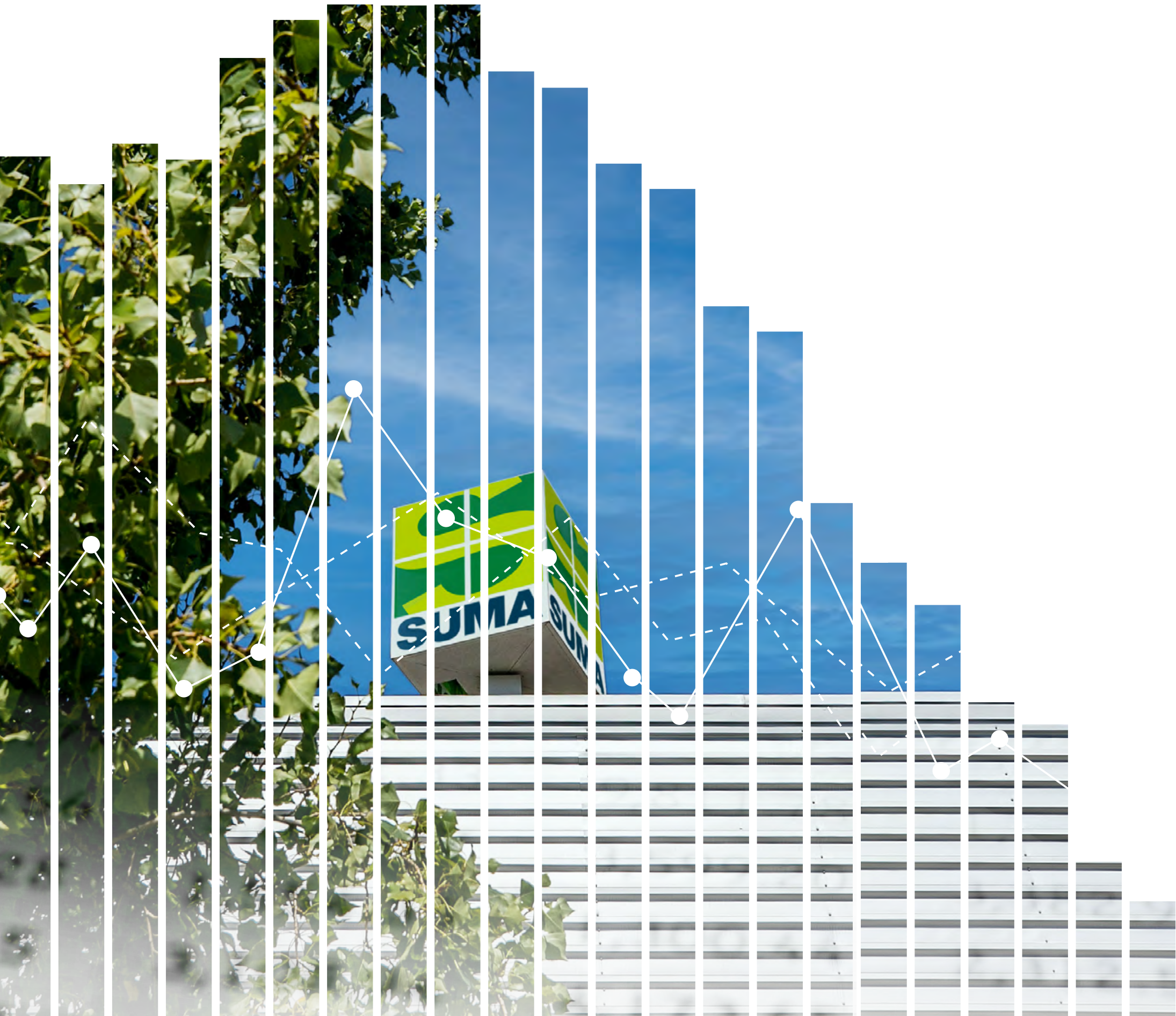
Training
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CONSOLIDATED ANNUAL REPORT 20 22

SUMA · Serviços Urbanos e Meio Ambiente, S.A.
R. Mário Dionísio 2, Linda-a-Velha, 2799-557 Lisboa
Registered at the C.R.C. of Lisbon / NIPC: 503 210 560
Share Capital: 12.500.000,00 EUR
www.suma.pt

Contents

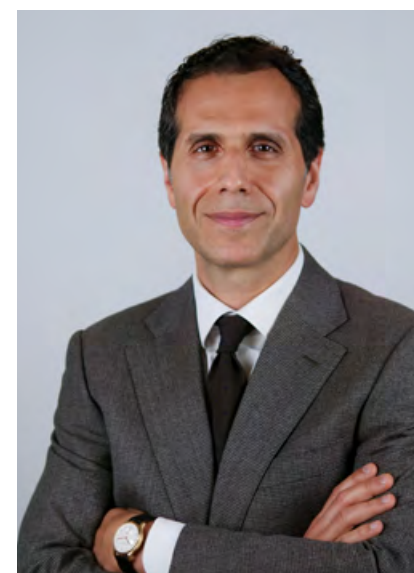
Consolidated Management Report	13
Profile	15
Values and Vision	15
Management policy	15
Companies	16
Organograma	17
Services	18
Key Indicators	19
Activity 2022	21
Economic backdrop of the year	21
Macroeconomic background	21
Background of the Waste Sector	22
Activity Analysis	24
Collection of municipal solid waste and urban cleaning	27
Treatment of municipal solid waste	34
Collection and treatment of industrial waste	39
International area	42
Laboratory	45
Environmental Education and Awareness	46
Human Resources	47
Equipment and Supplies	48
Training	49
Quality, environment and safety	52
Quality and Certification	52
Environment	52
Safety	52
Information Systems	53
Planning and Control	54
Institutional Image and Communication	55
Economic/Financial Analysis	56
Prospects	59
Closing Remarks	60
Consolidated Financial Statements	63
Notes to the Consolidated Financial Statements	73
Opinions and Certifications	137
Minutes of the General Meeting	151



Dear Shareholders

Complying with the legal and statutory provisions to which it is subject, the Board of Directors of **SUMA – Serviços Urbanos e Meio Ambiente, SA** (“SUMA” or the “Company”) hereby submits for your consideration the Consolidated Annual Report for the year 2022.

Message from the Chairman



Dear Shareholders,

The year 2022 represents a milestone of growth in all dimensions for SUMA.

Along with a 25% increase in revenues, with consolidated turnover reaching EUR 405,191,876, SUMA reports a result before depreciation, financing costs and taxes ("EBITDA") of EUR 89,674,432, a year-on-year growth of 4.19%, with an EBITDA margin of 22.13%.

The financial performance was driven by multiple factors, including an increase in the number of contracts across different geographies, particularly in the Urban Services sector. Additionally, the Waste Treatment area saw a revenue growth of 19%. The inclusion of Brazilian companies since October 2021 further bolstered our achievements. Moreover, the positive contribution from associated companies played a significant role, with imputed earnings reaching EUR 6,690,512, a figure which marks an increase compared to the previous year, largely influenced by the performance of the companies operating in Angola.

In line with the ME Group's policy — Building'26 Strategic Plan — the company has focused on its profitability and process efficiency through the development and implementation of technological tools for direct management of its operations. In addition to this strategy, the company remains committed to maintaining the highest standards of service quality, as evidenced by the renewal of its certifications, customer recognition, and acknowledgment as a Trusted Brand for the sixth consecutive year.

Considering the current volatility cycle, SUMA remains steadfast in its commitment to a long-term strategy and ensuring the Organization's continuity. A key focus is on human capital, which serves as a driving force in the waste market. The company currently relies on a team of approximately 10,550 employees (an increase of 5.8% compared to the previous year), across the various geographies in which it operates.

We will remain determined and committed to building the sustainability of SUMA's path, as a company dedicated to improving the living conditions of nearly 16 million people (23.3% more than in 2021) around the world.

Manuel Costa
Chairman — Chief Executive Officer (CEO)

Board of Directors

CHAIR

Chief Executive Officer (CEO)
Eng. José Manuel Mota Neves da Costa

VICE-CHAIRMAN

Chief Financial Officer (CFO)
Dr. Pablo Barreiro

DIRECTOR

Chief Operating Officer (COO)
Eng. Carlos Alberto Vaz Pinto Garcez

DIRECTOR

Chief Operating Officer (COO)
Eng. Rui Manuel Fernandes Soares Lopes

DIRECTOR

Chief Commercial Officer (CCO)
Eng. Nuno Jorge S co da Costa

SUPERVISORY BOARD

FULL MEMBERS OF THE SUPERVISORY BOARD

Chairman

Dr. Carlos Afonso Dias Leite Freitas dos Santos

Member

Dra. Inês Maria Vaz Ramos da Silva Cunha Leão

Member

Dr. Pedro Miguel Pereira Gonçalves

THE STATUTORY AUDITOR

PricewaterhouseCoopers & Associados - SROC, Lda.
Represented by: Dr. Hugo Miguel Patrício Dias

Consolidated Management Report



Profile

SUMA has more than two and a half decades of experience of service to the environment and communities, assuming, since 1996, the top position in the national waste sector. Supported by the solid foundations of its shareholder body – the Mota-Engil and Urbaser groups - it has been following a path of leadership and entrepreneurship, becoming a benchmark in Portugal and in the international markets in which it operates.

Structured on the best environmental and governance practices, the Company's organisational policy incorporates emerging industry requirements, stakeholder expectations, customer needs, efficiency solutions and investments in state-of-the-art systems.

The permanent capacity for adaptation and innovation, as well as the commitment to the technical capacity of its human capital, forge a credibility that is publicly recognised and attested, both through certification of the management system and through the award of prizes over the course of its years of operation.

Mission, Values and Vision

Mission	Values	Vision
To manage waste, constructing a better environment.	Focus on customers and improvement. Sustainable and safe performance. Commitment of people.	Maintaining sustainable leadership in the domestic market. Consolidation of the business in international markets.

Management policy

Based on the mission, values, vision, SUMA's Management Team establishes management policy, undertaking to lead and manage the organisation according to the following commitments and guiding principles:

- 1) Fulfilment of all the organisation's obligations regarding compliance;
- 2) Maintenance of leadership in the domestic urban cleaning and municipal solid waste collection market, promotion of the business area of educational and environmental awareness-raising services and consolidation of the internationalisation of the business;
- 3) Sustained customer satisfaction, offering a range of innovative, integrated, effective and efficient waste management services;
- 4) Sustainable use of energy and water, pollution prevention, implementation of preventive and control measures to protect the environment;
- 5) Prevention of injuries and health conditions, promotion of safe and healthy workplaces, implementation of appropriate preventive and control measures to remove or reduce risks to the health and safety of workers and others;
- 6) Commitment of staff, professional and personal advancement among workers, matching of competences to their duties, responsibilities and authority;
- 7) Creation of value for shareholders, customers, workers, suppliers and other relevant stakeholders;
- 8) Appropriate communication to the relevant Interested Parties of both their involvement in the Organisational Culture and the mutual benefit resulting from that involvement;

- 9) Decision-making based on evidence, analysis and evaluation of data/information to drive achievement of the desired results;
- 10) Continuous improvement of the Integrated Quality, Environment and Occupational Health and Safety System, in order to improve organisational performance.

Companies

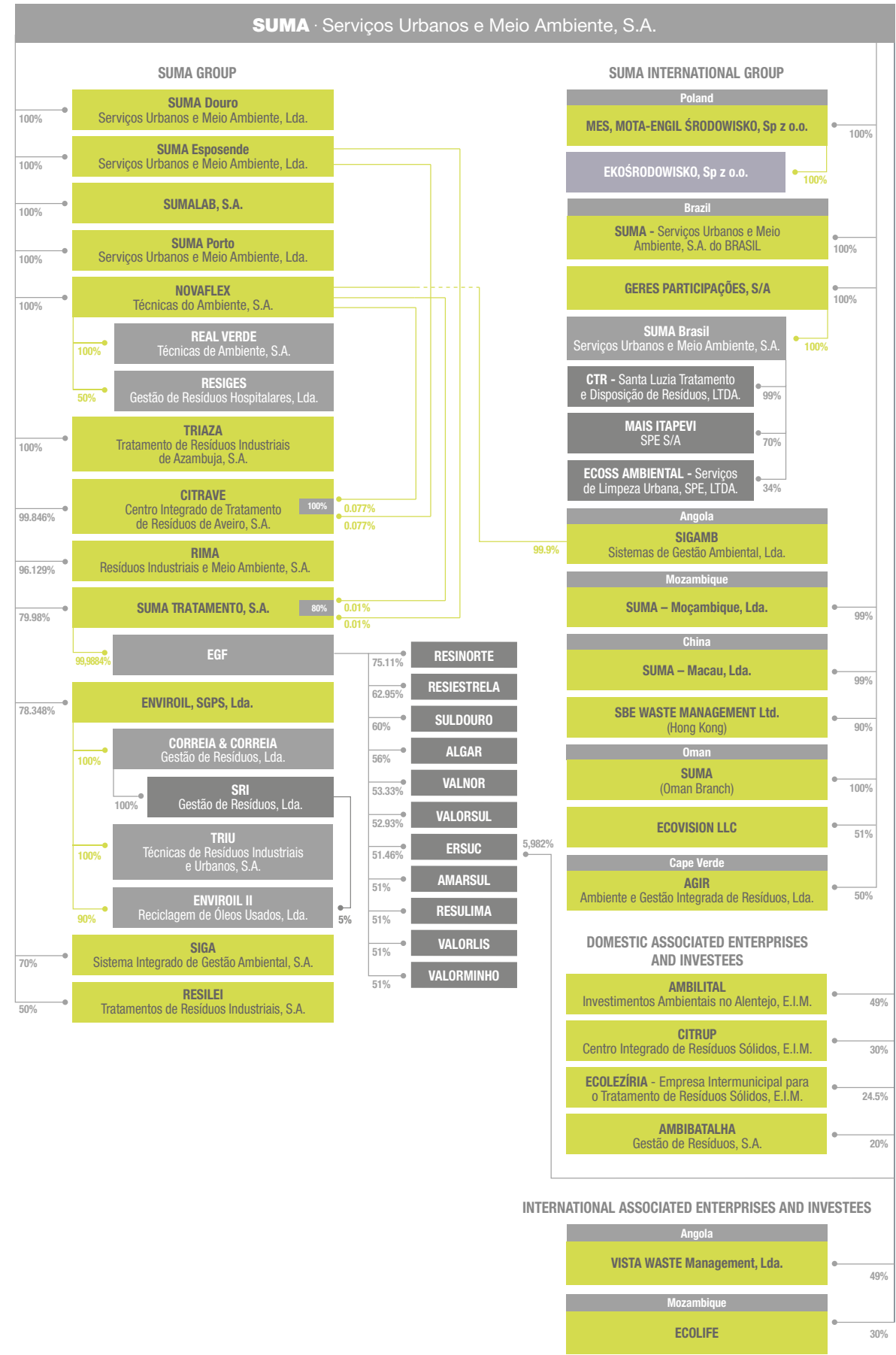
SUMA is the result of the strategic association of five dozen companies with broad and distinctive operations in national and international territory, in the field of integrated waste management, enabling the strengthening and coordination of competencies in its sphere of operation and offering multiple solutions within the complete waste lifecycle.

The incorporation of various specialised operators has enabled the expansion of the SUMA's operations to provide complete services in support of the circular economy – the reintegration of raw materials - the control of quality levels and environmental literacy among communities, such as the treatment of different tiers of waste, laboratory analysis and environmental education.

The combination of synergies between the various companies favours the logistical management of all equipment, responsiveness, soundness, quality of the service and competitiveness.

With a globalising strategy, SUMA demonstrates a high degree of commitment and participation, in order to respond to the constantly renewed challenges, whether resulting from the increasing demands of communities, new regulations, constant changes in environmental issues and increasing levels of market competition.

Organisation chart



Services

SUMA is dedicated to the global management of the waste lifecycle, having as permanent allies innovation and technology, anticipating trends and adapting to emerging needs.

Its structures and know-how enable it to consider integrated and complete solutions, from planning, design, construction, implementation and monitoring, at all times from a perspective of improvement and sustainability.

Waste collection — Collect waste, direct resources.

SUMA is committed to operating models that use technologically advanced equipment and applications, aiming at the control and digitisation of records and monitoring of operations, as well as, whenever possible, the recovery of waste and the exploitation of its conversion potential.

Public Cleaning — Source of health, display of civic responsibility.

Public Cleaning services translate efforts and investments in an area of operation that aims to improve the quality of life of communities. SUMA adopts these activities, which have direct repercussions in terms of public health, with a sense of mission and is recognised through the renewal of partnerships, which, in some cases, have been in place for more than two decades.

Waste management and treatment — Complete solutions, mitigation of resource wastage.

SUMA has the capacity to offer complete and integrated solutions for waste treatment and the most suitable processing for each type and need. In this respect, the organisation has many dozens of operational structures, always managed with a view to optimising natural and financial resources, meeting national and community goals and consolidating sustainability.

Laboratory — Ensuring quality, adding credibility to results.

SUMA carries out the integrated control of environmental parameters in the waste and water treatment systems, through its accredited laboratory, monitoring the systems installed, detecting and correcting anomalies and maintaining the certification of the quality of the services provided.

Environmental Education and Awareness — Educate the public, promote environmental literacy and citizenship.

Environmental education represents a pillar of the SUMA's social responsibility policy and, since its inception, one of the key elements that differentiates the company's performance. The operational objective of the focus on civic education among communities is more immediate results in the implementation and consolidation of systems, which also contributes towards the construction of more environmentally responsible and proactive generations, capable of embracing shared and incrementally more advantageous waste management solutions, both individually and collectively.

Key Indicators

	<div><div></div><div></div><div></div></div> <div>293,95270,34613,241324,03986,06712,897405 19289,6749,565</div> <div>(thousand Euros)</div>			
	2020	2021	2022	Variation 21/22
Sales and services provided (■)	293,952,002	324,038,545	405,191,876	25.04%
EBITDA (■)	70,345,706	86,066,807	89,674,432	4.19%
EBITDA Margin	23.93%	26.56%	22.13%	(4.43 pp)
EBIT	25,075,630	41,396,463	35,210,391	(14.94%)
Net operating margin	8.53%	12.78%	8.69%	(4.09 pp)
Earnings before taxes	14,197,542	28,876,161	22,215,265	(23.07%)
EBT margin	4.83%	8.91%	5.48%	(3.43 pp)
Net income (■)	13,241,015	12,897,243	9,565,131	(25.84%)
Net profitability of sales	4.50%	3.98%	2.36%	(1.62 pp)
ROE	7.03%	5.78%	3.80%	(1.98 pp)
General debt	73.18%	69.59%	70.10%	0.51 pp
Financial autonomy	25.44%	29.00%	29.50%	0.50 pp
General liquidity	79.95%	82.69%	104.33%	21.64 pp

	2020	2021	2022	Variation 21/22
Average number of employees	10,034	9,971	10,546	5.77%
Tonnes – MSW collection	1,724,010	1,389,750	1,510,309	8.67%
Tonnes – MSW treatment	3,792,488	3,603,366	3,442,308	(4.47%)
Tonnes – Industrial waste	493,699	506,359	539,477	6.54%
Municipalities served – MSW Collection and urban cleaning	93	85	86	1.18%
Inhabitants served – MSW Collection and urban cleaning	10,784,633	7,241,307	10,892,840	50.43%
Municipalities served – MSW treatment	180	180	174	(3.33%)
Inhabitants served – MSW treatment	6,519,587	6,519,587	6,381,731	(2.11%)

Note: activity indicators include all companies under the operational management of SUMA, even though they may not form part of the financial consolidation.

Activity 2022

2022 will be remembered as the year in which a new war broke out in Europe, with Russia's military invasion of Ukraine on 24 February. A war that not only disrupted political relations among various global blocs but also had a profound impact on the global economy, triggering energy and food crises, and rampant inflation that destroyed the prospects of a strong economic recovery following the Covid-19 pandemic. This deterioration of the external circumstances also affected the evolution of the Portuguese economy. Nonetheless, 2022 was marked by the recovery of gross domestic product (GDP) to pre-pandemic levels, mainly due to the performance of the economy during the first quarter.

Amidst the prevailing backdrop, environmental concerns are alarmingly overlooked, and the growing volume of waste generated has become a global scourge. In Portugal, we are witnessing the same trend, which continues to put great pressure on waste management systems. The implementation of measures to foster circular economy and enhance waste management performance are slow to materialise, putting pressure on the sector to meet the previously established targets.

Economic backdrop of the year

Macroeconomic background

After a strong economic recovery in 2021 following the damaging effects of the Covid-19 pandemic on the world economy, forecasts for 2022 were very positive, but have been overturned and revised downwards, with the latest estimate by the Organisation for Economic Cooperation and Development (OECD) pointing to global growth of 3.2%, reflecting the consequences of the war, the decrease in household incomes due to high inflation, the increase in interest rates and the effects of the Covid-19 pandemic, particularly in China. Inflation, which had been on the rise since 2021, continued its upward trend during 2022, accentuated by the impacts of the war on the costs of certain raw materials, mainly in the energy and agricultural goods sectors. A scenario which overshadowed all developments in the economic front, with a major impact on the increase in the cost of living and on the strategies to combat the crisis by the various economic agents. With an estimated 8.8% annual average inflation in 2022, according to data from the International Monetary Fund (IMF), the main solution to normalise monetary conditions was to raise interest rates, which introduced an additional obstacle to economic development.

Central and Eastern European economies saw sharp declines in output, mainly in energy-intensive industries, and economic growth in Europe suffered as a result of the strong adverse effects of the war in Ukraine. Euro area economic growth slowed during the second half of 2022, stagnating in the final quarter of the year, with real GDP growth reaching an annual average value of 3.6%, according to the latest figures from the European Central Bank (ECB). The sanctions imposed on Russia, which have been systematically reviewed and increased given its refusal to end the invasion of Ukraine, put extra pressure on economic agents in Western countries, with particular repercussions on the European Union (EU), whose adaptation to the energy crisis created and the increased complexity of foreign trade has added difficulties to the implementation of expansionist post-Covid economic recovery plans. According to Eurostat, inflation in the euro area, as measured by the harmonised index of consumer prices (HICP), reached a record high of 8.4% in 2022, up from 2.6% the previous year, and the European Union peaked at 9.2%, more than three times the 2.9% recorded in 2021. In response to the decline in household living conditions, European governments have taken proactive measures to bolster fiscal support and implement livelihood guarantee initiatives during this crisis period. However, they are also mindful of the challenging task of striking a balance with inflationary pressures and sought to do so.

GDP in Portugal grew by 6.7% in 2022, according to data from the Portuguese National Statistics Institute (INE), the highest annual growth in the last 35 years and above the growth of the euro area, demonstrating that the national economy managed to recover from the historic recession of 2020, even within an adverse backdrop marked by the international context and high inflation. Rising exports and falling imports, and tourism alongside domestic

demand, were the main drivers of growth in 2022. The economic recovery has boosted job creation, which increased 2.0% in 2022. Similarly, the unemployment rate also improved compared to the previous year, standing at 6.0 per cent, the lowest since 2002. Despite the positive indicators, the national economy continues to display its weaknesses, falling behind once more when comparing GDP per capita figures among European Union countries. Inflation figures in Portugal are the highest in 30 years, with the consumer price index (CPI) reaching a 7.8 per cent annual average in 2022, nonetheless, this figure is still below the inflation recorded in the euro area. The widespread rise in prices highlighted the exacerbation of inequalities and added to the hardships faced by an increasing number of households. As the year progressed, dissatisfaction and social instability grew due to the evident volatility in the economic recovery.

Background of the Waste Sector

According to the latest State of the Environment Report 2020/21, each inhabitant in mainland Portugal produces on average 1.4 kg of waste/day, which translates into more than 5 million tonnes/year for the total population. Moreover, this number is not showing any signs of decreasing, indicating that the issue of how to dispose of this waste is becoming more pressing. And while it will be difficult to identify solutions to drastically reverse the growth trend in waste generation, there is already a set of guidelines and measures that must be implemented at an accelerated pace in order to fulfil the defined goals and targets. The target set in the General Waste Management Regime for the reduction of waste generation per inhabitant — 5% of the quantity, compared to the 2019 value — seems impossible to achieve, given that these quantities have remained virtually constant since 2019. As for the destination of this waste, the scenario remains complex as more than half of municipal waste continues to be landfilled, which should reach only 10% by 2035, according to EU directives.

The country is moving towards more efficient municipal waste collection systems in many localities, but without yet achieving consistent and cross-cutting results that allow for the necessary paradigm shift. The focus on increasing the number of selective collection equipment and infrastructure, namely ecopoints and ecocentres, has not shown the expected results, as the increase in the quantities collected selectively shows only marginal growth. This calls for stronger awareness-raising campaigns and the implementation of more effective strategies and tools to bring about a change in consumer behaviour.

The urgency to meet recycling targets determined by Portugal's Community commitments, particularly in the bio-waste sector — with the mandatory implementation of separate organic collection networks as of 1 January 2024 for all municipalities in the country — has underscored the importance of adopting both single and multi-flow proximity-based and door-to-door collection systems. These systems are preferable solutions to enhance selective collection, with models that facilitate sorting at the source, nonetheless, they present difficulties of implementation in the urban environment, presenting themselves as a current challenge to the cities of the country. The same could be replicated for pay-as-you-throw (PAYT) systems. These systems are acknowledged for their positive impact on improving separation rates, however, their implementation can be relatively complex, and they may also result in higher costs for the population.

The implementation of the Deposit and Return System (DRS), a new packaging management system aimed at enhancing the collection of materials with improved quantity and quality, experienced a delay in meeting the target implementation date of 1 January 2022. While only a few pilot projects have been initiated, the released results show promising outcomes and have a positive impact assessment of the system. It is estimated that the DRS will enable the achievement of European beverage packaging recycling targets.

In addition to the National Waste Management Plan 2023 (PNGR 2030), which underwent public consultation again in 2022, the Strategic Plan for Municipal Waste 2030 (PERSU 2030) was also subjected to public consultation in 2022. Subsequently, both plans were officially approved by the government in 2023. While the PNGR 2023 establishes the policies and strategy for the fulfilment of the goals and targets set out in the General Waste Management Regime, PERSU 2030 will be an instrument for planning and implementing a set of actions to meet these goals and targets. PERSU 2030 priorities are prevention to reduce the generation and hazardousness of municipal waste and the promotion of separate collection, treatment and recovery. These will be the areas where the Municipal Waste Management Systems (SGRU) and the municipalities should base their Municipal Waste Management Action Plans (PAPERSU), detailing the operationalisation of each of the systems and demonstrating their capacity, viability and sustainability.

The Strategic Plan for Non-Municipal Waste 2030 (PERNU 2030), an important tool for the realisation of the PNGR 2030, is still pending approval. In 2022, a new reference instrument for non-municipal waste policy was introduced for public consultation. This instrument will be a new reference instrument for non-urban waste policy where goals and targets will be determined for all waste that is not under the management of municipalities. The production of non-municipal waste in Portugal is almost double that of municipal waste — 11.4 million tonnes in 2019 —, nonetheless, there is a growing trend towards the quantities produced for recovery operations, which represent about 85% of the total. Regarding disposal operations, about 10% is landfilled, which accounts for more than 1 million tonnes of non-municipal waste — according to data from the PERNU 2030 for the year 2018. The management of non-municipal waste landfills is limited to a small number of operators, who have been experiencing difficulties due to the suspension of licences by the municipalities and the Regional Coordination and Development Commissions (CCDR). These challenges persist over time and pose a threat to the existing capacity for non-municipal waste disposal and national self-sufficiency in disposal operations. Therefore, it is crucial to urgently review and modify legislation that restricts free and open market, as this hinders any national waste management strategy for non-municipal waste.

Activity Analysis

SUMA Group companies operate in the waste sector and provide the market with comprehensive solutions for the management of the complete life cycle of waste.

SUMA holds a prominent position as the leader in MSW collection and urban cleaning, making it the primary operator in Portugal's waste sector, encompassing a variety of specialized operators, including the leading group in MSW treatment — EGF — as well as the Enviroil Group, a key player in the industrial waste market, which operates the main used oil regeneration and recycling unit in the country.

Consolidating the activity of the Group companies that provide MSW collection and urban cleaning services in Portugal, SUMA is present in 66 municipalities with contracts of over one year, covering a population of around 1.95 million inhabitants, on 31 December 2022.

The Group is also market leader in the area of treatment and recovery of municipal waste, where EGF is the country's leading operator, covering an estimated population of 6.38 million inhabitants across 174 municipalities. When we combine both areas, at national level, in 31 December 2022 we find that the SUMA group provides services in 188 municipalities to over 6.93 million inhabitants.

SUMA continues its ambitious internationalisation project, with a sustained growth strategy initiated in the markets of Central Europe, South America and Africa, with effective contracts in Angola, Brazil, Mozambique and Oman.

SUMA's internationalisation project is based on the promotion of strategic partnerships in the establishment of local companies where it can operate, transferring its expertise and organisational capability. During 2022, the SUMA Group operated in Angola — Luanda province —, in Mozambique — Maputo —, in Brazil — Avaré, Brasília, Conceição do Mato Dentro, Contagem, Itapevi, Itatiba, Santa Luzia, São Paulo, São Sebastião Paraíso and Sarandi —, and in Oman — in Al Sharqiyah South, serving — considering all companies operating abroad — about 9 million inhabitants.

The SUMA Group companies are present in 5 countries on 4 continents, operating in 208 municipalities and serving a population of approximately 15.9 million inhabitants.

During 2022, the SUMA Group generated consolidated revenues of EUR 405,191,876, an increase of 25.04% compared to the previous year.

Turnover by geographical area (thousand euros)	2020	2021	2022	Variation 21/22
Urban Services PT	54,387	55,322	55,806	0.87%
Industrial Waste PT	32,898	34,133	38,923	14.03%
MSW Treatment PT	193,791	219,104	260,682	18.98%
International	12,876	15,481	49,781	221.57%
Total	293,952	324,039	405,192	25.04%

We saw a growth trend in all business areas, as in the previous year, with emphasis on the positive variations of the companies in the international area and the MSW treatment area. The increase in the consolidated turnover of companies operating abroad comes from the inclusion, as of October 2021, of companies from Brazil and the growth of activity in that country. The companies in the MSW treatment area contributed with an increase of 18.98% to the consolidated turnover, this variation being mainly influenced by the increase in revenue associated with the municipal tariff and recyclables.

In the national urban services area, revenues to be consolidated have an increase of less than 1% in 2022, which results from a greater diversity of services provided and an adjustment of tariffs to market conditions. In 2022, revenues from companies operating in the industrial waste market in Portugal increased by 14.03% compared to 2021, showcasing the sector's ability to capitalize on market opportunities effectively.

The individual business volumes of each of the domestic companies under SUMA's control are as follows:

Turnover - Portugal (thousand euros)	2020	2021	2022	Variation 21/22
SUMA	58,141	59,152	60,044	1.51%
SUMALAB	1,286	1,546	1,803	16.62%
SUMA Esposende	877	1,632	1,248	(23.53%)
NOVAFLEX	770	529	1,560	194.75%
REAL VERDE	1,598	900	896	(0.44%)
RIMA	4,167	3,523	1,555	(55.87%)
RESILEI	2,575	1,801	3,732	107.21%
TRIU	9,458	11,309	13,690	21.05%
ENVIROIL II	6,219	9,539	11,376	19.26%
CORREIA & CORREIA	10,528	11,379	14,081	23.74%
SRI	456	490	477	(2.66%)
SIGA	769	807	274	(66.02%)
TRIAZA	4,128	1,076	187	(82.59%)
EGF	1,436	1,496	1,614	7.89%
ALGAR	29,529	26,195	32,457	23.91%
AMARSUL	24,927	25,969	30,407	17.09%
ERSUC	28,393	26,821	34,083	27.08%
RESIESTRELA	5,247	4,985	6,652	33.44%
RESINORTE	23,388	23,041	25,988	12.79%
RESULIMA	6,051	5,931	10,718	80.72%
SULDOURO	10,800	10,506	14,632	39.27%
VALNOR	9,065	8,479	11,130	31.27%
VALORLIS	7,988	8,078	10,925	35.24%
VALORMINHO	2,270	2,146	2,894	34.86%
VALORSUL	58,108	63,036	79,475	26.08%

Note * - The companies ALGAR, AMARSUL, ERSUC and RESINORTE corrected, in the 2020 individual accounts, the turnover figures, resulting from the extraordinary revision of allowed revenues, updated in this table.

During 2022, analysing companies operating abroad, we saw individual revenue growth across all geographies, influenced by the economic recovery and organic growth of companies.

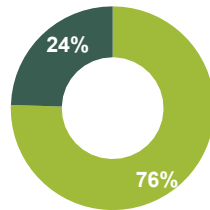
The individual turnovers of the companies abroad were as follows:

Turnover - International (thousand euros)		2020	2021	2022	Variation 21/22
Angola	VISTA WASTE	60,768	2,742	28,595	942.99%
	SIGAMB	2,877	-	10	-
Brazil	SUMA BRASIL	29,847	26,293	38,208	45.32%
	ECOSS AMBIENTAL	20,377	19,854	25,537	28.62%
Cape Verde	MAIS ITAPEVI	-	931	6,345	581.31%
	AGIR	-	-	-	-
Mozambique	ECOLIFE	1,457	1,230	2,016	63.92%
Poland	EKOSRODOWISKO	1	1	1	-
Omã	ECOVISION	10,077	10,013	11,562	15.47%

A key factor for this business, the analysis of the amount of waste managed, encompasses all companies under the operational management of SUMA, which also groups the EGF companies.

Tonnes of waste	2020	2021	2022	Variation 21/22
Portugal	4,511,114	4,372,477	4,147,441	(5.15%)
International	1,499,083	1,126,999	1,344,653	19.31%
Total	6,010,196	5,499,475	5,492,094	(0.13%)

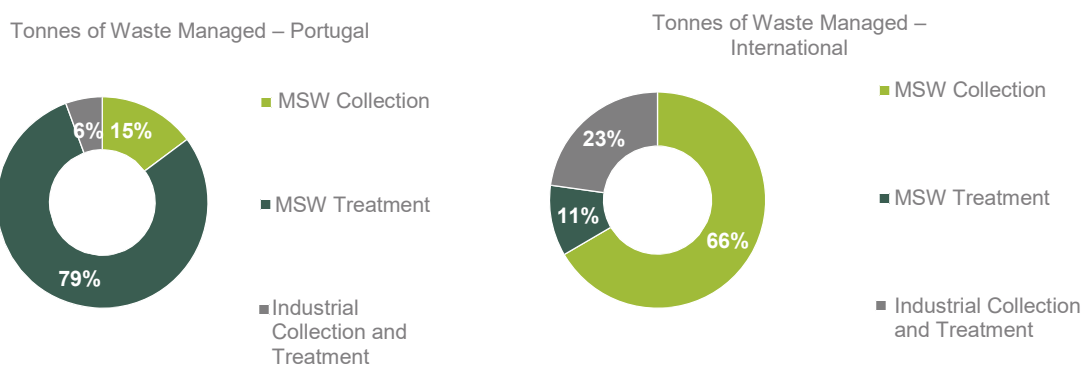
■ Portugal ■ International



In 2022, the SUMA Group companies collectively manage a total number of tonnes of waste managed similar to 2021, however, with an inverse trend between national companies and those operating abroad. In Portugal, we saw a decrease in the amount of waste managed, 5% less than in the same period of the previous year, while in the international area we saw a growth of 19%.

Tonnes of waste	2020	2021	2022	Variation 21/22
MSW Collection	1,724,010	1,389,750	1,510,309	8.67%
MSW treatment	3,792,488	3,603,366	3,442,308	(4.47%)
Collection and treatment of industrial waste	493,699	506,359	539,477	6.54%
Total	6,010,196	5,499,475	5,492,094	(0.13%)

The assessment of the quantities of waste managed in the main activities carried out, during the year 2022, shows that the MSW treatment area stands out as the activity responsible for managing the largest amount of waste in Portugal, with the MSW collection area generating the largest amount of waste in companies abroad.



Collection of municipal solid waste and urban cleaning

The activity of MSW collection and urban cleaning has been SUMA's core business since its establishment. In Portugal, the SUMA Group has a group of companies that, as of 31 December 2022, provided services in 66 municipalities and served around 1.95 million inhabitants, representing 33.54% of the national population covered by private services.

SUMA – Serviços Urbanos e Meio Ambiente, SA

SUMA is the parent company of this Group and the main pillar of this organisation. A flagship company in the domestic market, its corporate purpose consists of global waste management and its main activities include the provision of municipal waste collection and urban cleaning services.

SUMA (Esposende) – Serviços Urbanos e Meio Ambiente, Lda (“SUMA Esposende”)

SUMA Esposende was created on 6 December 1999 with the aim of managing the concession contract for the collection and transport of municipal solid waste to its final destination, distribution, maintenance and replacement of containers and urban cleaning in the municipality of Esposende, which took place in August 2003, with the transfer of that same contract from Serurb – Serviços Urbanos, Lda. to SUMA Esposende. This Company changed its initial name - Serurb (Esposende) - Serviços Urbanos, Lda. - to SUMA (Esposende) - Serviços Urbanos e Meio Ambiente, Lda., in January 2008, after joined the SUMA group. This contract with the municipality of Esposende ended at the beginning of 2023.

NOVAFLEX - Técnicas do Ambiente, SA ("NOVAFLEX")

Established in 1993 and acquired by SUMA in 2007, NOVAFLEX's main activity is the provision of MSW collection and urban cleaning services. During 2021, the company continued to operate in the municipality of Loulé, in the provision of urban cleaning services, under a contract with a period of 2 years that will end in April 2023, and maintained the execution of short-term contracts in several municipalities, of which the services of multi-material collection in Oliveira do Bairro and mechanical sweeping of streets in Grândola stand out. From October 2021, NOVAFLEX took over once again the execution of the contract for the collection of municipal solid waste in the municipality of Figueira da Foz, awarded to the SUMA Group and transferred to NOVAFLEX, which will last until December 2026. For the operation of these services, the company had the support of companies in the SUMA group, in a regime of subcontracting resources and services.

The SUMA group also has two companies that have ceased operations and are waiting for new business opportunities:

SUMA (Douro) – Serviços Urbanos e Meio Ambiente, Lda (“SUMA Douro”)

SUMA Douro was created on 27 July 2000 with the purpose of managing and operating of service and equipment supply contracts in the area of municipalsolid waste, within the geographical area of the municipalities that make up the Association of Municipalities of the North Douro Valley (AMVDN), contracts that have already come to an end.

SUMA (Porto) – Serviços Urbanos e Meio Ambiente, SA (“SUMA Porto”)

SUMA Porto was established on 17 October 2008, for the development, management and operation of services under a concession for the collection of municipal solid waste and public cleaning in the Municipality of Porto. This service provision was awarded to SUMA, which established this company in order to fulfil the contractual requirement. The activity at SUMA Porto under this contract ceased in 2018. Upon termination of the contract, the company ceased its activity and, since 2019, did not provide any service and did not have workers.

SUMA's commercial activity, which extends to its subsidiaries in the urban services area, increased again in 2022 and 511 business opportunities were analysed in the domestic market, with 331 proposals being presented with a total value of 65.8 million Euros. Of this set of proposals, at the end of 2022, 127 proposals were pending decision, worth approximately 7.8 million euros, and 12 proposals were still in the preliminary hearing stage, with a total value of 9.4 million Euros.

The following is an analysis of the proposals awarded in 2022, including proposals that were prepared and submitted in the previous period but were only awarded in 2022.

In Portugal, during the year 2022, SUMA Group was awarded services worth 40.5 million Euros. Contributing to this overall total, the following awards of contract deserve special mention:

- Vila do Conde Municipal Council — Provision of services for the collection of MSW, equipment washing and urban cleaning in the municipality of Vila do Conde;
- Lagoa Municipal Council — Urban cleaning in the municipality of Lagoa;
- Guarda Municipal Council — Provision of services for the collection and transport to the final destination of municipal waste and public cleaning in the municipality of Guarda;
- Vila do Bispo Municipal Council — Provision of urban cleaning services in the municipality of Vila do Bispo;
- Marinha Grande Municipal Council — Provision of MSW collection services in the municipality of Marinha Grande;
- ALGAR — Request for quotation for the provision of ecopoint collection services during the high season — 2022;
- Amadora Municipal Council — Public tender with publication of notice in the OJEU for the provision of urban cleaning and hard-to-dispose-of waste collection services.

The provision of services lasting one year or more totalled around 73% of the total value of the contracts awarded in 2022.

In this period, SUMA contracted services with several clients with a history of commercial relations with the Group, of which we highlight:

➔ Duration equal to or greater than one year, worth 29.5 million Euros:

- Vila do Conde Municipal Council – Provision of services for the collection of MSW, equipment washing and urban cleaning in the municipality of Vila do Conde.
- Lagoa Municipal Council — Urban cleaning in the municipality of Lagoa, for a period of 3 years;
- Guarda Municipal Council — Provision of collection services, transport to the final destination of municipal waste and public cleaning in the municipality of Guarda;
- Vila do Bispo Municipal Council — Provision of urban cleaning services in the municipality of Vila do Bispo;
- Marinha Grande Municipal Council — Provision of MSW collection services in the municipality of Marinha Grande;
- ALGAR — Request for quotation for the provision of ecopoint collection services in the high season — 2022;
- Amadora Municipal Council — Public tender with publication of notice in the OJEU for the provision of urban cleaning and hard-to-dispose-of waste collection services;
- Oeiras Municipal Council — Washing and sanitising services for buried and semi-buried waste disposal equipment;
- LIPOR — International public tender for the provision of awareness-raising, communication and equipment delivery services to promote food waste and green waste recycling in LIPOR's associated municipalities;
- Almada Municipal Council — Acquisition of washing and sanitising services for surface containers in the municipality of Almada;
- Mira Municipal Council — Acquisition of municipal waste management services for the municipality of Mira;
- Constância Municipal Council — Provision of services for the collection and transport to the final destination of MSW and washing and disinfection of containers in the municipality of Constância;
- Gavião Municipal Council — Collection and transport to final destination of municipal waste, end-of-life hard-to-dispose-of waste and washing and disinfection of containers, in the area of the municipality of Gavião for a period of 3 years;
- Municipalised Services of Castelo Branco — Collection of undifferentiated MSW and washing and disinfection of the respective disposal equipment;
- Valorsul — Provision of glass, paper/cardboard and plastic/metal collection services in the municipalities of Loures and Odivelas;
- Sintra's SMAS — Provision of collection, transport and unloading services at Tratolixo of containers using the "Ampliroll System";
- Loulé Municipal Council – Hiring of services for the interior and exterior washing of undifferentiated municipal waste disposal equipment in the municipality of Loulé;
- AMARSUL — Provision of washing services for containers and ecopoints on public roads;
- SIMAR — Loures and Odivelas — Provision of washing services for 1100-litre containers;
- Oeiras Municipal Council — Washing and sanitising waste disposal equipment;
- Oeiras Municipal Council — Acquisition of the provision of washing and sanitising services for *Cyclea*-type ecopoints;
- Union of the Civil Parishes of Massamá and Monte Abraão — Acquisition of cleaning, washing and waste removal services for the Weekly Fair of Monte Abraão;
- SIMAR — Loures and Odivelas — Provision of selective collection services;

- Grândola Municipal Council — Public tender for the operational rental of a compact vehicle, designated mechanical sweeper with 1 driver and 1 waste collector;
- Almada Municipal Council — Acquisition of services to carry out an awareness-raising campaign for the implementation of the biowaste selective network;
- Montemor-o-Velho Municipal Council — Acquisition of sanitation and urban cleaning services in the municipality of Montemor-o-Velho;
- Mina de Água Parish Council — Acquisition of urban hygiene services in the parish of Mina de Água;
- Elvas Municipal Council – Provision of services for MSW collection;
- Loulé Municipal Council — Hiring of the provision of communication and awareness-raising services for the separation and selective collection of organic waste within the scope of the POSEUR application;
- Alter do Chão Municipal Council – Collection and transportation of MSW to final destination, and washing and disinfection of containers in the municipality of Alter do Chão;
- Sintra Municipal Council — Acquisition of beach cleaning services for 12 months;
- Santarém Municipal Council — Lease of two municipal waste (MW) collection vehicles, without driver;
- Union of Azeitão Parishes (São Lourenço and São Simão) — Acquisition of urban cleaning services, through the use of a vacuum sweeper and its respective operator;
- Lumiar Parish Council — Contract for the lease of a mechanical sweeper;
- Silvalde Parish Council — Sweeping and urban cleaning in the parish of Silvalde;
- Barreiro Municipal Council — Acquisition of services for communication and awareness raising for the separation and selective collection of bio-waste, under the POSEUR-03-1911-FC-000335 project;
- Santa Maria da Feira Municipal Council — Awareness-raising campaigns — selective collection of bio-waste;
- APIN - Empresa Intermunicipal de Ambiente do Pinhal Interior — Acquisition of communication and environmental awareness-raising services — Intermunicipal Home Composting System;
- Coimbra Municipal Council — Acquisition of communication and awareness-raising services, within the scope of the "Project for the Selective Collection of Bio-waste in the City of Coimbra";
- Oliveira de Azeméis Municipal Council — Acquisition of services for the creation and implementation of an environmental communication and door-to-door awareness-raising plan for the separation of the food part and the green part of bio-waste in the municipality of Oliveira de Azeméis;
- Paredes Municipal Council — Prior consultation for washing, disinfection, degreasing and deodorisation of 800-litre rear cargo containers;
- Póvoa de Varzim Municipal Council — Awareness-raising, delivery of equipment, design and production of communication materials to promote the separation of biodegradable municipal waste in the residential and non-residential sector of the municipality of Póvoa Varzim — Operation POSEUR-03-19;
- Leiria Municipal Council — Acquisition of a stand-by service for the collection, cleaning and routing of municipal waste (MW) improperly discarded in the surroundings of waste separation and recycling units in the urban area of the city of Leiria;
- Constância Municipal Council — Provision of maintenance services for the MSW container park;
- EMAP — Empresa Municipal do Ambiente do Porto, E.M., S.A. — Acquisition of waste disposal and treatment services LER 170904 — LER 200301;
- Fronteira Municipal Council — Provision of washing and sanitising services for MSW containers in the municipality of Fronteira;
- Penacova Municipal Council — Acquisition of undifferentiated municipal waste collection services for the municipality of Penacova.
- Barcelos Municipal Council — Acquisition of washing and disinfection services of MSW containers;
- Intermunicipal Community of Alto Alentejo — Acquisition of services for the "transport of scrap and green waste".

- ➔ Duration of less than one year, representing a portfolio of 9.6 million euros:
- Vila do Conde Municipal Council – Provision of services for the collection of MSW, equipment washing and urban cleaning in the Municipality of Vila do Conde;
 - Leiria Municipal Council — Collection and transport services to the appropriate final destination of MW, construction and demolition waste (CDW), for which the municipality is responsible, and urban cleaning services in the municipality of Leiria;
 - Monção Municipal Council – Collection and transport of MSW and similar materials produced in the municipality and public cleaning in the urban centre of the village of Monção;
 - Guarda Municipal Council — Collection and transport to final destination of municipal waste and public cleaning in the municipality of Guarda;
 - Montemor-o-Velho Municipal Council – Acquisition of services for the municipal waste management system of the municipality of Montemor-o-Velho;
 - SULDOURO — Provision of services for the collection of packaging waste deposited in ecopoints; Oliveira do Bairro Municipal Council — Provision of services for multi-material collection in the municipality of Oliveira do Bairro;
 - Guarda Municipal Council— Provision of services for the collection and transport to final destination of municipal waste and public cleaning in the municipality of Guarda;
 - Mafra Municipal Council — Provision of cleaning and maintenance services for the beaches of the municipality of Mafra for the year 2022;
 - Peniche Municipal Council — Acquisition of beach cleaning, coastal cleaning and urban cleaning services for the city.
 - Espinho Parish Council — Acquisition of cleaning and disinfection services for urban public roads in the parish of Espinho;
 - Union of Parishes of Anta and Guetim — Acquisition of urban cleaning services in the Union of Parishes of Anta and Guetim.
 - Vila do Bispo Municipal Council — Provision of urban cleaning services in the municipality of Vila do Bispo;
 - Aljezur Municipal Council — Prior consultation for the acquisition of MSW collection and transport services;
 - Ponto Verde Serviços — Provision of cleaning services for the "NOS Alive" event;
 - Espinho Parish Council — Acquisition of urban cleaning services in the parish of Espinho;
 - Union of Parishes of Custóias, Leça do Balio and Guifões — Acquisition of urban cleaning services in the geographical area of the Union of Parishes of Custóias, Leça do Balio and Guifões;
 - Maiambiente, EM — Awareness-raising campaign to increase green waste within the scope of the Environmental Fund — BIO Collection;
 - Vendas Novas Municipal Council — Provision of services for washing MW containers in 2023;
 - Azeitão Parish Council (São Lourenço and São Simão) — Acquisition of urban cleaning services, through the use of a vacuum sweeper and its respective operator;
 - Marinha Grande Municipal Council — Collection and transport of MSW in the municipality of Marinha Grande;
 - Mafra Municipal Council — Awareness-raising services under the project funded by Sociedade Ponto Verde — "Recycling: Ecopoints in an environmentally-friendly home!";
 - Ponte Lima Municipal Council — Operational rental of two municipal waste collection vehicles;
 - Portalegre Municipal Council — Acquisition of services for the transport of scrap, green waste and CDW;
 - Ascendi, S.A. — Rental of mechanical sweeper and labour;
 - Amarante Municipal Council — Acquisition of mechanical street sweeping services;
 - RESINORTE — Provision of awareness-raising services in educational institutions, events and fairs until the end of 2022;
 - Palmela Municipal Council — Door-to-door collection of municipal waste, in Aires/Padre Nabeto neighbourhood and Quinta do Anjo;

- RESULIMA — Consultation for the provision of services for the collection of packaging waste deposited in ecopoints;
- Almada Municipal Council — Provision of cleaning services for the grounds of the "Sol da Caparica" festival;
- Crato Municipal Council — Washing of MSW containers in the municipality of Crato;
- Arruda dos Vinhos Municipal Council — Provision of washing and disinfection services for MW containers;
- Santa Maria da Feira Municipal Council — Urban cleaning services in the new urban route of Cáster;
- Resialentejo — Education and awareness-raising campaign for the recovery of municipal waste;
- Ourém Municipal Council — Cleaning, sorting and removal of waste from various waste disposal sites in the Ourém municipality area, including transport of waste to a licensed operator;
- Ascendi, S.A. — Sweeping and mechanical vacuuming of roadsides — A17, A25, A29;
- Nisa Municipal Council — Cleaning of MSW containers in the municipality of Nisa;
- Paredes de Coura Municipal Council — Provision of operational leasing services for an MSW collection vehicle;
- Peniche Municipal Council — Acquisition of beach and agglomerated cleaning services in São Bernardino;
- Monchique Municipal Council — Prior consultation for the execution of two MSW container washing campaigns;
- Paredes de Coura Municipal Council — Provision of MSW container washing and disinfection services in the municipality of Paredes de Coura;
- AMARSUL — Execution of awareness-raising initiatives, with delivery of 120L/240L containers; VALORLIS — Consultation for the provision of waste separation and recycling unit washing services;
- Municipalised Services of Castelo Branco — Collection of undifferentiated MSW in rounds 8, 9 and 10 in May 2022;
- Póvoa de Varzim Municipal Council — Provision of environmental awareness-raising services under the Poseur-03-1911-FC-00165 application;
- Estremoz Municipal Council — Provision of washing and sanitising services for MSW containers;
- Benavente Municipal Council — Leasing of MSW collection vehicle with driver;
- Moita Municipal Council — Provision of services for "Awareness-Raising Actions regarding Selective Collection of Bio-waste";
- Sousel Municipal Council — Washing and disinfection of MSW containers in the municipality of Sousel;
- Santarém Municipal Council — Leasing of 2 vehicles without driver for the collection of MSW;
- Feira Viva - Culture and sport — Provision of street cleaning and MSW collection services;
- Cabeceiras de Basto Municipal Council — Rental services of a vehicle for washing and disinfecting MSW containers;
- Redondo Municipal Council — Provision of washing and disinfection services for MSW containers;
- Estremoz Municipal Council — Collection, transport and treatment of 2 containers of 6 m³ of screenings; collection, transport and treatment of 1 container of 6m³ of sands;
- Tratolixo — mechanical sweeping services at the Eco-park of Trajouce.

In addition to these awarded contracts, Suma increased its portfolio of customers by signing contracts with new customers, worth 1.4 million Euros, of which 78.6% are private customers, in which the collection and transportation to the final destination of solid waste equivalent to municipal waste is ensure

Regarding public market customers, the following stand out:

- Bombarral Municipal Council — Provision of services for the washing and disinfection of undifferentiated waste disposal containers;
- Polytechnic Institute of Coimbra — Acquisition of integrated management services for municipal waste, chemical and biological waste and construction and demolition waste for the Polytechnic Institute of Coimbra and the Nursing School of Coimbra;
- Portuguese Air Force — Acquisition of MSW collection services at the Sintra military complex — 2022/2023 (24 months);
- Golegã Municipal Council — Provision of MSW container washing services; Coimbra Portuguese Institute of Oncology — Containerisation and collection of municipal waste; Ponte de Sor Municipal Council — Provision of MSW container washing services;
- Oleiros Municipal Council — Washing and disinfection of containers;
- Portuguese Air Force — Air Base No 5 (Monte Real) — Collection, transport and treatment of waste equivalent to MSW — LER 20 03 01;
- Municipalised Services of Abrantes — Washing and disinfection of containers in the municipality of Abrantes;
- Fornos de Algodres Municipal Council — Acquisition of services for route optimisation, collection and transport of MSW to the final destination;
- IASFA — Social Action Institute of the Armed Forces — Request for quotation — Rental and sanitisation of containers 2022;
- Póvoa de Lanhoso Municipal Council — Leasing of a vehicle for the collection of undifferentiated waste;
- Alpiarça Municipal Council — Proposal for washing and sanitising undifferentiated waste containers.

With regard to the continuity of contractual relations through the renewal of contracts, it is important to highlight the following:

- Celorico de Basto Municipal Council — MSW collection, washing, maintenance, replacement and supply of containers;
- Valpaços Municipal Council — Acquisition of services for MSW collection 64-DFP-2021; Oeiras Municipal Council — Acquisition of mechanical sweeping services for street cleaning;
- Ílhavo Municipal Council — Services for the collection and transport to an appropriate disposal site of municipal waste, supply, maintenance and washing of equipment, public cleaning and management of the recycling centre in the municipality of Ílhavo;
- Santa Maria da Feira Municipal Council — Provision of solid waste collection and urban cleaning services in the municipality of Santa Maria da Feira;
- Terras de Bouro Municipal Council — Provision of MSW collection and transport services to the final destination and sanitisation of collection points, in the municipality of Terras de Bouro;
- Batalha Municipal Council — Provision of services for cleaning, MSW collection and transport to the final destination in the municipality of Batalha.

SUMA's studies and proposals department — which relies on a specialised team — has undergone reorganization and adjustments to meet the Group's efficiency and growth goals. With regards to the commercial activity generated, in addition to the tendency to provide services that enable the recovery of waste as resources, there is also a profile of shorter duration of contracts with public entities and a greater incidence in the integration of corporate structures or events.

Treatment of municipal solid waste

The SUMA Group not only leads the privatised market for urban collection and cleaning at the national level but also solidifies its top position in waste treatment and recovery with the integration of the EGF Group. The SUMA Group's MSW treatment area covers approximately 6.38 million inhabitants in Portugal, more than 60% of the Portuguese population, spread over 174 municipalities.

SUMA TRATAMENTO was the company used by the SUMA Group as a vehicle in the acquisition of EGF, in a privatisation process, through an international public tender and currently holds a 99.9884% stake in EGF, which is the holding company responsible for the management and coordination of the concessionaires of the Multi-municipal Systems ("SMM") for the treatment and recovery of municipal waste ("MW").

The EGF Group is comprised by 11 companies, all of them majority-owned — Valorminho, Resulima, Resinorte, Suldouro, Resiestrela, Ersuc, Valorlis, Valnor, Valorsul, Amarsul and Algar —, concessionaires of the SMM, which operate in 174 municipalities, in an area of 48,089 km², 52% of the national territory. The population served represents 60% of the country's inhabitants, i.e., around 6.2 million people and they treated and recovered around 3.2 million tonnes of waste during the year 2022.

EGF

EGF is a holding company responsible for managing and coordinating concessionaires of the SMM and its shareholder structure is almost entirely dominated by SUMA TRATAMENTO, which holds 99.9884% of the share capital, with 1,300 shares being held by employees of the Group.

ALGAR

Algar - Valorização e Tratamento de Resíduos Sólidos, SA ("ALGAR") was established in 1995 and performs the treatment and recovery of waste produced in the 16 municipalities of the Algarve, contributing towards the well-being of the resident populations and the quality of the region's tourism amenities. The shareholder structure of ALGAR includes EGF, which holds the majority of the share capital, with 56%, with the 16 municipalities of the Algarve holding the remaining 44%. It provides services to the municipalities of Albufeira, Alcoutim, Aljezur, Castro Marim, Faro, Lagoa, Lagos, Loulé, Monchique, Olhão, Portimão, São Brás de Alportel, Silves, Tavira, Vila do Bispo and Vila Real de Sto. António. ALGAR currently possesses the following infrastructure: thirteen eco-centres, one mechanical treatment unit, one mechanical and biological treatment plant, two sanitary landfills, two sorting centres, three green composting plants, three biogas recovery facilities, eight transfer stations.

AMARSUL

Amarsul - Valorização e Tratamento de Resíduos Sólidos, SA ("AMARSUL") was established in 1997, and was awarded a contract to operate and manage the multi-municipal solid waste recovery and treatment system of the South Bank of the Tagus for a period of 25 years, a concession expanded in 2002 and in 2014, and which is now scheduled to end in 2034. The share capital of AMARSUL is 51% owned by EGF, with the remaining 49% owned by the nine municipalities in the area. It serves a population of 779,399 inhabitants in the municipalities of Alcochete, Almada, Barreiro, Moita, Montijo, Palmela, Seixal, Sesimbra and Setúbal and, for this purpose, operates seven eco-centres, a mechanical treatment plant, two landfills, a sorting plant, a mechanical and biological treatment plant – composting plant, a mechanical biological treatment plant – anaerobic digestion, three biogas recovery facilities and a transfer station.

ERSUC

Established in 1996, Ersuc - Resíduos Sólidos do Centro, SA ("ERSUC") is the company responsible for treating and recovering the solid waste produced in 36 municipalities of the Central Coastal region, promoting quality of life and the environment of this region. The geographical area covered is around 6,700 km², serving a population of around 1 million inhabitants. ERSUC is 51.46% owned by EGF, 5.98% by SUMA, 0.18% by the Biomass Energy Centre, with the remaining 42.38% being owned by 32 of the 36 municipalities served. Its infrastructure consists of two biological mechanical treatment plants, seven eco-centres, two landfills, two sorting centres, five biogas recovery facilities, seven transfer stations, two RDF production plants.

RESIESTRELA

Resiestrela - Valorização e Tratamento de Resíduos Sólidos, SA ("RESIESTRELA") was established in 2008 and is responsible for the management and operation of the Cova da Beira multi-municipal sorting, selective collection, recovery and municipal waste treatment system. It provides services to the municipalities of Almeida, Belmonte, Celorico da Beira, Covilhã, Figueira de Castelo Rodrigo, Fornos de Algodres, Fundão, Guarda, Manteigas, Meda, Penamacor, Pinhel, Sabugal and Trancoso. EGF holds a 62.95% stake in RESIESTRELA, with the remaining 37.05% belonging to the 14 municipalities identified above. It currently boasts fourteen eco-centres, a landfill, a landfill biogas recovery unit, a sorting centre, a composting plant and nine transfer stations, serving a population of 186,836 inhabitants within a geographical area of 6,132 km².

RESINORTE

Since 2015, Resinorte - Valorização e Tratamento de Resíduos Sólidos, SA ("RESINORTE") has been responsible for the concession of the multi-municipal municipal waste sorting, collection, recovery and treatment system of the Central North region. Incorporated in 2009, it is 75.11% held by EGF and the remainder by the Association of Local Authorities of the North Douro Valley and by 22 of the 35 municipalities that use the system, which are: Alijó, Amarante, Armamar, Baião, Boticas, Cabeceiras de Basto, Celorico de Basto, Chaves, Cinfães, Fafe, Guimarães, Lamego, Marco de Canaveses, Mesão Frio, Moimenta da Beira, Mondim de Basto, Montalegre, Murça, Penedono, Peso da Régua, Resende, Ribeira de Pena, Sabrosa, Santa Marta de Penaguião, Santo Tirso, São João da Pesqueira, Sernancelhe, Tabuaço, Tarouca, Trofa, Valpaços, Vila Nova de Famalicão, Vila Pouca de Aguiar, Vila Real and Vizela. It covers a geographical area of 8,090 km², serving a population of approximately one million inhabitants and currently has four landfills, one organic recovery plant, eight transfer stations and four sorting stations, five biogas recovery facilities and seventeen ecocentres.

RESULIMA

Established in 1996, Resulima - Valorização e Tratamento de Resíduos Sólidos, SA ("RESULIMA") ensures the treatment and recovery of waste in six municipalities in Vale do Lima and Baixo Cávado. Covering the municipalities of Arcos de Valdevez, Barcelos, Esposende, Ponte da Barca, Ponte de Lima and Viana do Castelo, this system includes two eco-centres, a landfill, a sorting centre, a transfer station, a landfill biogas recovery facility and a mechanical and biological treatment, covering a total area of 1,743.3 km² and serving approximately 311 thousand inhabitants.

SULDOURO

The company Suldouro - Valorização e Tratamento de Resíduos Sólidos, SA ("SULDOURO") was established in 1996, with EGF holding a 60% stake, the municipality of Vila Nova de Gaia owning 25% and the municipality of Santa Maria da Feira, 15%. The SMM ensures the proper treatment and recovery of waste in two important municipalities in the Southern Douro region and, for this, it has five ecocentres, an organic recovery plant, a landfill, a sorting plant and two landfill biogas recovery facilities. Its area of intervention is 384 km², serving around 438 thousand inhabitants.

VALNOR

The core mission of Valnor - Valorização e Tratamento de Resíduos Sólidos, SA ("VALNOR"), a company established in 2001, and responsible for the collection, sorting, recovery and treatment of solid waste in the 25 Municipalities under its catchment area (north Alentejo and Beira Interior), is the preservation of the environment in which it operates and the improvement of the services provided to the population within the context of municipal solid waste management. It operates in the municipalities of Abrantes, Alter do Chão, Arronches, Avis, Campo Maior, Castelo Branco, Castelo de Vide, Crato, Elvas, Fronteira, Gavião, Idanha-a-Nova, Mação, Marvão, Monforte, Nisa, Oleiros, Ponte de Sôr, Portalegre, Proença-a-Nova, Sardoal, Sertã, Sousel, Vila de Rei and Vila Velha de Ródão. The municipalities in question hold 46.67% of the capital, with the remaining 53.33% owned by EGF. The territory covered by the system has an approximate area of 11,980km² and an estimated resident population of around 249,762 inhabitants. VALNOR currently has sixteen ecocentres, two landfills, an organic recovery plant with a biogas recovery unit, a sorting plant, seven transfer stations and a RDF production unit.

VALORLIS

Established on 6 August 1996, Valorlis - Valorização e Tratamento de Resíduos Sólidos, SA ("VALORLIS") is 51% owned by EGF and 49% by the Municipalities of Batalha, Leiria, Marinha Grande, Ourém, Pombal and Porto de Mós, covering an area of 2,160 km² and serving a population of 301 thousand inhabitants. The operation and management of the multi-municipal system of Alta Estremadura was awarded to VALORLIS in 1996, under an exclusive concession, for a period of 25 years, which was extended in 2014 to the year 2034. Its infrastructure consists of four eco-centres, a landfill, a sorting centre, two biogas recovery facilities, three transfer stations and an organic recovery centre.

VALORMINHO

Valorminho - Valorização e Tratamento de Resíduos Sólidos, SA ("VALORMINHO") was established in 1996 and is the concessionaire of the multi-municipal system for the sorting, selective collection, recovery and treatment of municipal solid waste from the Vale do Minho, which covers the municipalities of Caminha, Melgaço, Monção, Paredes de Coura, Valença and Vila Nova de Cerveira, forming part of the shareholder structure with a 49% stake, together with the EGF, which holds 51%. The system covers a total area of 950 km², serving around 73 thousand inhabitants and includes in its infrastructure two ecocentres, a landfill, a sorting plant, a transfer station, a landfill biogas recovery facility and a mechanical treatment plant.

VALORSUL

Valorsul - Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisboa e do Oeste, S.A. ("VALORSUL"), was established 2010 and is the result of a merger of Valorsul, S.A. and Resioeste, S.A. The company is 52.93% owned by EGF and serves the municipalities of Alcobaça, Alenquer, Amadora, Arruda dos Vinhos, Azambuja, Bombarral, Cadaval, Caldas da Rainha, Vila Franca de Xira, Lisbon, Loures, Lourinhã, Nazaré, Óbidos, Odivelas, Peniche, Rio Maior, Sobral de Monte Agraço and Torres Vedras. It has two sorting centres, seven eco-centres, an energy recovery plant, a slag treatment and recovery facility, an organic treatment and recovery station, two sanitary landfills, three biogas recovery units, five transfer stations and use of 50% of the VALORLIS organic treatment plant.

The quantities of waste treated in the EGF Group have been somewhat stable in recent years, exceeding 3.2 million tonnes in the last three years. With the COVID-19 pandemic, in 2020 there was a decrease in the delivery of waste from municipalities to the SMM, as a result of the generalised drop in waste production, however, with the recovery of the economy we saw an increase in the quantities of waste received. Despite this increase in 2021, the growth trend slowed down and in 2022 there was a drop of around 1.2% compared to the previous year.

In 2022, the selective collection activity carried out by EGF Group companies reached 631 thousand tonnes, including bio-waste, tri-flow and other selective waste streams. In the tri-flow selective collection activity, the total amount of material collected was 377 thousand tonnes, increasing again by 6% compared to the previous year. In recent years we have seen a higher growth in recyclables, compared to undifferentiated collection, influenced by the commitment to promote the separation of waste by EGF companies.

The production and export of energy from the treatment and recovery of waste has become vital to the environmental sustainability of EGF Group companies. During the year 2022, around 406 GWh of electricity was exported to the national electricity grid, a figure lower than in previous years, due to lower availability of the incinerator, mainly due to the longer downtime period caused by maintenance on the turbine.

In 2022, the Group's companies had their certifications renewed, which shows the companies' commitment to Quality, Environment and Safety.

We also highlight the recognition of the work carried out by EGF and the concessionaires in 2022, which received 3 awards:

THE FUTURE OF THE PLANET IS NOT RECYCLABLE CAMPAIGN

- APCE Grand Award 2021 (awarded in 2022) – Sustainability Category & ESG: Environmental. Prize awarded by APCE – Portuguese Association of Corporate Communication.

RECYCLING LINE

- APCE Grand Award 2021 (awarded in 2022) – External Multimedia Category: Website, blog and external apps. Prize awarded by APCE – Portuguese Association of Corporate Communication;
- Honourable Mention | Recognition of Social Responsibility and Sustainability Practices — Axis II — Sustainable Development Goals, SDG 11 (Sustainable Cities and Communities). Prize awarded by APEE – Portuguese Association of Business Ethics.

In addition to the activity carried out by the EGF Group in the area of municipal waste treatment, SUMA manages contracts for the operation of municipal solid waste landfills managed by the following companies:

REAL VERDE – Técnicas de Ambiente, Lda (“REAL VERDE”)

REAL VERDE was created in 2000 to manage the contract for the operation and maintenance of the Vale Douro Norte Inter-Municipal Landfill, an activity that continues until the present day. The area covered by this landfill, located on the north bank of the Douro River, includes the municipalities of Alijó, Mesão Frio, Murça, Peso da Régua, Sabrosa, Santa Marta de Penaguião and Vila Real. This contract was signed in the year 2000, with the Association of Municipalities of the Northern Douro Valley ("AMVDN") and, in 2012, the transfer of the contractual position of the AMVDN client to RESINORTE was agreed between the parties. Started in 2000 and with a duration of 10 years, the contract was renewed in 2010 and again in 2015 for 5-year periods until 31 July 2020. An addendum to the existing contract was signed on 1 August 2020, in which the price conditions were renegotiated and the term of service provision was extended until 31 July 2023.

The quantities of waste deposited in the landfill managed by REAL VERDE in 2022 show a decrease compared to 2021, with 103,980 tonnes of waste being deposited in landfill.

SIGA – Sistema Integrado de Gestão Ambiental, SA (“SIGA”)

Created in September 2008 to operate in the waste sector in the Autonomous Region of the Azores ("RAA"), SIGA results from a partnership between SUMA and the Marques Group. SIGA is engaged in the management of the entire life cycle of waste and aims to contribute to the promotion of increased regional self-sufficiency and the fulfilment of the region's environmental development requirements. The main activity of the company developed during 2022 falls within the scope of the contract for the "Operation of Eco-park I and II of São Miguel Island", awarded by MUSAMI - Operações Municipais do Ambiente EIM, S.A. to the Consortium formed by SIGA and SUMA, which started on 29 April 2019 and was signed for a duration of 36 months.

During the year 2022, the Eco-park of São Miguel Island was managed by SIGA until April and received 25,209 tonnes of waste. SIGA has suspended its operation with the termination of the contract on 28 April 2022 and, without any active contract, the Company is actively seeking new opportunities that may arise in the Autonomous Region of the Azores.

The main activity of these companies is the management of contracts for the operation of landfills, but both include in their corporate purposes various activities, which allow them to provide services of overall waste management and enable diversification of its current core activity.

SUMA holds minority interests in domestic companies operating in the MSW treatment market, which affords greater diversification and complementarity to activities within the Group:

AMBILITAL – Investimentos Ambientais no Alentejo, EIM (“AMBILITAL”)

Established in 2001 to manage the integrated system for the collection, treatment and recovery of municipal solid waste in the territorial area of the associated municipalities of the AMAGRA - Association of Alentejo Municipalities for Regional Environmental Management. SUMA holds 49% of the capital of this company, with the remaining 51% belonging to AMAGRA.

CITRUP – Centro Integrado de Resíduos, Lda (“CITRUP”)

Founded in 2001, it is 30% owned by SUMA. The purpose of this company is to operate the Maia landfill, in support of the energy recovery plant called LIPOR II and other related activities.

ECOLEZÍRIA – Empresa Intermunicipal para o Tratamento de Resíduos Sólidos, E.I.M. (“ECOLEZIRIA”)

It was established in 2004, with SUMA holding a 24.5% interest and its main objective is the collection, treatment and recovery of municipal solid waste produced in the area of the municipalities associated with RESIURB - the Association of Local Authorities for the Treatment of Solid Waste.

Collection and treatment of industrial waste

In pursuit of diversification and comprehensive waste solutions, SUMA relies on a group of companies engaged in industrial waste collection and treatment services. They cater to global waste management needs, including sorting and treatment, recycling, and regenerating used oils, as well as landfills for the disposal of non-hazardous waste (NHW). A strategic area for SUMA for many years and which has received investment aimed at innovation and development of solutions for most types of waste, it has been increasing the offer of services in the market for the collection and treatment of industrial waste and other non-municipal waste or waste equivalent to municipal waste.

Following the integration of ENVIROIL into the SUMA Group and driven by their strategy to expand industrial waste, non-municipal waste, and waste equivalent to municipal waste management activities, a new Group has been established. A Group that is led by ENVIROIL, which comprises a variety of specialised companies in this area of activity. This integration has enhanced expertise and facilitated the creation of valuable synergies. The ENVIROIL Group currently comprises the following companies:

ENVIROIL, SGPS, Lda (“ENVIROIL”)

ENVIROIL, SGPS, Lda. was created in 2012, with a change of name and corporate object — previously Enviroil-Reciclagem de óleos Usados, Lda. — and is the parent company of this Group. The Company, which had existed since 1997, transferred all its industrial activity to the new company ENVIROIL II.

ENVIROIL II - Reciclagem de Óleos Usados, Lda (“ENVIROIL II”)

ENVIROIL II initiated its operations in 2011, engaging in recycling and regenerating used oils, as well as electricity production, wholesale distribution of liquid, solid, and gaseous fuels and derived products. Mainly owned by ENVIROIL, it continued to be engaged in the regeneration of used oils,

an activity that this company had been engaged in for 15 years, receiving all the means and know-how when ENVIROIL's corporate object was changed to the management of interest in other companies. ENVIROIL II performs the recycling and regeneration of used lubricating oils at two facilities in the central region of Portugal. At the Torres Novas plant, the Company has centred its main operation on the recycling of pre-treated used oils. The Chamusca unit focuses on the regeneration of used lubricating oils and came into operation in 2015 and was the first used lubricating oil regeneration plant built in Portugal, with a capacity to regenerate 20,000 tonnes of used lubricating oils, around 70% to 75% of the total used oils currently produced in Portugal.

During 2022, ENVIROIL II received 24,408 tonnes of used oils, a decrease of 4.7% compared to the previous year. This drop is due to market conditions and the slowdown in the pace of economic activity in the country, which have reduced the quantities of this type of waste, which serve as raw material for the development of recycling and regeneration activities. ENVIROIL II received 20,600 tonnes of used oils for regeneration, 596 tonnes less than in 2021, which represents a decrease of 2.82%. The decrease was most notable in the quantities of used oils sent for recycling, with a 13.79% reduction, amounting to 3,807 tonnes. ENVIROIL II maintained its management system certification, in terms of quality and environment, in accordance with the NP EN ISO 9001:2008 and NP EN ISO 14001:2012 standards.

CORREIA & CORREIA – Gestão de Resíduos, Lda (“Correia & Correia”)

Correia & Correia was incorporated in 1988 and began operations in the collection of waste oils. As of 2002, it has progressively diversified its activity and has become a global industrial waste management operator, offering integrated solutions for collection, management and the provision of related services for a vast range of industrial waste. Its activity includes the collection and transport of industrial waste, the temporary storage of waste for subsequent shipping — recovery or disposal —, the treatment of industrial waste and the rental of parts washing

equipment and painting equipment. Correia & Correia has three industrial units where it pursues its activities located in Sertã, Vila do Conde and Frielas (Loures). The Sertã industrial unit boasts a hazardous and non-hazardous industrial waste storage facility, a waste oil storage and treatment facility, an industrial wastewater treatment plant, a sludge stabilisation/inertisation facility and a laboratory. The Vila do Conde plant stores, sorts and mechanically processes non-hazardous and hazardous waste and is certified for the storage, depollution and dismantling of end-of-life vehicles. The most recent unit, in Frielas, has capacity for the storage, sorting and treatment of non-hazardous and hazardous waste and is licenced to store animal by-products of category 1. In 2022, the renewal of licences for waste management operations (OGR) at the Vila do Conde and Frielas units is noteworthy.

In pursuit of its strategy to modernise its technical resources to enhance service quality for customers, Correia & Correia has been renewing its fleet over the past few years and, in 2022, expanded the number of light waste collection vehicles. This has led to an increased response capacity and an improved offering to the market. It is worth highlighting the articulation of synergies with TRIU, S.A. (a group company), with a special focus on the logistical management of all equipment as well as facilities, reflecting the improvement of competitiveness and the containment of operating costs. Despite the good performance of the operation, the quantities of waste managed in this period were lower than the previous year, registering a drop of 5.19% compared to the year 2021 and reached 59,246 tonnes in this period. Correia & Correia has maintained the certification of its quality and environmental management system for the collection, storage and treatment of hazardous and non-hazardous waste, for subsequent shipment, either for recovery or disposal — integrated management system based on the standards NP EN ISO 9001; NP EN ISO 14001; NP ISO 45001.

TRIU – Técnicas de Resíduos Industriais e Urbanos, SA (“TRIU”)

Established in 1991, TRIU has developed, over more than three decades, a technical competence and operational capacity that allows a wide and competent intervention in different service areas and presents a wide range of services with national coverage, including global waste management, mechanised sweeping and cleaning, technical cleaning and unblocking. Acquired by SUMA in 2008, it became part of ENVIROIL in the year 2012 when it was restructured. Currently, it provides services for the collection and transport of industrial waste, municipal waste and waste similar in nature and composition to municipal waste, provides rental services for equipment for packaging waste, the washing and sanitising of containers and carries out selective waste collection. The company has the capacity to receive, sort and recover waste – paper/cardboard, plastics, wood, metals, glass, used tires, WEEE, construction and demolition waste (“CDW”) and other specific waste streams – and temporarily store non-hazardous and hazardous waste, as well as forward it for appropriate treatment. TRIU has a set of equipment with specific characteristics, such as sweeping and mechanised cleaning vehicles, and a set of production vehicles and equipment, namely: vehicles with compaction boxes, *multibenne*- and *movibenne*-type vehicles with and without a crane, tanker vehicles for cleaning and clearance services, light waste transport vehicles and other production support vehicles, mechanical sweepers, auto compactors, presses, metal and plastic containers of various capacities, big-bags, eco-boxes and other packaging equipment, as well as storage spaces and industrial and parking.

Pursuing the strategy of modernising and improving the efficiency of the technical means, TRIU continued the renewal of its fleet, during 2022, with the aim of increasing its reliability and efficiency, also making investments to expand its fleet for projects of selective collection of organic waste, which are expected to start during 2023. Investments have also been made to improve waste treatment equipment and to increase and improve containerisation. During 2022, TRIU adjusted its operation to market conditions and maintained a level of activity similar to that developed in the previous year, promoting the increase of synergies with Correia & Correia, Lda. (a company which is part of the Group), particularly in the logistics management of equipment, as well as facilities, thus improving competitiveness and operating costs. Despite the good performance of the operation, the quantities

of waste managed in this period were lower than in previous years, registering a drop of 16.77% compared to 2021. TRIU performs its activity in compliance with the requirements of the NP EN ISO 9001 and NP EN ISO 14001 standards with a view to achieving certification in that field.

TRIU was distinguished in 2022 by the Commission for Equality in Labour and Employment for its good practices in promoting Equal Pay for Women and Men for equal work or work of equal value. We celebrate this distinction and will continue to strive for continuous improvement, including the well-being, fairness and appreciation of all employees.

SRI – Gestão de Resíduos, Lda (“SRI”)

Founded on 29 July 2008 by Correia & Correia, SRI's main activity is the provision of waste transport services. In 2019, SRI acquired a 5% stake in ENVIROIL II, increasing the ENVIROIL Group's stake in this company to 95%. During 2022, commercial relations with Correia & Correia, continue to be SRI's main activity.

The SUMA Group also has three companies that manage and operate non-hazardous waste landfills:

RIMA – Resíduos Industriais e Meio Ambiente, SA (“RIMA”)

RIMA, as the managing entity of the Lustosa non-hazardous industrial waste landfill, is dedicated to the disposal of waste generated in industrial and intensive production centres. It was established with the aim of building and operating a landfill for non-hazardous industrial waste and accomplished this project in 2009, starting the activity of a landfill with a life cycle planned for 16 years and with a capacity of 771,429 m³ of NHW.

In 2022, there was a substantial decline in waste reception, primarily attributed to an ongoing dispute with the Municipality of Lousada regarding the construction of a new waste deposition cell. Consequently, RIMA was compelled to terminate contracts with certain customers and prioritise the retention of the most profitable clients in order to extend the landfill's useful life. RIMA submitted an application for an amendment to the landfill's environmental permit on the LUA platform in December 2018, with the aim of increasing the landfill's capacity to 1,500,000 tonnes of waste. This process remains at a standstill, after several submissions of documents to the Municipality of Lousada, as the municipality will not authorise the construction permit until CCDR-N approves the landfill permit amendment. The CCDR-N will not approve until the municipality amends a NER plant that, due to an error by the municipality, was wrongly transposed. Several enquiries have been made to the various organisations, but to no avail so far. Thus, two precautionary measures have been requested and a main proceeding is underway against the Municipality of Lousada to make the changes and authorise the construction of the next cell.

TRIAZA – Tratamento de Resíduos Industriais de Azambuja, SA

TRIAZA was incorporated in 2015 to carry out the project to build and operate a non-hazardous waste treatment centre in the parish of Azambuja, municipality of Azambuja. For this project, the company has signed a lease agreement for the property and formalised the acquisition of the landfill site, which has the various authorisations and permits required for the construction of the landfill, with an estimated installed capacity of 1,150,300 m³ or 1,171,602 tonnes, for a period of 60 years or until it is depleted.

During 2021, the company's environmental licensing renewal process was submitted, which obtained a favourable decision with the issuance of the Single Environmental Title No. TUA20210519000204 - EA, valid until May 2026. On the other hand, despite the Board's diligent oversight and cooperation with the Municipality of Azambuja, the urban planning license previously issued was ultimately revoked. This decision implies that the project cannot proceed as initially licensed, resulting in the initiation of several legal actions to defend the project. During the 2022 financial year, by decision of the company, and with the exhaustion of the capacity in the cell built, the suspension

of activity was requested from the licensing authority, which was granted on 2 June 2022. Thus, in 2022 only 1,353 tonnes were received, corresponding to the remaining amount of disposal.

RESILEI – Tratamento de Resíduos Industriais, SA (“RESILEI”)

RESILEI started its activities in 2003, with the construction, management and operation of the non-hazardous waste landfill in Leiria. RESILEI's integrated management system has been accredited since 2008 under the EN ISO 9001:2000, EN ISO 14001:2004 and OHSAS 18001:2007 standards for activities involving the intake, reception and confinement of non-hazardous industrial waste in landfills.

In 2022, the construction of the third and fourth cells of RESILEI's landfill was completed with the aim of increasing its waste reception capacity, leaving the company with an installed capacity of 1,440,000 tonnes. Although ready for use, RESILEI is still awaiting the environmental licence to operate these cells, and the current capacity of the landfill is running out. The completion and issuance of the license are anticipated for 2023, pending the progression of the licensing and public consultation process.

During the year 2022, RESILEI managed 71,374 tonnes of waste, which, compared to the previous year, registered an increase of 97.52%.

These companies are licensed to receive non-hazardous waste at their facilities in accordance with the respective licences, and have diversified their scope of operation to include, in addition to landfill operations, sorting and temporary storage of non-hazardous waste, and some hazardous waste.

In addition to these three landfills, SUMA has formed a partnership to develop a project for the construction of a non-hazardous waste landfill in Aveiro:

CITRAVE – Centro Integrado de Tratamento de Resíduos de Aveiro, SA

CITRAVE was established in 2009 with the aim to build and operate a non-hazardous waste landfill in the municipality of Aveiro. Currently in the design phase, this upcoming unit aims to diversify the company's offerings, foster synergies, and provide customized solutions aligned with the market's specific needs in line with the overall strategy envisioned by the SUMA Group.

International area

SUMA's dedication to internationalisation is geared towards fostering the growth of the organization and expanding its services overseas, while upholding the same level of quality that is highly regarded internally. This commitment involves applying the Group's distinct set of skills and maintaining the high standards that have become the hallmark of the Group.

The expansion strategy involves creating companies locally, taking advantage of synergies with our shareholders and seeking partnerships with local companies, with the aim of finding the best solutions for the different markets.

Angola

VISTA WASTE Management, Lda (“VISTA Waste”)

VISTA WASTE was established under a consortium with the Mota-Engil group and, since late 2008, it has been operating with local partners in the Angolan market with a view to becoming an industry leader in the waste sector in Angola. With a 49% stake and with the majority shareholder controlling the company, SUMA ensures the management of the production, which uses the know-how of the group to continue to carry out waste collection and transport activities, urban cleaning, waste management and treatment and environmental education.

VISTA Waste's activity in Angola was marked by the return to the provision of waste collection and public cleaning services in the Province of Luanda, initially through emergency contracts in the municipalities of Viana and Kilamba Kiaxi and from May 2022 through the conclusion of waste collection and public cleaning contracts in the municipalities of Viana and Belas, for a period of 3 years.

SIGAMB – Sistemas de Gestão Ambiental, Lda (“SIGAMB”)

SIGAMB was created by the SUMA Group in Angola to develop technical studies, consultancy and training in the environmental field. The main activity is carried out in the context of the provision of services to VISTA Waste, supporting the performance of its contracts. Given the termination of VISTA Waste's public contracts in December 2020, SIGAMB suspended its operation but resumed service provision in 2023.

Mozambique

ECOLIFE, SA (“ECOLIFE”)

Established in 2013 in Mozambique to perform the contract for the provision of municipal solid waste collection services in the centre of Maputo, ECOLIFE serves a population of 130,000 inhabitants. The company is minority-owned by SUMA, but its management model was applied with the objective of becoming a leading operator in the integrated waste management sector for the Mozambican market.

In March 2020, it began the performance of a new contract for the provision of municipal solid waste collection and transport services in the KaMpfumu municipal district, awarded by the Maputo City Council and which will run until February 2025, for a total value of 573 million meticaís. 76,753 tonnes of municipal waste were collected and transported by ECOLIFE during 2022. The company has ensured that it will maintain its certification in 2022 under 9001:2015, 14001:2015 and 45001:2018, which it achieved in 2020.

Brazil

SUMA Brasil - Serviços Urbanos e Meio Ambiente SA (“SUMA Brasil”)

In 2017, SUMA re-enters the Brazilian market with the acquisition of CONSITA, LTDA ("CONSITA"), a company that has been operating since 1990 in the environmental area, having been a pioneer in this sector through the privatisation process of urban cleaning services in Belo Horizonte, capital of the state of Minas Gerais, Brazil. For this acquisition operation, the company ECB SUMA Participações, S/A ("ECB SUMA") was incorporated, together with Empresa Construtora Brasil (Mota-Engil group), with SUMA holding a minority stake in the capital, assuming a leading role in the structure, ensuring the management of the operation. In 2018, ECB SUMA changed its name to GERES Participações S/A ("GERES") and in April 2020 CONSITA followed, changing its name to SUMA Brasil, assuming SUMA's brand image. In November 2021, SUMA acquired the remaining 57.15 per cent of GERES' participation, thus holding all of its capital and, indirectly, the complete ownership of SUMA Brasil.

The year 2022 was marked by the consolidation of the SUMA Brasil brand, in the waste management and recovery market in Brazil, after the recent change of business name. During this period, SUMA Brasil and its affiliates provided municipal waste collection and cleaning services and environmental education services in Brasília, São Paulo and several municipalities in Minas Gerais and Paraná, serving about 5 million inhabitants in 11 municipalities. To develop the contract in São Paulo, in the western part of the city, SUMA Brasil established ECOSS AMBIENTAL, a company with a specific purpose that has two local partners. For Itapevi, the MAIS ITAPEVI company was established as a concession project in the form of a 25-year Public-Private Partnership.

In 2022, SUMA Brasil implemented plans to optimise operations in current contracts, which resulted in a better performance compared to the previous year, thus paving the way for its economic sustainability. The group's companies in Brazil have a workforce of almost 4,500 and a fleet of around 500 production support equipment.

SUMA Brasil also relies on a company created to operate a landfill infrastructure, CTR Santa Luzia - Tratamento e Disposição de Resíduos, LTDA, where the works to implement the first cell of the landfill were resumed and which allowed the start of waste reception operations at the end of the year, after signing the first contract with a consortium of neighbouring municipalities.

Also in Brazil, SUMA established a Branch — SUMA - Serviços Urbanos e Meio Ambiente, SA do Brasil — to serve as a local liaison for the implementation of services.

Oman

SUMA - Serviços Urbanos e Meio Ambiente, Oman Branch (“SUMA Oman Branch”)

SUMA established a branch in Oman in 2014, SUMA Oman Branch, with the objective of participating in waste management tenders and starting operations in the Sultanate. In 2014, this focus on the Middle East resulted in the award of the decommissioning of six waste disposal sites in the province of Al Dakhiliyah, in northern Oman, to be performed within a time frame of six months.

In order to expand SUMA's business in this geography, the Branch continued to pursue the analysis of opportunities and the presentation of commercial proposals during the year 2022 and maintained its local liaison activity for the environmental education consultancy services promoted by SUMA.

ECO VISION, LLC (“ECOVISION”)

SUMA has formed a consortium in Oman with two companies with local operations — Tanzifco and MCS — in order to participate in the tender for waste management operations in Al Sharqiyah South in the Sultanate of Oman, launched in 2014 by Oman Environmental Services Holding Co. (SAOC) - be'ah, the public company responsible for waste management in the territory of the Sultanate of Oman, and in 2015 was awarded its tender. For the performance of this contract, the company ECOVISION was established under the laws of Oman, in which SUMA holds a majority stake and is responsible for management of the contract. This project involves the collection of waste, the management of six transfer stations and management of a landfill. The population served consists of approximately 340 thousand inhabitants, covering a total area of 22,789 km². The company has implemented a quality, environment and safety management system standards, in accordance with the standards EN ISO 9001:2015, EN ISO 14001:2015 and OHSAS 45001:2018.

During 2022, ECOVISION started a new project for the sealing and installation of a biogas system in 2 landfills, which is expected to be completed in 2023. The current waste management contract was renewed for a period of 2 years, as expected, and the possibility of extending the contract with an expansion of services provided is under discussion.

Other countries

SUMA has been active in the past in Cape Verde and Poland, where it still maintains companies with the aim of pursuing new business opportunities, and holds companies in other geographies for market prospecting and assessment.

AGIR - Ambiente e Gestão Integrada de Resíduos, Lda. ("AGIR"), established in Cape Verde in 2008, started its activity in 2012, with its first service contract signed with the municipality of Praia, for the provision of door-to-door waste collection services in residential and commercial establishments. Since the end of this contractual relationship in 2018, AGIR has not developed any activity and new business opportunities are awaited in this geographical region.

In Poland, SUMA owns a company that operated for a number of years, namely EKOŚRODOWISKO Spółka zoo (“EKOŚRODOWISKO”), but which is not currently operating due to having encountered great difficulties in penetrating the market and consolidating its position.

In order to identify and study business opportunities in the Far East, SUMA established a company in Macau — SUMA Macau, Lda (“SUMA Macau”) — and another in Hong Kong — SBE Waste Management, Lda — which have been evaluating possible partnerships and local investors in an attempt to launch SUMA operations in this area of the globe.

Laboratory

SUMA has accumulated experience in the development of laboratory activity for more than two decades and is able to offer a wide range of services, in the various aspects inherent to water, environmental monitoring, waste, sampling and consultancy, with more than a hundred physicochemical and microbiological parameters, which meet the current needs of the market.

SUMALAB, SA (“SUMALAB”)

SUMALAB was incorporated on 27 July 2000, with the aim of performing a concession contract for the operation and management of waste collection and sweeping services in the municipality of Matosinhos, including the provision of laboratory analysis services. The company was responsible for the implementation of this concession for 17 years, starting in 2000 and ending in June 2017, when it ceased its services in this area. The company changed its name to SUMALAB in February 2019, with the aim of promoting the change of corporate image, after the termination of the above-mentioned concession contract and with the change of core business to laboratory work.

During the year 2022, the SUMALAB Laboratory remained focused on its primary areas of activity, namely the analytical control of the quality of water for human consumption, control of the quality of swimming pool water, control of the quality of bathing water, environmental monitoring in landfills, control of quality of natural waters, analytical control of wastewater and the profiling of municipal solid waste, namely the undifferentiated and selective areas.

Following the implementation of new analytical methods, namely in the area of microbiology Legionella research, in the area of chemistry the implementation of the cuvette method for the determination of COD and Total Nitrogen, and the rollout of the instrumental method of TOC, for the determinations of Total Organic Carbon, Dissolved Organic Carbon and Total Carbon, audits were carried out for accreditation of these tests by the entity IPAC - Portuguese Accreditation Institute.

Maintaining accreditation under EN 17 025 for all existing parameters and samples is essential for the operation of the SUMALAB Laboratory. As this is one of the main objectives of the Laboratory, its maintenance has allowed the Microbiology Laboratory and the ICP-MS Laboratory (Inductively Coupled Plasma Mass Spectrometry) to carry out tests during 2022, already duly accredited for our customers. In this period we recorded a significant increase in the number of tests carried out internally compared to previous years, associated with the fact that we started to operate in these two areas. It also highlights the entry into effect of the new Technical Accreditation Annex on 24 October 2022, issue number 28.

During 2022, 40,443 samples were taken, corresponding to the determination of 336,422 parameters, of which 255,289 parameters were determined internally and 81,133 parameters were subcontracted.

Environmental Education and Awareness

Since 2019, SUMA Environmental Education has been committed to enhancing and implementing innovative waste collection systems for external clients, a business area created by the identified market needs and the availability of national and community funding to support such endeavours. 2022 represents the definitive leverage of this type of service provision with the contracting of 16 new exclusive services, representing in total more than €739 thousand.

Municipalities such as Almada, Barreiro, Coimbra, Loulé, Oliveira do Bairro, Póvoa do Varzim, Santa Maria da Feira and systems such as Maiambiente and APIN contracted environmental education and communication services related to the introduction/extension of bio-waste collection systems (food and/or green waste) or recovery by composting; municipalities such as Mafra and Oliveira do Bairro and systems such as RESIALENTEJO, AMARSUL, RESINORTE and APIN contracted services for the promotion of packaging waste recycling habits and the introduction of dedicated tri/multi-flow systems; and municipalities such as Vila Nova de Poiares contracted awareness-raising services for combating food waste.

In addition to the new contracts, the management of 11 existing contracts remained in effect, in various parts of the country, between municipal clients and entities/systems — such as LIPOR —, for the populations of Espinho, Gondomar, Leiria, Maia, Matosinhos, Moita, Oliveira de Azeméis, Porto, Póvoa do Varzim, São João da Madeira, Setúbal, Valongo and Vila do Conde, mainly related to the introduction of specific solutions for the organic waste area and dedicated solutions for the recyclable waste area.

These 3 dozen contracts were carried out by the internal awareness-raising team — which currently has more than 20 specialised awareness-raising technicians, permanently employed by the company — assisted by a dedicated call centre team — with its own means and resources — and by the internal design team, with around 6 multidisciplinary technicians and permanent staff.

These creatives were responsible for the design of: 10 new communication campaigns exclusively for external customers, such as “Há, mas são verdes”, “Aqui, valorizamos biorresíduos”, “Biorresíduos: Separar para Ganhar”, “Compostagem: valorize a sua Terra”, “Lixo ou recurso? Eis a questão.”, “Reciclagem por uma boa causa”, “Cada qual no seu lar, cada resíduo no seu lugar” — the respective communication pieces — which consist of informative, functional, multimedia, and educational materials, as well as the corresponding procedural guide templates, such as press releases, proactive contact guides, partnership schemes, etc., continue to be developed along the production of graphic and educational resources and templates for other ongoing campaigns.

In total, more than two and a half dozen exclusive campaigns have been created — excluding the various attempts to meet the client's expectations — and more than two hundred communication supports for which SUMA does not claim intellectual authorship, adding to the half a thousand campaigns and thousands of ecological flyers created to support the environmental plans of the company's clients (national and international).

It was also these teams — awareness-raising and design — that responded positively to the processes of optimising SUMA's municipal collection and cleaning services, through the implementation of environmental education programmes for local populations, with internal SUMA customers. In total, awareness-raising plans were developed in more than 25 municipalities, focusing on reducing waste production — through the reduction of food waste, reduction at source and recovery through recycling —, promoting the maintenance of urban cleaning — on public roads and in collective spaces, through the correct routing of small waste and special waste —, and promoting transversal environmental literacy — promoting and clarifying the extended responsibility of the waste producer.

Students, teachers, consumers, traders, beach-goers, internet users, local officials, event participants and the general population were some of the target audiences covered by campaigns such as "Dose QB", "Natal Presente", "Dou Valor", "Que Cena", "Banho de Mar ou de Lixo", "Gotinhas Desavindas", with the populations of Alcobaça, Coimbra, Ferreira do Zêzere, Figueira da Foz, Ílhavo, Mação, Mira, Oliveira do Bairro, Ourém, Peniche, Porto de Mós, Santa Maria da Feira, Sardoal, Tomar, Torres Novas, Vila Nova da Barquinha and Vila Nova de Gaia, among other municipalities.

Throughout the year, approximately 45,000 direct interactions are encompassed, which includes external contractual engagements and support to internal services. As a result, it is estimated that the total reach extends to more than 103,500 targets. It is worth mentioning that, unlike the previous decade's emphasis on large group approaches in SUMA's environmental education, the door-to-door contact, which is more prevalent in external contracting, reduces the number of targets reached through face-to-face interactions (technician-individual contact). In fact, mobilising populations that tend to be less available, such as working adults, has been one of the challenges of implementing services in the field, a challenge that we are trying to overcome by utilising and diversifying participation channels, innovating approach strategies and promoting/demystifying individual benefits of adopting good practices.

SUMA's strategic approach in understanding client needs and the utilization of its proprietary methodology, along with the experience gained from 3 and a half dozens of contracts and a quarter-century of developing environmental literacy projects, played a crucial role in achieving departmental success indicators during the year under analysis: 189% expansion of the client portfolio (compared to previous results), 127% increase in turnover (compared to previous results), and the successful attainment of the profitability level projected in the annual budget (181% compared to the previous year's result).

The one million euros generated in turnover in 2022 in SUMA's environmental education area resulted from a vigorous commercial effort, which involved active engagement through consultations, proposals, and dedicated information dissemination (such as shipping two commercial information sheets on bio-waste). This achievement was further supported by the consistent growth over the twenty-five years of operation as a support service and five years as a commercial service. Additionally, the funding conjecture mentioned earlier also played a role in this success. Moreover, the introduction of mandatory separate collection of bio-waste in 2024 is expected to further enhance this business area's growth in 2023. It is therefore expected to obtain more than two dozen exclusive contracts, continue to expand its client portfolio and achieve a turnover similar to or greater than this year.

Human Resources

SUMA places employees at the top of its priorities, emphasising their decisive contribution to the success of the business and investing in their appreciation and motivation, training and safety, quality and improvement of working conditions.

The group of companies that comprise the SUMA universe had more than 10,000 employees during 2022, working for the more than 30 companies with continued operation in this period. The companies that consolidate within the SUMA Group account for 7,826 employees, to which 4 employees transferred by the municipalities in Portugal should be added.

In 2022, SUMA's Human Resources Management (“HRM”) services maintain the centralisation of the management of this area for various SUMA Group companies, as a result of which the following report summarises the activities carried out in relation to this group of companies, namely: SUMA, SUMALAB, SUMA Esposende, REAL VERDE, RIMA, SIGA, TRIU, CORREIA & CORREIA, ENVIROIL II and TRIAZA.

During 2022, this group of SUMA Group companies had an average of 2,091 employees (1,740 at SUMA), with an average age of 43, of which 84% are male. Most workers have academic qualifications at the level of the 3rd key stage of basic education (29.13%), and most are of Portuguese nationality. The percentage of employees assigned to the operational area is 83.69%, with the remaining 16.31% working in the structure and workshops. These indicators are very similar to those seen in the previous year, despite the increase in the number of employees. Absenteeism registers a ratio of 5.45%, lower than in 2021, with the majority of absences due to sick leave. In 2022, this group of companies experienced an annual turnover rate of 37%, which continued to pose challenges in retaining employees for specific roles.

In terms of disciplinary management, 31 disciplinary procedures were carried out in 2022, 14 more than in 2021, of which 10 ended in dismissal with just cause.

Following the pattern of previous years, the Recruitment and Selection (R&S) activity remains centralized for the hiring of heavy equipment operators, waste operators, and mechanics, roles that are closely linked to operational services. However, the process has become more challenging in recruiting for these positions, particularly for heavy equipment operators and workshop workers (mechanics, locksmiths, etc.).

In this period, 96 recruitment processes were carried out, of which 66 refer to operations profiles, which include waste operators, heavy equipment operators and operatives for workshops and warehouses, among others.

Despite several contacts made during 2022 with entities that collaborate in the integration of individuals with degrees of disability, it was found that in our area of operation it is difficult to integrate these candidates, nonetheless, SUMA will continue to seek to do so, from a perspective of social responsibility.

In 2022, SUMA carried out the flu vaccination campaign, aimed at all Group employees, in which 740 employees registered and whose vaccination took place between October and December, in line with the recommendations of the Portuguese General Directorate of Health. The Company has maintained curative medicine consultations and extended them to all Group employees, using teleconsultations, to all employees working outside the Lisbon district.

An IT tool has been made available that allows employees to check and/or download their payslip via the *SuccessFactors* platform.

Equipment and Supplies

The modernisation process of SUMA's fleet, the development and implementation of customised solutions for better management, marked the year 2022. We continue to invest in telemetry systems and process improvement, with the aim of increasing efficiency and reliability, as well as reducing equipment costs, to increase the Company's competitiveness.

During 2022, the fleet renewal process continued, despite the difficult market situation, with the entry into service of new equipment, in particular the 25 3500-kg-vehicles (dumping mechanism, with lift and closed box), allowing the Company to meet its contractual commitments more reliably and with lower operating costs.

SUMA continued to invest in the *Stratio* system, focusing on its interconnection with the SAP ERP, forwarding the information of the alerts directly, in order to facilitate the intervention by the maintenance teams. This system makes it possible to monitor various vehicle parts by reading their sensors, obtaining measurements, analyses and errors

that, through artificial intelligence models, issue alerts for potential breakdowns or problems that may occur. It aims to anticipate breakdowns or minimise their effects, thus enabling a significant reduction in corrective maintenance, with its inherent costs and downtime.

In 2022, the company continued its practice of monitoring and training drivers/operators. This initiative encompassed both newcomers when initiating work with new equipment and existing staff to foster continuous improvement in operating practices across various equipment, including chassis and superstructures. The training efforts placed a special emphasis on safety measures, equipment conservation, and efficient consumption practices.

In order to increase the assessment capacity of this area, a few management assistance tools were created, namely in budget control, analysis of equipment and vehicles under operational lease.

During 2022, the Company changed the procedures for refuelling diesel fuel at internal pumps, replacing individual vehicle cards with TAG or AVR devices installed in the vehicle itself. This modification enables automatic vehicle identification by the pump, leading to a faster refuelling process and a substantial reduction in errors related to fuelling. Additionally, this change improves administrative management associated with refuelling operations.

Training

Training activity at SUMA in 2022 focused on the following campaigns: Qualification for Alcohol Testing, Communication and Teamwork, Institutional Image and Customer Relations and Safety and Risk Perception. Against this background, objectives were defined not only in terms of direct action by the Training department, but in terms of the total training managed by it. Thus, for 2022, 1,344 training sessions were established, with the integration of 14,926 trainees, with an annual fulfilment of 86,038 hours.

Regarding the training conducted by the tutors, the initial and final meetings to present objectives and results have not yet resumed. For the year 2022, it was proposed that each worker undergo 6 hours of training. This training would cover areas such as Safety and Operation of Equipment, as well as the Behavioural aspects.

Following the opportunities for improvement identified in 2021, a Provisional Change of Workstation programme has already been implemented, where it is intended to provide an introduction to the role that the employee will perform provisionally, ensuring that he/she knows the operation of the service as well as the safety standards associated with it. However, this programme has only been developed for the role of Waste Operator in the Collection Service and needs to be generalised to other categories and roles.

We present the balance of activity and data on the physical implementation of the projects. As stipulated from 2018, performance data are presented based on the 3 existing modalities: FOR INT – Classic Training, TWP – Training in the Work Place and POJT – Practical On-the-Job Training. Since 2020, given the circumstances of the execution of Training, internal training in e-learning format has also been considered.

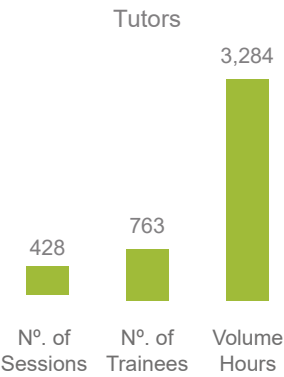
In the table below, we present data related to the planning and execution of training, based on the three main performance indicators: planned number of sessions versus actual number of sessions; planned number of trainees versus actual number of trainees; planned number of hours versus actual number of hours. As we can see, the objectives outlined in terms of the number of sessions, number of trainees and number of hours were not only achieved but also significantly exceeded.

Action Code	Planned TS	TS Performed	Trainees Planned	Trainees Achieved	Number of Hours Planned	Actual Number of Hours
Internal	122	573	688	1,626	5,603	8,788
Internal e-Learning	24	-	462	2	5,424	20
FLT	227	871	11,325	17,168	56,250	90,537
FPCT	970	1,061	2,450	1,524	18,762	29,509
Total	1,344	2,505	14,926	20,320	86,038	128,855

With regard to internal training, the following campaigns were developed: Qualification for Alcohol Testing, Communication and Teamwork, Institutional Image and Customer Relations and Safety and Risk Perception. In addition to these sessions, the following training sessions were also developed:

Course	Actions Taken	Integrated Trainees
Qualification for alcohol testing	9	65
Communication and teamwork	15	119
Institutional image and communication with the client	37	245
Operation of cranes attached to trucks	14	98
Risk perception	2	29
First aid — Firefighting — Eco-centre	1	1
First aid - Initial	2	13
Safety and risk perception	11	80
Tachographs	3	23
Application of plant-protection products	2	10
Audits of integrated Quality, Environment and Safety systems	1	11
DAC - Driver Aptitude Certificate	51	61
Driving licence for heavy vehicles	17	17
Driving and operating the tractor safely	2	50
Safety in the use of chainsaws and brushcutters	1	10
Totals	168	832

For the year 2022, the Tutors were asked to carry out 6 hours of training per worker, including the creation of grids in the Equipment Safety and Operation area and in the Behavioural area. As in previous years, it would be at their discretion to carry out one or the other theme or both simultaneously. The duration and number of sessions would also be left to their discretion, as long as there were 6 hours of training per worker, as mentioned above. In the fulfilment of this objective the Tutors have achieved an average of 4h30m per worker, thus not achieving the proposed objective



Upon reviewing the objectives established for each training campaign with assessment, we can observe the defined effectiveness indicators and the corresponding achieved results below:

Name	Effectiveness Evaluation	Effectiveness Indicators	Results	Implementation
10 MDS	1% decrease in Severity Index (IG) Accidents	Average IG of TA compared to 2021	Not effective	The IG increased 36% compared to 2021
Behavioural	Decrease behaviours requiring improvement by 1%	Percentage number of items "requiring improvement" in the Behavioural grids compared to 2021	Not effective	The indicator worsened by 3.5%
Equipment Safety and Operation	Decrease behaviours requiring improvement by 1%	Percentage number of items "requiring improvement" in the grids compared to 2021	Not effective	The indicator worsened by 11.7%
JUMP-IN	60% of those admitted remain at the Organisation for an additional 6 months	Percentage of employees admitted in 2021 with a contract duration > 6 months	Not effective	52% of employees remained at the company for more than 6 months
Training Agreement	Confirmation of achievement in the training period	% of change in category > 80%, of workers who started the agreement in 2021	Effective	82% of workers have changed category
Driving Licence and CAM	100% of trainees must be successful	Obtaining CAM and CQM, with training starting in 2021	Effective	Obtaining License for all workers who started in 2021
Initial CAM	100% of trainees must be successful	Obtaining CAM and CQM, with training starting in 2021	Effective	Obtaining CAM and CQM for all workers who started in 2021
CAM Renewal	100% of trainees must be successful	Obtaining CAM and CQM, with training starting in 2021	Effective	Renewal of CAM and CQM for all workers who started in 2021
Safety and Risk Perception	Decrease behaviours requiring improvement by 1%	Percentage number of items "requiring improvement" in the grids compared to 2021	Not effective	O indicator worsened by 7%
Operation of Cranes Attached to Trucks	Reduction of costs for crane repairs	Decrease by 10% in the amount spent on repairing cranes, whose need for repair resulted from negligence, compared to 2021	Effective	22% reduction in crane repair costs due to negligence

In 2022, the observation grids continued not to require any kind of change, as a result of the high degree of maturity of the project. Tutors continue to use this resource as a work tool, combining training with the daily practice of observing their work teams. The following graphs show the results obtained in the application of the observation grids, which takes into account all the observations in the three items "Occupational Health and Safety" ("HST"), "Behavioural" ("KTL") and "JUMP IN", for collection and equipment services ("PD"), and for manual cleaning and related services ("LU").



Similar to previous years, accident analysis remains a crucial component in shaping the training plan, enabling the training program to be tailored according to the specific needs identified through the data obtained from accident analysis. These analysis results from the sum of data obtained from 2018 to the end of 2022 in relation to the performance of the entire organisation. In this way, the resulting data are considered in the preparation of the annual training plan, and channel the implementation of tutorials directed towards those services, tasks, workers and/or operations that have been identified as a priority in terms of risk. They will also be used to define, construct and implement one-off training campaigns and/or training sessions to be used as corrective and preventive models to guide employees' daily work and, consequently, to reduce the occurrence of accidents within the Company.

Quality, Environment and Safety

Quality and Certification

The year 2022 was again characterised by the anomalous situation, albeit in a lighter way, given the mitigation of the pandemic and the reduction of the restrictions related to it, and the management of the various SUMA processes, including the Quality, Environment and Safety Management System, implemented in 2021, was maintained. Consequently, the audit processes were adapted, and a combined approach of both face-to-face and remote auditing was implemented in collaboration with APCER.

In May 2022, a combined audit was carried out by APCER of the Quality Management System (NP EN ISO 9001:2015), Environmental Management System (NP EN ISO 14001:2015) and Occupational Health and Safety Management System (NP EN ISO 45001:2019).

APCER determined that the organisation has a management system integrated with the three benchmarks that are relevant to the legal, statutory and regulatory requirements applicable to it. Thus allowing it to achieve the desired results in accordance with the reference standards for certification, and — due to its several years of implementation, the system is developed and robust in the line with the requirements — therefore meets the necessary conditions for SUMA to maintain the certifications of the Integrated Quality, Environment and migration of the regulatory framework in Occupational Health and Safety Management System, which is implemented for the design, development, planning and commercialisation of urban cleaning, collection and transport of non-hazardous waste, container management, eco-centre management, environmental education and awareness-raising in the Head Office and execution and operation of the activities mentioned at the Aveiro service centre.

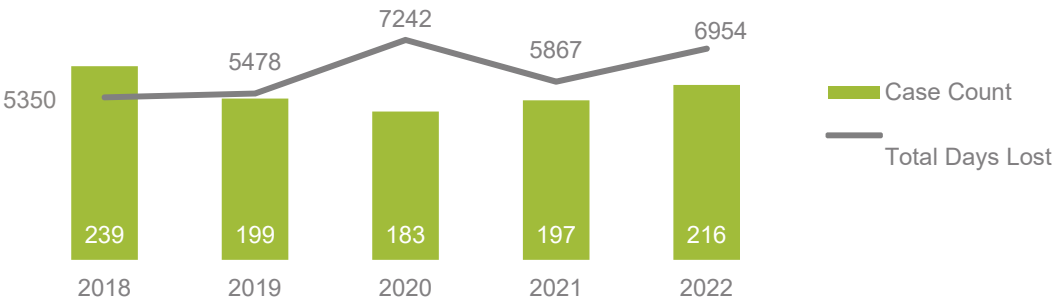
Environment

Regarding the environment area, further interventions were carried out at the premises through technical visits and internal audits, which sought to identify critical situations and opportunities for improvement, which together with the various operational actors, were corrected, with various corrective and preventive measures being implemented. Given the high associated legal component, this work takes on a more inspiring outline and a longer assessment time.

Safety

In terms of Safety, the company maintained its intensification of internal visits and audits of services and facilities with the aim of identifying critical points and correcting them, and defining, together with the various operational actors, corrective and preventive measures in order to reduce accidents and to promote good working practices.

In practical terms, there were less positive results regarding accidents compared to 2021, with a small increase in accidents compared to last year, as well as the severity index.



It is worth mentioning the Quality, Environment and Safety department's management with regard to the SARS-COV-2 virus pandemic, namely in the implementation of the various measures to contain the spread of Covid-19, in the review and adaptation of the Contingency Plan, during the different phases of the epidemic, which has been in force since March 2020. The responsibilities for acquiring and distributing various personal protective equipment, specifically masks, as well as materials for disinfecting equipment, materials, and individuals, including alcohol gel, disinfectant wipes, dispensers, and other related items, were also maintained to contain the spread of the Virus.

As in previous periods, a number of other initiatives and work were carried out during 2022, which give the Training, Quality, Safety and Environment Services (SFQAS) a more solid and effective level of performance, namely:

- The updating of internal documentation, as well as the standardisation and simplification of the various company processes, with regard to the Integrated Quality, Environment and Occupational Health and Safety System, both administratively and operationally, aiming at greater effectiveness and efficiency of services;
- The drafting of commercial bids, particularly in the definition/drafting of environment and safety plans, and training plans, under the scope of the services rendered in tender procedures. The aim is to ensure that the services provided are based on customer requirements, comply with current legislation, are carried out safely for workers and third parties and respect the environment;
- OHS consultation campaigns with workers.
- Assessment of customer satisfaction, with personalised questionnaires sent to the various customers of the Company, in order to assess their overall satisfaction with the services provided by SUMA;
- Awareness-raising and information campaigns on Safety and Environment, targeting all employees of the Organisation, specifically in reducing water and energy consumption, directing operations towards better work practices with a view to reducing and optimising resources; and in the prevention of accidents, with the dissemination of various indicators throughout the organisation and the promotion of good health and safety practices;
- Dynamization of the 10 MDS sessions, with the reinforcement of the themes to be taught, as well as the direct availability, to the Tutors, of data that reinforce the subjects covered.
- Streamlining of the *SMSbyMail* internal communication channel, allowing the direct and transversal dissemination of information to Tutors on operational issues, Covid-19, 10 MDS and other information relevant to the Organisation.

Information Systems

SUMA recognises the role of Information Systems, as a pillar of the Company's integrated data processing, storage and communication system, and investment in this area is constant and essential to enable its development, seen as a crucial factor for the success of the Organisation.

In 2022, a separate network was created in SUMA's data and network centre in Linda-a-Velha, where all devices related to data backups were placed. Through these measures and implementing stringent access rules, the goal is to enhance the resilience of those devices in the event of a cyberattack.

In order to cope with the increase in the use of the internal network as well as Internet accesses, namely with the increase in traffic generated by the increased use of remote meeting tools, the project to increase the bandwidths available in the most critical accesses was finalised. The renegotiation of the contract covering all data and internet circuits has also begun, with a focus on improving access and contractual conditions, and is expected to end in the first quarter of 2023.

In 2022, SUMA Group continued to provide quality support to internal customers of its information systems. The responsiveness to support needs is well demonstrated by the level of satisfaction reflected in the results of the internal survey conducted to assess performance during 2022: an average score of 4.58 on a scale of 1 to 5.

In order to increase the protection of portable devices, encryption policies for Windows laptops have been implemented. In the event of theft or loss of such equipment, there is certainty that the data stored on it will not be accessible to unauthorised parties.

Within the security domain, particularly in the context of cyber threat prevention, a new product was implemented to protect all personal computers (PCs) and servers currently in use at the SUMA Group. This new product, called *SentinelOne*, is based on a more modern platform and represents not only a greater simplification in management by the IT team, but also the use of a more powerful tool that performs extremely effectively in the most reputable tests in the market (*Mitre Att&ck*).

Planning and Control

During 2022, the Company invested in strengthening the Planning and Control team, with the aim of enhancing the work developed and improving the response to the various internal customers.

SUMA's Planning and Control team has been developing a constant work in support of the national operation and, in 2022, the work carried out for the contracts of Tejo Ambiente, Alcobaça, Mafra and Marinha Grande, among many others of smaller size are of particular importance. For Alcobaça, the work of monitoring of the rounds, finalised with the publication of the website for Alcobaça on GiSUMA — integrated system for checking and editing geographic information —, with updated and real-time information on collection rounds, equipment registration information, as well as door-to-door collection carried out for Valorsul. Regarding Marinha Grande, the process was similar to that of Alcobaça, and there is also a website with real-time information on what was done in the field. As for Tejo Ambiente, the development and updating of the information collected in the field and made available on the respective website continued, thus following the contractual provision, with the client having access to all the operations carried out by us in the field, with emphasis on the development of the Requests and Complaints Management module, which became operational in the last quarter of 2022. In the case of Mafra, and in view of the issues with the "*Compta*" project, it was necessary to carry out further monitoring of the operation in the field. Thus, during the second quarter of 2022, the selective collection service was monitored with the aim of optimising it, which resulted in significant reductions in the number of teams assigned daily to this service. It was also necessary to develop applications for real-time recording and monitoring of the work carried out in the field, which is available on the respective GiSUMA website, as well as the module for recording occurrences, also available to the client.

With regard to the production database (BD Produção), work continued on training and clarifying the various users of the database, which results in more reliable and trustworthy data with the increased use of BD *Mobile*, facilitating the work of operation managers and, at the same time, allowing information to be accessed online.

In the budgetary and production control component, the monthly monitoring of budget control and its implementation for all cost centres (CCs) continued, allowing for the monthly monitoring of the implementation of the budget and the actual results obtained. As in previous years, all assistance was provided to support the CCs in the preparation of the budget for 2023 and the closing forecast for 2022, and subsequent preparation of the various management reports.

Regarding the Contract Information Sheet (CIS), during 2022 the use of this tool remained to monitor the operation, comparing the forecast with that carried out, as well as the fulfilment of economic, production, quality, safety and training targets. As of 2022, the CIS covers all CCs with activity, however, this report is no longer a stand-alone record but part of the Budgetary Control Report of each CC.

Institutional Image and Communication

In 2022, SUMA's Image and Institutional Communication area was focused on maintaining current processes and procedures, having also taken a significant role in providing support to the department of Environmental Education and Awareness-raising, mainly due to the huge increase in external contracting of communication services to support the installation of recyclable collection systems (single and multi-flow) on a door-to-door or proximity basis.

The department fulfilled its mission to disseminate, internally and externally, the relevant themes and news of the organisation, through the monthly sending of the digital newsletter InfoSUMA — distributed to SUMA employees with a corporate email address and to a database of customers, partners and commercially relevant contacts — shared on SUMA's environmental education Facebook page and implemented in specific headings, such as testimonials and new contracts, on the organisation's LinkedIn page. The Educational version of the digital newsletter continued its monthly dissemination of content to the same recipients as its regular counterpart, including proposals for activities designed for younger age groups and households. Additionally, the content was also shared on the environmental education page on Facebook.

With regard to its presence in digital media, SUMA: updated the data on the website www.suma.pt through the update of either financial and growth indicators, certifications and accreditations, the organisational chart, through the publication of news, the above-mentioned newsletters and the Annual Report for the previous year; and progressively reduced its presence on the environmental education Facebook page given the little return on the effort to develop new content, focusing on the platform that is more directed to brand communication: LinkedIn.

In June, for the sixth consecutive year, SUMA was named "Trust Mark – Environment" in the Waste Treatment Company category. As usual, in addition to the internal and external campaign associated with this award, it was necessary to adapt the communication materials (stationary, electronic signatures, website, covers) to incorporate the latest mark.

Awareness-raising messages that were previously rotated monthly in electronic signatures stagnated in June. The new message focused on promoting the new Trusted Brand and the organization's commitment to working towards the best environmental solutions and improved quality of life for the communities it serves. This was implemented to facilitate the standardization of this communication element, as monthly changes were hindering the achievement of this objective. The continuous updates required significant investment in information development and sharing with the target audience, who did not always comply with their addition to the electronic signatures as intended.

In October, SUMA filed an opposition to the application for the registration of the national trademark "SUMA Móvil" with the Portuguese National Institute of Industrial Property, an opposition based on the national recognition of its name and logo, the fact that the organisation has "mobile" environmental awareness-raising projects called "Mobile

Awareness Units", the similarity between logos, which is likely to confuse the public and harm our brand and SUMA's image. The evidence required for the use of the SUMA and SUMA *Kids* trademarks was submitted, and the Portuguese National Institute of Industrial Property (INPI) ruled on the refusal to register the national trademark in question, pending the termination of the period for possible judicial appeal before the Intellectual Property Court, which ends on 13 February 2023.

In the last quarter of the year, the most ambitious project emerged as a response to the need of minimizing any negative impact on SUMA's image and external perception in the field. A SUMA brand image standardisation plan was defined, to be applied in 2023, across facilities, fleet and equipment, seeking the regulation of procedures, the maximisation of synergies between the departments that manage the different areas, the concrete definition of the tasks that fall to each of these sectors and the clarification of the flow of communication and work, having prepared diagnostic and audit tools, for survey and decision making.

Throughout the work cycle, SUMA's Image and Institutional Communication area continued annual projects, namely the design of institutional materials (design for the Annual Report and covers); the development/update and production of stationary material every six months; the development and monthly internal sharing of the press archive (clipping); the writing of press releases for various campaigns and events, and the publication of relevant articles on SUMA or SUMA-related on the intranet, website and social networks; the development of empathic communications; the production of content for the Facebook and LinkedIn pages; and other outreach activities aimed at external and internal customers and other stakeholders.

The department also fulfilled its role as a support sector for the organization by providing assistance to other areas. This support involved various tasks such as designing stickers for containerization equipment; creating and adapting identification cards and business cards; producing posts for recruitment on social media platforms such as Facebook and LinkedIn; creating press releases, writing scripts for awareness-raising campaigns targeting different audiences; and creating scripts for behavioural mobilization videos. Additionally, the department was involved in reviewing campaign models and communication materials, among other responsibilities.

With regard to clippings, in 2022, SUMA-related news totalled 297,879.90 Euros in AAV (Automatic Advertising Value — advertising value equivalent to the space occupied by the news, automatically calculated from the cost of an even, black and white page in the press, a second on television or radio and the cost per thousand contacts in online media) for the SUMA, ESA and Affiliate (not EGF) categories.

Economic/Financial Analysis

Upon assessment of SUMA's consolidated accounts, we see a growth in revenues of around 25% in the 2022 period, with consolidated turnover reaching EUR 405,191,876.

The growth in revenues can be attributed to factors such as an increase in the number of contracts, particularly with new urban services contracts in various locations, the rise in industrial waste management revenue influenced by the resumption of industrial activities that commenced at the end of 2021, as well as the adjustment of tariffs in line with market developments. Also noteworthy are the inclusion, as of October 2021, of the companies in Brazil, which, with the acquisition of the entire share capital of GERES, will be fully consolidated, and the incorporation into the EGF Group of the specificities inherent to the current regulatory model, namely the calculation of uses of regulatory liabilities the estimated tariff adjustment for 2022 and the adjustment of the Extraordinary Review of Permitted Revenues ("REPP") for 2021, with the tax effects inherent to the regulatory model.

Turnover by activity (thousand Euros)	2020	2021	2022	Variation 21/22
Collection of municipal solid waste	40,614	49,030	71,784	46.41%
Urban cleaning	14,708	17,073	25,746	50.80%
Treatment and recovery of the MSW	201,032	223,965	257,912	15.16%
Collection and treatment of industrial waste	21,694	26,558	38,732	45.84%
Laboratory	765	945	1,183	25.19%
Environmental education	350	490	81	(83.45%)
Other	14,789	5,977	9,753	63.17%
Total	293,952	324,039	405,192	25.04%

Earnings before depreciation, financing costs and taxes ("EBITDA") totalled EUR 89,674,432 in 2022, an increase of 4.19% compared to the same period last year, with an EBITDA margin of 22.13%, which shows the good economic performance of the SUMA Group.

In 2022, the Company presents a consolidated operating profit of EUR 35,210,391, a decrease of 14.94% compared to the previous period, mainly caused by the increase in amortisation costs of intangible assets, namely contractual rights and other intangible assets, thus reducing the operating return on sales to 8.69%, below the same period of the previous year by 4.09 percentage points ("pp").

Associated companies continue to contribute positively to SUMA's result and accounted for EUR 6,690,512 under the heading of imputed gains from associated companies, with the value increasing substantially compared to the previous period, greatly influenced by the increase in the performance of companies in Angola.

SUMA's consolidated net profit attributable to equity holders is EUR 9,565,131, with a net return on sales of 2.36%.

This result in 2022 reflects the good performance and the ability to generate value of SUMA and all its affiliates, fulfilling the objectives set.

The assessment of the main financial indicators, based on the consolidated accounts for the end of 2022, reveals the financial capacity of the SUMA Group to meet its commitments to third parties and ensure its financial sustainability.

The financial autonomy ratio has a variation of 0.50 pp, compared to the previous year, standing at 29.50%. The level of general indebtedness increases slightly in 2022, standing at 70.10% in this period, which represents an increase of 0.51 pp compared to the same period of the previous year, taking into account the need for financing the large investments necessary to comply with the contracts signed and the adequacy of the operation to meet the goals defined for the waste sector. The general liquidity ratio grows by 21.64 pp compared to 2021, reaching 104.33%.

The return on equity ("ROE") is 3.80% in 2022, decreasing 1.98 pp, as a result of the decrease in net income attributable to equity holders.

SUMA's shareholder structure remained unchanged, with Mota-Engil - Ambiente e Serviços, SGPS and URBASER, S.A. holding participations of 61.5% and 38.5%, respectively.

The subscribed capital of SUMA stands at 12.5 million euros, and the equity value varies according to adjustments in financial assets resulting from application of the equity method of accounting in the subsidiaries and the incorporation of net income for 2022.

The amounts presented are based on the financial statements prepared in accordance with current regulations.

Miscellaneous Notes

The military invasion of Ukraine had a strong impact on the global economy, mainly on the energy market, the commodities market and rising inflation. The war, ongoing for over a year, has constrained the anticipated economic recovery following two years affected by the Covid-19 pandemic.

Despite this backdrop, SUMA and its subsidiaries maintained good operating levels and managed to perform their activities, ensuring the economic return of the business.

SUMA's Board of Directors is closely monitoring the current situation of uncertainty regarding economic activity associated with the war and will adjust its strategy to address the resulting impacts.

During the period 2022, the Company did not carry out any transactions with own shares, and none were held as of 31 December 2022.

No authorisations were granted under Article 397 of the Companies Code, as a result of which there is nothing to report for the purposes of Article 66 (5) (e) of the Companies Code.

There are no outstanding amounts due to the State or Social Security.

Events after the balance sheet date

On 1 March 2023, the Mota-Engil Group announced the conclusion of an agreement with the Urbaser Group, its partner since 1994 in SUMA, which will allow the group to acquire the capital position held until now by its partner, thus owning the entire capital in the municipal waste collection and treatment business. This agreement also results in the sale to Urbaser, S.A. (Urbaser) operating in the industrial waste area, until now operated by SUMA.

The successful completion of this transaction, set to take place in 2023, is contingent upon meeting several conditions. One condition was the Competition Authority's decision of non-opposition, received on 29 March 2023, regarding the concentration of companies presented by Urbaser. This consolidation will result in exclusive control over a newly-established vehicle company, which will be responsible for holding SUMA's industrial waste business unit.

With this transaction, Mota-Engil will hold the entire share capital of SUMA.

We also report the new draft decision of ERSAR, received on 17 March 2023, regarding the Provisional Regulated Accounts 2022-2024, submitted in November 2021, the impacts of which were recognised in the financial statements of SUMA TRATAMENTO's subsidiaries.

No subsequent events are known having a significant impact on the financial statements as of 31 December 2022.

Prospects

The year 2023 is advancing with projections of a decline in global growth, where uncertainty regarding the future of the conflict in Ukraine and the extent of its effects are the greatest concern. Risks for the year 2023 are high and pressures on the energy market could re-emerge, resulting in further price increases and rising inflation. Monetary policy changes are currently centred on addressing inflation, and they are expected to remain restrictive until inflationary pressures are significantly reduced. However, these measures might also uncover financial vulnerabilities stemming from elevated debt levels and overvalued assets, particularly within the financial market segment, where predicting the impact is challenging. Further interest rate increases are expected in many economies, especially in the US and the euro area.

The development of the Portuguese economy is closely tied to the current situation, and the proximity of Europe to the war poses a significant risk factor. Given the increasing burden on vulnerable populations, it becomes crucial to maintain financial assistance policies that can mitigate the impact of rising food and energy prices. However, to ensure fiscal sustainability, it will be essential to promote energy consumption reduction and restrain additional demand stimuli during this period of high inflation. This can be achieved by carefully establishing criteria for the gradual reduction of incentives until they are eventually phased out entirely. The impacts of this crisis are evident across various sectors of our society which were avid for a robust economic recovery. However, economic recovery has not fully met the actual requirements of the country. Expectations regarding the results of the utilisation of the Recovery and Resilience Plan (RRP) approved for implementation in Portugal are high, despite lower-than-desired implementation rates to date. Nonetheless, the implementation time frame until 2026 still offers a long period for the implementation of reforms and investments essential to restore sustained economic growth and strengthen convergence capacity with Europe.

The approval of the National Waste Management Plan (PNGR 2030) and the Strategic Plan for Municipal Waste (PERSU 2030), in the first quarter of 2023, establishes the national strategic waste policy and defines the targets for the 2030 time frame, in the case of PERSU in the area of municipal waste. The approval of the Strategic Plan for Non-Municipal Waste 2030 (PERNU 2030), which is under public consultation, is still pending. These guidance tools are seen as key to outlining the investments needed to address the shortcomings of the waste sector.

SUMA has attained a prominent status as a reference in Portugal, distinguished with the "Trusted Brand — Environment" award. This accolade was directly voted for by a substantial sample of the Portuguese population, highlighting the high-quality standards of operations and the level of trust established in the partnerships that SUMA is involved in.

The basis for ambitious growth and expansion goals stems from a wealth of experience accumulated over 25 years of recognised achievements further complemented by an organizational policy firmly grounded in management and environmental best practices. Promoting innovation as a driving force for an increasingly demanding market, reinforcing the search for new business opportunities and bringing profitability and sustainability to the business, creating added value for customers, shareholders, employees and the waste sector.

With a focus on maintaining leadership in the domestic market and consolidating business in international markets, SUMA will need to leverage its full range of skills to overcome the adverse backdrop and fulfil its strategic growth objectives and its continued commitment to **Building a Better Environment**.

Closing Remarks

The Board of Directors of SUMA expresses its gratitude to all those who cooperated in the development of our business activities during the year 2022, contributing to its sound performance and the achievement of proposed objectives.

To our shareholders and other members of our Corporate Bodies, we express our thanks for the trust, willingness and support shown, which drive the Company’s successful performance.

To our customers, suppliers and other business partners, we extend our thanks for your cooperation and the maintenance of the good commercial relations established.

A special thanks to the Employees, whose determination, dedication and competence in the performance of their duties are essential for the success of SUMA.

Lisbon, 31 May 2023. The

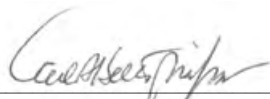
Board of Directors



José Manuel Mota Neves da Costa



Pablo Barreiro Blanco



Carlos Alberto Vaz Pinto Garcez



Nuno Jorge Sêco da Costa

Consolidated Financial Statements



CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2022 AND 2021

ASSET	Notes	31/12/2022	31/12/2021
NON-CURRENT ASSETS:			
Tangible fixed assets	8	38,791,245	62,158,066
Investment properties	9	1,707,576	1,885,138
Goodwill	10	1,643,207	10,675,699
Intangible assets	11	398,624,143	392,364,650
Financial holdings - equity method	12	28,883,001	39,452,384
Financial holdings - other methods		2,495	-
Other financial investments	13	287,530	283,447
Other receivables	17	36,000,843	18,439,195
Customers	17	143,882	1,794,708
Deferrals	19	948,865	-
Other financial assets	4	2,364,880	2,123,332
Deferred tax assets	15	<u>42,528,884</u>	<u>43,024,076</u>
Total non-current assets		<u>551,926,551</u>	<u>572,200,695</u>
CURRENT ASSETS:			
Inventories	16	3,815,773	3,836,129
Customers	17	76,691,467	79,504,835
State and other public bodies	18	10,696,039	4,955,537
Other receivables	17	34,626,163	34,583,819
Deferrals	19	8,277,402	7,899,664
Non-current assets held for sale	36	59,797,873	-
Bank deposits and cash	4	<u>108,115,551</u>	<u>66,223,983</u>
Total current assets		<u>302,020,268</u>	<u>197,003,967</u>
Total assets		<u>853,946,819</u>	<u>769,204,662</u>
EQUITY AND LIABILITIES			
EQUITY CAPITAL:			
Subscribed capital	20	12,500,000	12,500,000
Share premiums	21	1,410,000	1,410,000
Legal reserve	21	2,500,000	2,500,000
Other reserves	21	83,172,489	72,376,799
Retained earnings	21	26,572,872	24,400,927
Other changes in equity	21	<u>27,367,888</u>	<u>16,419,255</u>
		153,523,249	129,606,982
Net income for the year		<u>9,565,131</u>	<u>12,897,243</u>
Equity attributable to company shareholders		163,088,380	142,504,225
Non-controlling interests	22	<u>88,845,498</u>	<u>80,567,791</u>
Total equity		<u>251,933,878</u>	<u>223,072,016</u>
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Provisions	23	3,394,111	10,815,432
Borrowings	24	256,467,014	216,299,853
Deferred tax liabilities	15	51,800,547	51,410,109
Other payables	25	9,015,590	11,277,595
Suppliers	25	76,976	208,342
Deferrals	19	-	<u>17,881,632</u>
Total non-current liabilities		<u>320,754,238</u>	<u>307,892,963</u>
CURRENT LIABILITIES:			
Suppliers	25	40,153,006	40,828,379
State and other public bodies	18	48,950,030	42,973,689
Borrowings	24	93,695,044	96,890,527
Non-current liabilities held for sale	36	20,131,660	
Other payables	25	60,569,942	50,354,331
Deferrals	19	<u>17,759,021</u>	<u>7,192,757</u>
Total current liabilities		<u>281,258,703</u>	<u>238,239,683</u>
Total liabilities		<u>602,012,941</u>	<u>546,132,646</u>
Total equity and liabilities		<u>853,946,819</u>	<u>769,204,662</u>

The accompanying notes form an integral part of the consolidated balance sheet at 31 December 2022.

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS

CONSOLIDATED STATEMENTS OF INCOME BY NATURE
FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

INCOME AND EXPENSES	Notes	2022	2021
Sales and services provided	27	405,191,876	324,038,545
Operating subsidies		846,392	677,028
Gains/(losses) attributed to associated companies	12	6,690,512	2,175,260
Capitalised production costs		9,552	36,151
Variations in production inventories	16	192,513	(499,480)
Cost of goods sold and materials consumed	16	(28,737,033)	(21,840,075)
External supplies and services	28	(153,376,504)	(113,293,689)
Staff costs	29	(137,349,760)	(107,852,002)
Impairment of receivables	17	(90,510)	(487,454)
Accrued liabilities ((Constituted)/reversed)	23	(417,575)	(664,433)
Other income	30	63,644,902	41,735,262
Other expenses	31	(66,929,933)	(37,958,306)
Earnings before depreciation, amortisation, financing costs and taxes		89,674,432	86,066,807
Depreciation and amortization expenses	32	(57,286,698)	(46,635,842)
Investment subsidies	21	2,822,657	1,965,498
Operating income (before financing costs and taxes)		35,210,391	41,396,463
Interest and similar income	33	2,856,605	2,565,357
Interests and similar expenses incurred	34	(15,851,731)	(15,085,659)
Earnings before taxes		22,215,265	28,876,161
Income tax for the year	15	(4,832,264)	(5,276,279)
Net income for the year		17,383,001	23,599,882
Net profit for the year attributable to: Company shareholders		9,565,131	12,897,243
Non-controlling interests	22	7,817,870	10,702,639
		17,383,001	23,599,882
Earnings per share	36	38.26	51.59

The accompanying notes form an integral part of the consolidated statement of income by nature for the year ended 31 December 2022.

THE CERTIFIED ACCOUNTANT



THE BOARD OF DIRECTORS



CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEARS ENDED 31 DECEMBER 2022 AND 2021

Equity attributable to shareholders in the Company										
Notes	Paid-up capital	Share premiums	Legal reserve	Other reserves	Retained retained	Other variations in in equity	Net profit for the year	Total	Minority interests (Note 20)	Total equity capital
Balance on 1 January 2021	12,500,000	1,410,000	2,500,000	59,135,784	28,572,872	3,317,560	13,241,015	118,677,231	69,755,650	188,432,881
Application of net profit for the year ended 31 December 2020 Net profit for the year ended 31 December 2021	-	-	-	13,241,015	-	-	(13,241,015)	-	-	-
Goodwill generated on the revaluation of the Geres acquisition Effect of adjustments of associated companies resulting from the application of the equity method Undistributed	-	-	-	-	-	838,619,75	-	838,620	10,702,639	23,599,882
Profits	12	-	-	-	-	7,450,983	-	7,450,983	-	7,450,983
Grants	15 and 27	-	-	-	(2,171,945)	2,171,945	-	-	-	-
Dividend distribution Other variations	20	-	-	-	-	1,970,043	-	1,970,043	3,430,681	5,400,724
	8 and 24	-	-	-	-	-	-	-	(1,219,609)	(1,219,609)
Balance at 31 December 2021	21	-	-	-	-	670,105	-	670,105	(2,101,570)	(1,431,466)
		12,500,000	1,410,000	2,500,000	72,376,799	24,400,927	16,419,255	12,897,243	142,504,225	223,072,016
Net income for the year ended 31 December 2022	-	-	-	-	-	-	-	-	-	-
Application of net profit for the year ended 31 December 2021 Goodwill generated on revaluation of Geres' acquisition	21	-	-	-	12,897,243	-	9,565,131	9,565,131	7,817,870	17,383,001
Effect of adjustments to associated companies arising from the application of the equity method	-	-	-	-	-	-	(12,897,243)	-	-	-
Undistributed Profits Grants	12	-	-	-	-	9,055,497	-	9,055,497	-	9,055,497
Dividend distribution Other variations	-	-	-	(2,101,553)	2,171,945	(70,392)	-	-	-	-
	-	-	-	-	-	1,294,162	-	1,294,162	244,420	1,538,582
Balance at 31 December 2022	-	-	-	-	-	669,367	-	669,367	(504,856)	(504,856)
		-	-	-	-	-	-	-	720,273	1,389,639

The accompanying notes form an integral part of the consolidated statement of changes in equity for the year ended 31 December 2022.

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS





DEMONSTRAÇÃO CONSOLIDADA DOS FLUXOS DE CAIXA

DOS EXERCÍCIOS FINDOS EM 31 DE DEZEMBRO DE 2022 E 2021

	Notes	2022	2021
OPERATING ACTIVITIES:			
Payments from customers		432,911,014	367,570,797
Payments to suppliers		(202,105,141)	(149,733,012)
Payments to staff		(101,085,763)	(83,408,302)
Cash Flow generated from operations		129,720,110	134,429,483
Payment of income tax		(5,885,590)	(5,951,261)
Other payments		(61,258,982)	(51,492,310)
Cash Flow from operating activities (1)		62,575,538	76,985,912
INVESTMENT ACTIVITIES:			
Payments concerning:			
Tangible fixed assets		(3,057,663)	(4,523,544)
Intangible assets		(52,531,826)	(52,539,079)
Acquisition of minority interests		(20,983)	(22,841)
Investment subsidies		(62,054)	-
Loans granted to related parties		(16,480,000)	(1,076,044)
Financial interests		-	(2,680,000)
Other financial assets		(64,873)	(99,161)
		(72,217,399)	(60,940,669)
Receivables from:			
Tangible fixed assets		68,588	684,662
Intangible assets		1,157,984	3,304,624
Loans granted to related parties		21,607,559	12,380
Financial investments		10,704	-
Financial interests		-	1,500,000
Investment subsidies	21	13,257,948	11,665,741
Interests and other similar income		504,839	288,901
Dividends	12	16,569,384	2,498,975
Other financial assets		2,176,780	15,532
		55,353,786	19,970,815
Cash flow from investment activities (2)		(16,863,613)	(40,969,854)
FINANCING ACTIVITIES:			
Receivables from:			
Borrowings from credit institutions		122,295,904	64,700,773
Capital contributions and other equity instruments		1,773	981,125
Other financing transactions		2,747,104	2,606,285
		125,044,781	68,288,183
Payments concerning:			
Borrowings from credit institutions		(97,820,825)	(104,121,126)
Interest and similar costs		(13,588,361)	(15,488,808)
Dividends	21 and 22	(504,907)	(998,861)
Reductions in capital and other equity instruments		-	(50,000)
Other financing transactions		(80,053)	(492,068)
		(111,994,146)	(121,150,863)
Cash flow from financing activities (3)		13,050,635	(52,862,680)
Change in cash and cash equivalents (4)=(1)+(2)+(3)		58,762,560	(16,846,622)
Restitution/(constitution) of collateral	4	3,007,462	6,445,441
Effect of exchange differences		334,278	522,549
Change in consolidation perimeter		(1,153,424)	927,735
Cash and cash equivalents at beginning of year	4	62,568,426	71,519,323
Cash and cash equivalents at end of year	4	123,519,302	62,568,426
Captive bank deposit	4	648,095	3,655,557
Bank overdrafts	4	(1,944,435)	-
Cash and cash equivalents at end of year	4	122,222,962	66,223,983

The notes form an integral part of the consolidated income statement of cash flows for the year ended 31 December 2022.

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS




Notes to the Consolidated Financial Statement



1. INTRODUCTORY NOTE

The Suma Group ("Group" or "SUMA Group") is comprised of Suma – Serviços Urbanos e Meio Ambiente, S.A. ("Company" or "SUMA") and its subsidiaries ("subsidiaries") and has as its main activity urban services, both public and private, including, as applicable, the execution of works, studies or projects required for this purpose, either under an administrative concession, lease, operating contract or management contract, or under any other arrangements (including the incorporation of joint enterprises, companies of any kind, cooperatives or other formulas permitted by applicable law), namely: (i) collection and transport of solid and urban waste; (ii) collection and transport of toxic and hazardous waste; (iii) collection and transport of industrial waste; (iv) collection and transport of hospital waste; (v) solid, municipal and industrial waste transfer centres; (vi) cleaning of offices, airports, subways, ports, gardens, industrial facilities, slaughterhouses, markets and all types of facilities, whether public or private; (vii) urban cleaning; (viii) treatment and disposal of solid and urban, industrial, hospital, toxic and hazardous waste; (ix) landfills; (x) treatment, recycling, composting and incineration plants, with or without energy recovery; (xi) maintenance of WTP and WWTP; (xii) street furniture; (xiii) parks and gardens; and (xiv) carriage of goods by road for hire or reward.

As set forth in Note 6, the business group of SUMA and its subsidiaries consists of companies whose main activity is the collection and treatment of solid and municipal waste and concessionaires of multi-municipal waste treatment and recovery systems in partnership with the municipalities.

Due to its shareholder structure, SUMA pursues its operations within the scope of the activities of the Mota-Engil and Urbaser Groups, with whom it carries out various transactions, as shown in Note 26.

Under the terms of Decree-Law no 45/2014, of 20 March 2014, the public tender procedure ran its course for the reprivatization of up to 100% of the share capital of EGF held by the sub-holding of the Águas de Portugal ("ADP") Group. This reprivatization operation was divided into two phases: (i) the public tender for the sale of an indivisible batch of Empresa Geral do Fomento, SA ("EGF") shares representing 95% of its share capital, and (ii) a public offer for the sale of the remaining shares with preferential rights. The transfer of EGF's share capital to Suma Tratamento, SA ("Suma Tratamento") resulted in a change in the legal framework of the management entities of the multi-municipal waste treatment systems, these being subsidiaries of EGF. Under this scenario, the Government reviewed the legal arrangements applicable to the operations of the management entities of the multi-municipal systems for the treatment and selective collection of municipal waste.

In November 2014, during the constitution of Suma Tratamento, it entered into an agreement with ADP to acquire 100% of EGF's capital. The price of the acquisition of 95% of EGF's capital amounted to approximately 142,400,000 euros, which will be increased by the amounts required to acquire the remaining 5%. The acquisition of EGF's capital was only concluded in July 2015, as it required a number of actions, in particular a decision by the relevant Competition Authorities not to oppose the operation. In addition, as defined in the acquisition agreement, at the closing date of the operation, the acquisition cost of 95% of EGF's capital was increased by approximately 12,700,000 euros, mainly as a result of changes in the working capital of EGF and its subsidiaries between the period elapsed and conclusion of the operation.

In August 2017, after the conclusion of the public offering of the remaining preference shares to the workers, who only acquired 1,300 shares, Suma Tratamento purchased the remaining 4.99% of EGF's share capital for an amount of 8,172,328 Euros, thus increasing its interest to 99.99% of EGF's share capital.

As a result of the process of privatising EGF, changes were made to the legal framework of the management entities of the multi-municipal systems for the treatment and selective collection of municipal waste, which are controlled by EGF ("Concessionaires").

In May 2023, the concessionaires delivered to the regulator the actual regulated accounts for the year 2022, which showed a tariff adjustment in relation to the amounts initially approved and the tariffs practised in that year.

It is the understanding of the Board of Directors that the estimated adjustment of tariffs for 2022 by the regulator should not result in significant differences compared to the amounts determined by the subsidiaries.

During the period ended 31 December 2021, the Group, in order to continue expanding its activity at an international level, established Suma Brasil Sucursal and acquired the remaining stake in the entity Geres Participações S/A ("GERES"), holding 100% of its capital, and controlling this entity and the following entities held by it: Suma Brasil, CTR.

The accompanying consolidated financial statements are presented in Euros, as this is the currency used in the economic environment in which the Group operates.

These consolidated financial statements were approved by the Board of Directors at the meeting held on 31 May 2023, but they also require the approval of the General Meeting.

It is the opinion of the Board of Directors that these consolidated financial statements give a true and fair account of the Group's consolidated operations, as well as its financial performance and cash flows.

1.1 Impacts of Decisions made by the ERSAR – 2021 Adjustments and CRP 2022

ERSAR established the application of a transitional tariff for the year 2022 and the postponement of the establishment of permitted revenues for the regulatory period 2022-2024, taking into account:

- The review process of the 2019-2021 Provisional Regulated Accounts (PRA) will only be finalised in August 2021;
- Changes to the approval process for the investment plan, which was transferred to the Grantor instead of ERSAR;
- The uncertainty of the sector due to the lack of publication of the 2030 Strategic Plan and environmental targets in 2022; and
- The importance of carefully examining the evolution of the municipal tariff while simultaneously addressing structural issues, such as the financing of the sector.

The draft decision on total permitted revenue and regulated tariffs for the regulatory period 2022-2024 was received on 30/11/2022. The difference in permitted revenue was passed on under Sales and services provided in 2022, and will be invoiced to the Municipalities in 2024 (n+2) together with the tariff adjustments for the year.

With regards to the adjustment accounted for in 2022 (with capitalisation), it includes the following effects (note 10):

- Correction of the tariff adjustment for 2021, through the revision of the concession's Actual Regulated Accounts (CRR), in the amount of 8,487,609 Euros, determined in accordance with article 37 of the RTR. This amount includes the adjustment associated with COVID-19 of 1,441,486 Euros and the recognition of amortisations associated with multi-annual maintenance carried out until 2021 and not yet reflected in the tariff of 4,527,128 Euros, given ERSAR's change to include in permitted revenues the totality of maintenance in the respective realisation year (note 2.2).
- Tariff adjustments for the year 2022 in the amount of 29,561,535 Euros, which includes the adjustment of the difference between the transitional tariff and the tariff to be approved of 38,938,447 Euros and the amount of -16,323,885 Euros referring to the remaining components of the tariff adjustment for the year as well as the REPP adjustment of 6,946,973 Euros.

2. ACCOUNTING STANDARDS FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

2.1 Accounting framework

The accompanying consolidated financial statements were prepared in accordance with the provisions in force in Portugal, in accordance with Decree-Law no. 98/2015 of 2 June, which amended Decree-Law no. 158/2009 of 13 July and in accordance with the conceptual structure, the Accounting and Financial Reporting Standards ("NCRF") and the Interpretative Standards ("NI") laid down, respectively, in notices 8254/2015, 8256/2015 and 8258/2015, of 29 July 2015, which together constitute the Accounting Standards System ("SNC").

It should also be mentioned that the model of the financial statements and the chart of accounts were also amended, respectively, by Ordinance no. 220/2015, of 24 July 2015 and Statement of Correction no. 41-B/2015, of 21 September 2015 and Ordinance no. 218/2015 of 23 July 2015 and Statement of Correction no. 41-A/2015, of 21 September 2015.

Hereafter, all such standards and interpretations will be referred to generically as the "NCRF" or the "SNC".

The SNC provides that, where the NCRF does not meet the needs of users in terms of the accounting treatment of certain situations, they should first of all refer to the International Financial Reporting Standards ("IFRS"), as adopted by the European Union and then to other IFRS not yet adopted by the European Union.

In this context, the interpretation of the International Accounting Standards Board ("IASB") in relation to this subject matter, as expressed in IFRIC 12 - Service Concession Arrangements ("IFRIC 12"), is understood to be applicable to the case of public service concessions in general and to the case of subsidiaries of the EGF subgroup in particular.

2.2 Comparability of the consolidated financial statements

The elements contained in these consolidated financial statements are, in their entirety, comparable with those of the previous year, presented for purposes of comparison in the present financial statements with the exception of the accounting approach, which follows the regulatory approach established by ERSAR, to multi-annual maintenance (Note 28 and Note 32). In ERSAR's draft decision regarding the provisional regulated accounts for 2022-2024 ERSAR now classifies this maintenance as opex in its entirety, whereas previously, the value was deferred due to its amortization. Thus, as of 2022, maintenance is accounted for in ESF, the amounts to be amortised in 2021 were fully amortised in 2022 and the amount not yet reflected in the tariff was adjusted and considered in the 2021 CRR. We believe that the impact of this change is not significant within the context of the financial statements. As a result, no comparative restatement has been made.

3. SIGNIFICANT ACCOUNTING POLICIES

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

3.1. Bases of presentation

The consolidated financial statements have been prepared according to the going concern principle, based on the accounting records of the companies included in the consolidation, maintained in accordance with the NCRF.

Management has assessed the Group's capacity to operate on a continuing basis, based on all relevant information, facts and circumstances of a financial, commercial or other nature, including events subsequent to the date of reference of the consolidated financial statements, available regarding the future. As a result of the evaluation, Management has concluded that the Group has adequate resources to maintain its activities and has no intention of ceasing trading in the short term, as a result of which use of the going concern principle in the preparation of the consolidated financial statements was deemed appropriate.

3.2. Business combinations and consolidation principlesConsolidation principles

The accompanying consolidated financial statements incorporate the financial statements of the Company and the entities it controls. Control is understood to exist where the Company has the power to define the operational financial policies of an entity in order to obtain benefits derived from its activities, usually associated with direct or indirect control of more than half of the voting rights.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered in the assessment of the control that the Company holds over an entity.

Subsidiaries are included in the consolidated financial statements using the full consolidation method, from the date on which the Company assumes control over its financial and operating activities until such time as that control ceases.

The results of subsidiaries acquired or sold during the period are included in the consolidated statement of income from the date of their acquisition until the date of their sale.

All transactions and balances between subsidiaries and between the Company and subsidiaries, as well as the income and expenses resulting from such transactions and balances, are completely cancelled during the consolidation process. Unrealised losses are also eliminated, but considered as an indicator of impairment for the transferred asset.

The equity and net income of the subsidiaries that correspond to minority third-party interests in those subsidiaries are presented separately in the consolidated balance sheet and in the consolidated income statement, respectively, under the item "Non-controlling interests".

Non-controlling interests are initially measured by the corresponding share in the fair value of the net assets acquired. Subsequently, they are adjusted by the corresponding share in the subsequent variations in the equity of the subsidiaries.

Financial investments in associates

An associate is an entity in relation to which the Group has significant influence and which is neither a subsidiary nor a jointly controlled company. Significant influence is understood as the power to participate in decisions concerning financial and operating policies of the associate, without this resulting in control or joint control by the Group.

Financial investments in associates are recognized in accordance with the equity method. Under the equity method, financial investments in associated companies are initially recognized at their acquisition cost, and subsequently adjusted according to changes, after acquisition, to the Group's share in the equity capital of the associates. Group results include the portion that corresponds to the results of the associates.

The excess of the acquisition cost over the fair value of the identified assets and liabilities of each associate on the date of acquisition is recognised as goodwill and is presented separately on the consolidated balance sheet. If the difference between the acquisition cost and the fair value of the net assets and liabilities acquired is negative, this is recognised as income for the period.

An assessment of investments in associated companies is conducted where there is evidence that the asset may be impaired, and the confirmed impairment losses that are proved to exist are then recorded as expenses in the consolidated statement of income.

Where the Group's share of accumulated losses of the associated enterprise exceeds the value at which the investment is recorded, the investment is recorded at nil value, except where the Group has entered into commitments to cover the losses of the associate. If the associate subsequently reports profits, the company resumes recognition of its share in those profits only after its share of profits equals its part of the unreported losses.

Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in them. Unrealised losses are similarly eliminated, but only to the extent that the loss does not result from a situation in which the transferred asset is impaired.

Investments in other investees

Financial investments in other investees are recorded at acquisition cost less any impairment losses.

Business combinations

The acquisitions of subsidiaries and jointly controlled entities are recorded using the purchase method. The corresponding cost of the combination is determined as the aggregate, on the acquisition date, of: (a) the fair value of the assets delivered or to be delivered; (b) the fair value of liabilities incurred or assumed; (c) the fair value of equity instruments issued by the Group in exchange for obtaining control over those entities; and (d) the costs directly attributable to the acquisition (the latter only relate to acquisitions to 31 December 2015). With effect from 1 January 2016, costs directly attributable to the acquisition are reported in the consolidated income statement.

The excess of the cost of the combination over the fair value of the Group's interest in the identifiable assets acquired is recorded as goodwill. If the cost of the combination is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the consolidated income statement. Where applicable, the cost of the merger or acquisition includes the effect of contingent and/or additional payments agreed upon under the transaction.

Should the initial accounting for an acquisition not be completed at the end of the reporting period in which it occurred, the Group reports provisional amounts for the items for which the accounting is not complete. These provisional amounts are subject to adjustment during a period of 12 months from the acquisition date.

Goodwill

Goodwill is measured as the excess of the acquisition cost of equity investments against the fair value of identifiable assets and liabilities of each entity acquired on the acquisition date, and is presented on a separate balance sheet line.

The estimated useful life of goodwill for the various investments is as follows:

<u>Investment</u>	<u>Years</u>
Ecoatlântica de Portugal, Lda ("Ecoatlântica") (a)	19
Enviroil, SGPS, Lda ("Enviroil")	19
Resilei - Tratamento de Resíduos Industriais, S.A. ("Resilei")	10
Sociedade de Transportes e Limpeza, Lda ("STL")	6
Triu - Técnicas de Resíduos Industriais e Urbanos, SA ("Triu")	14
Gerês Participações S.A.	10

Company subsequently merged into Ersuc – Resíduos Sólidos do Centro SA ("Ersuc").

Goodwill is recognised as an asset on the date control is acquired. Subsequently, the goodwill is amortised, but is subject to impairment testing whenever there is evidence of impairment.

For the purpose of impairment testing, goodwill is allocated to cash-generating units of the Group that benefit from synergies resulting from the consolidation. The cash-generating units to which goodwill has been allocated are subject to annual, or more frequent, impairment tests (in the event of there being any indication that the unit may be impaired). If the recoverable amount of the cash-generating unit is less than the corresponding net book value, the resulting impairment loss is initially allocated to goodwill, with the remainder being allocated in proportion to the remaining assets of the cash-generating unit. Impairment losses charged to goodwill are not subsequently reversed.

Translation of financial statements of foreign entities

Those entities that operate abroad and have organizational, economic and financial autonomy are treated as foreign entities.

The assets and liabilities of the financial statements of foreign entities are translated into Euros using the exchange rates prevailing at the balance sheet date. The income, expenses and cash flows of the financial statements of foreign entities are translated into euros using the average exchange rate for the period. The exchange rate difference resulting from the conversion is recorded in equity under the item "Other changes in equity".

Goodwill and fair value adjustments resulting from the acquisition of foreign entities are treated as assets and liabilities of that acquired entity and translated to euros at the exchange rate prevailing at the balance sheet date.

Whenever a foreign entity is disposed of, the currency translation reserve accumulated in equity is recognised in the consolidated income statement as a gain or loss on the disposal.

The prices used for translation into Euros of the consolidated financial statements of foreign operations were as follows:

Currency	2022	2021	2022	2021
US Dollar	1.0666	1.1326	1.0500	1.1816
Kwanza	537.5664	635.7510	476.0086	734.9674
Zloti	4.6808	4.5969	4.6868	4.5720
Cape Verdean Escudo	110.2650	110.2650	110.2650	110.2650
Mozambique Metical	67.4500	71.5800	66.3800	76.3542
Omani Rial	0.41032	0.43571	0.4040	0.4545
Brazilian Real	5.6386	6.3101	5.4051	6.3786
Macanese Pataca	8.5658	9.0983	8.4690	9.4612
Hong Kong Dollar	8.3163	8.8333	8.2223	9.1856

3.3. Tangible fixed assets

Tangible fixed assets are initially recorded at acquisition cost, which includes the cost of purchase, any costs directly attributable to activities necessary to put the assets in the location and condition necessary to operate as intended and, where applicable, the estimated initial cost of dismantling and removing the assets and restoring their sites of installation/operation that the Group expects to incur, less accumulated amortisation and accumulated impairment losses.

The useful lives and depreciation method of the various assets are reviewed annually. The effect of any change in these estimates is recognised prospectively in the consolidated income statement.

Depreciation is calculated after the time at which the asset is ready for use. Tangible fixed assets allocated to the operation of landfills, namely land and basic equipment, are depreciated on the basis of the tonnage deposited and taking into account the available capacity of the landfills. The remaining tangible fixed assets are depreciated using the straight-line method, in accordance with the estimated useful life of each group of assets, as follows:

Homogeneous class	Years
Land and natural resources	0 - 20
Buildings and other structures	8 - 20
Basic equipment	3 - 5
Transport equipment	2 - 10
Office equipment	3 - 8
Other tangible fixed assets	5 - 10

Depreciated land and natural resources correspond to landfills, whose estimated useful life is based on the depletion rate.

Maintenance and repair costs (subsequent expenditures) that are not likely to generate additional future economic benefits are recorded as expenses in the period in which they are incurred.

3.4. Leases

Leases are classified as financial whenever their terms substantially transfer all the risks and rewards associated with ownership of the asset to the lessee. All other leases are classified as operating leases. The classification of leases is made according to the content rather than the form of the contract.

Assets acquired under finance lease contracts, as well as corresponding liabilities, are recorded at the inception of the lease at the lower of the fair value of the assets and the present value of the minimum lease payments. Financial leases are divided between financial charges and reductions of liability, in order to obtain a constant interest rate on the outstanding balance of the liability.

Operating leases are recognized as expenses on a straight-line basis over the lease term.

3.5. Investment properties

Investment properties comprise land and a unit of a property, both held for lease, appreciation of the capital invested through sale and not for use in the production or supply of goods and services or for non-depreciable administrative purposes.

Investment properties are measured at cost, including transaction costs.

The expenses incurred relating to investment properties, such as maintenance, repairs, insurance and property taxes are recognised as an expense in the period concerned. The improvements to investment properties with regard to which there are expectations that they will generate additional future financial benefits are capitalised under "Investment properties".

3.6. Intangible assets

Intangible assets are recorded at cost and correspond to: (i) computer programs, (ii) the remuneration established in the contract for services concluded with Porto Municipal Council and paid upon execution, less accumulated depreciation and (iii) service concession arrangements falling under IFRIC 12.

Depreciation is recognised on a systematic/straight-line basis over the estimated useful life of the intangible assets. The useful lives and method of amortisation of the various intangible assets are reviewed annually. The effect of any changes to these estimates is recognized prospectively in the statement of income.

Intangible assets are amortised using the straight-line method, during a three-year period for computer programs and, for the remainder, for the period of the concession contract.

Assets of the concession – IFRIC 12 – Service concession arrangements

The assets acquired/constructed by the concessionaires, under the concession agreement, are assets allocated to the concessions, corresponding to the respective infrastructure under concession.

IFRIC 12 applies to public service concession contracts in which the grantor controls (regulates):

- the services to be provided by the concessionaire (through the use of infrastructure), to whom and at what price;
- and
- any residual interests in the infrastructure at the end of the contract.

IFRIC 12 applies to infrastructure:

- constructed or acquired by the operator from third parties;
- already existing and to which the operator is given access.

Accordingly and in view of the above, the Concessionaires' concessions fall within the scope of this IFRIC for the following reasons:

- the Concessionaires have public service concession contracts entered into with the Portuguese State ("Grantor") and for a predefined period;
- the Concessionaires provide public services through the use of infrastructures as defined in detail in Note 38;
- the grantor controls the services provided and the conditions under which they are provided, through the regulator ERSAR;
- the various assets used to provide the services revert to the grantor at the end of the concession agreements.

This interpretation establishes the general principles of recognition and measurement of rights and obligations under concession contracts with the characteristics mentioned above and define the following models:

- i) Financial asset model - where the operator has an unconditional contractual right to receive cash or another financial asset from the grantor, corresponding to specific or determinable amounts, the operator must record a financial asset (receivable). Under this model, the grantor has few or no discretionary powers to avoid payment, as the agreement is generally legally binding.
- ii) Intangible asset model - when the operator receives from the grantor the right to charge a tariff based on the use of the infrastructure, it must recognise an intangible asset.
- iii) Mixed model - this model applies when the concession includes both remuneration commitments guaranteed by the grantor and remuneration commitments depending on the level of use of the concession infrastructure.

Accordingly, and in view of the concession contract terms, namely with regard to the remuneration model, it was understood that the Concessionaires' operations form part of the intangible asset model as a result, essentially, of the Concessionaires who have the unconditional right of charging their users and assume the operational, investment and financing risks of the concession.

Within this framework and in relation to the residual value of the assets assigned to the concession (according to the concession agreements, the concessionaires are entitled to reimbursement at the end of the concession based on the net book value of the concession assets), this was likewise incorporated as part of the intangible asset and remunerated annually in accordance with the tariff regulations in force.

In view of the aforementioned framework, the assets assigned to the concession (intangible assets) are stated at acquisition or production cost, less accumulated amortizations and impairment losses. Depreciation is recognised on a systematic/straight-line basis over the estimated useful life of the intangible assets. The effect of any change in these estimates is recognised prospectively in the consolidated income statement.

For purposes of amortisation of the assets assigned to the concession, the method that reflects the model by which the future economic benefits of the assets are expected to be consumed by the group companies was taken into account. Accordingly and in view of the above, the Group considers that the amortisation method that best reflects the expected consumption pattern of the future economic benefits of the intangible asset is the amortisation based on the depreciation rates defined and approved by the regulator (the ERSAR), as this is the basis of their annual income, that is, the assets under concession are amortised in accordance with the remuneration model underlying the Tariff Regulations.

It should also be noted that, under the concession contract, the concessionaires may charge tariffs according to the costs incurred with infrastructure. Thus, taking into account the tariff calculation methodology, the remuneration basis is calculated taking into account each specific asset item under concession, which presupposes the need to componentise the right. Consequently, it is considered that the right may be broken down into distinct parts as the various bases of remuneration are realised.

In this way, the intangible asset is being increased as the various infrastructures allocated to the concession are realised, being recorded based on their acquisition/construction cost and reduced as the future economic benefits are consumed.

With regard to investment grants allocated to assets, these are recognised in the consolidated income statement at the same rate as the depreciation of the assets.

Under the current concession contract, the construction activity is subcontracted externally to specialised entities. Therefore, the Group does not have any margin in the construction of assets assigned to concessions, so the revenue and costs of acquiring these assets are equal (Notes 30 and 31).

3.7. Impairment of tangible and intangible fixed assets and investment property

At each reporting date, the carrying amounts of the Group's tangible and intangible fixed assets are reviewed to determine if there is any indication that they may be impaired and whether they should be subject to impairment testing.

Where there is any indication that the Group's tangible and intangible fixed assets may be impaired, an estimate of their recoverable amount is made to determine the extent of the impairment loss (if applicable). Where it is not possible to determine the recoverable value of an individual asset, the recoverable value of the cash-generating unit to which that asset belongs is estimated.

The recoverable value of the asset or cash-generating unit consists of the greater of: (i) the fair value less selling costs; and (ii) the current use value. In determining the current use value, estimated future cash flows are discounted using a discount rate that reflects the market's expectations regarding the time value of money and the specific risks of the asset or cash-generating unit for which estimates of future cash flows have not been adjusted.

Where the net book value of the asset or cash-generating unit exceeds its recoverable value, an impairment loss is recognised. Impairment losses are recorded immediately in the consolidated income statement, unless such loss offsets a revaluation surplus recorded in equity. In the latter case, such a loss is treated as a decrease in that revaluation.

Impairment losses recognized in previous periods are reversed where there is evidence that the impairment losses recognized previously no longer exist or have decreased. The reversal of an impairment loss is recognized in the consolidated income statement. The impairment loss is reversed up to the amount that would be have been recognised (net of amortisation) if the loss had not been recorded.

3.8. Inventories

Commodities, as well as consumable materials, are valued at acquisition cost, using the average cost costing method.

By-products and work in progress are valued at their production cost.

Net realisable value represents the estimated selling price less any estimated costs required to complete the inventories and sell them. In situations where the cost value is higher than the net realisable value, impairment losses are recorded for the respective difference.

Changes in the period in impairment losses on inventory are recorded in the consolidated income statement.

3.9. Income tax

Income taxes correspond to the sum of current taxes plus deferred taxes. Current taxes and deferred taxes are recorded in income, except where the deferred taxes relate to items recorded directly in equity. In these cases, the deferred taxes are also recognized in equity.

Current income tax is calculated based on the taxable income for the period. Taxable income differs from the accounting result, as it excludes many expenses and earnings that

will only be taxable or deductible in subsequent periods, as well as expenses and income that will never be taxable or deductible in accordance with the tax regulations in force.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and the respective amounts for tax purposes, as well as the results of tax exemptions or reductions obtained and temporary differences between the result for tax purposes and the accounting result. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are recognised for deductible temporary differences, but such recognition only occurs where there are reasonable expectations of future taxable profits sufficient to utilise those deferred tax assets. At each reporting date, these deferred tax assets are reviewed and adjusted based on expectations of their future use.

Deferred tax assets and liabilities are measured using the tax rates that are expected to be effective on the date of the reversal of the corresponding temporary differences, based on the tax rates (and tax legislation) that were formally issued at the reporting date.

SUMA is covered by the special scheme for the taxation of groups of companies ("RETGS"), which covers all companies in which SUMA has a direct or indirect interest of at least 75% of share capital and which comply simultaneously with the remaining conditions laid down under that scheme. The other investees, which are not subject to the special tax scheme of the SUMA Group, are taxed individually, based on their respective taxable income and applicable tax rates.

3.10. Financial assets and liabilities

Financial assets and liabilities are recognised in the consolidated balance sheet when the Group becomes a party to the corresponding contractual provisions, with NCRF 27 – Financial instruments being used for this purpose.

a) Trade accounts receivable and other receivables

The balances of trade accounts receivable and other receivables are initially recorded at fair value and subsequently at amortised cost less any impairment losses.

The balances of trade accounts receivable and other receivables are subject to impairment testing at each reporting date. Such financial assets are impaired where there is objective evidence that, as a result of one or more events occurring after their initial recognition, their estimated future cash flows have been affected.

b) Bank deposits and cash

The amounts included under "Cash and bank deposits" correspond to cash amounts, bank deposits and time deposits that mature in less than three months for which the risk of a change in value is insignificant and which are immediately convertible into cash. These assets are measured at amortised cost.

c) Borrowings

Borrowings are recorded under liabilities at amortised cost.

Any expenses incurred in obtaining these loans, as well as interest charges and similar expenses, are recognised by the effective interest method in results for the period over the life of such loans. The expenses incurred, while not recognised, are included to be deducted from the carrying amount of the loans obtained.

d) Trade creditors, other payables and other financial liabilities

The balances of trade creditors and other payables are carried at amortised cost.

Impairment of financial assets

The financial assets are subject to impairment testing at each reporting date. Such financial assets are impaired where there is objective evidence that, as a result of one or more events occurring after their initial recognition, their estimated future cash flows have been negatively affected.

For financial assets measured at amortised cost, the impairment loss to be recognised represents the difference between the net book value of the asset and the present value of the new estimated future cash flows discounted at their original effective interest rate.

Impairment losses are recognised in income in the period they are determined.

Subsequently, if the amount of the impairment loss decreases and the decrease can be related objectively to an event that took place after the recognition of the loss, this should be reversed by results. The reversal should be carried out up to the limit of the amount that would be recognised (amortised cost) if the loss had not been initially registered. The reversal of an impairment loss is reflected in income.

Derecognition of financial assets and liabilities

The Group derecognises financial assets only when the contractual rights for cash flows expire, or when transferring the control of these financial assets and all risks and significant benefits associated with its benefits to another entity. Transferred financial assets relating to which that the Group retained some significant risks and benefits are derecognised, provided that the control over them has been ceded.

The Group derecognises financial liabilities only when the corresponding obligation is settled, cancelled or expires.

3.11. Transactions and balances in foreign currency

Transactions in foreign currency (a currency different from the Group's functional currency) are recorded at the exchange rates prevailing at the transaction dates. At each reporting date, the monetary items denominated in foreign currency are restated at the exchange rates prevailing at that date.

The exchange differences resulting from the aforementioned restatements are recorded in the consolidated statement of income of the period in which they are generated.

At 31 December 2021 and 2020, the exchange rates referred to under Note 3.2 were used to translate the assets and liabilities denominated in foreign currency into euros, as well as the transactions occurring during the periods ended at that date.

3.12. Grants

Investment Grants

Government grants are only recognised when there is reasonable certainty that the Group will comply with the conditions for granting them and that they will be received.

Non-repayable Government grants received, relating to the acquisition of tangible fixed and intangible assets are initially recognised in equity, together with their deferred tax liabilities, on a systematic basis as income for the period, in a manner consistent with and proportional to the depreciation of the assets, for the acquisition of which they are intended.

Operating grants

Operating grants, particularly for the training of employees, are recognised in the consolidated income statement in accordance with the expenses incurred.

3.13. Provisions, contingent liabilities and contingent assetsProvisions

Provisions are only recognized where the Group has a present obligation (legal or implicit) resulting from a past event, it is likely that an outflow of resources shall occur to settle the obligation and the amount of the obligation can be reasonably estimated.

The amount of provision recognized consists of the present value of the best estimate of the resources required to settle the obligation, made at the reporting date. This estimate is determined taking into account the risks and uncertainties associated with the obligation.

Provisions are reviewed at the reporting date and adjusted to reflect best estimates at that date.

Contingent liabilities

Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed where an outflow of resources encompassing economic rewards is deemed neither unlikely nor likely.

Contingent assets

Contingent assets are not recognised in the consolidated financial statements, but are disclosed where a future economic inflow is likely.

3.14. Financial charges on borrowings

Financial charges related to loans received are recognised as expenses as they are incurred.

The financial charges for loans obtained related to the acquisition or construction of infrastructures are capitalised, being an integral part of the cost of the asset. The capitalisation of these financial charges begins when expenditures with the asset begin to be incurred and continue while the activities necessary to prepare the asset for its intended use or for sale are in progress. Such capitalisation ceases when, substantially, all the activities necessary to prepare the asset for its intended use or for its sale are completed. In addition, capitalisation is suspended for long periods in which the development of the aforementioned activities is interrupted. Any income generated by loans obtained in advance related to a specific investment is deducted from the financial charges eligible for capitalisation.

3.15. Non-current assets held for sale

Non-current assets for disposal are classified as held for sale where their book value is essentially recovered through a sale and not through their continued use.

This condition is deemed to occur only where the sale is highly likely and the non-current asset is available for immediate sale under its present conditions. The corresponding sale must be completed within one year of the date of classification of the non-current asset as available for sale.

Non-current assets classified as held for sale are measured at the lower of their book value before classification and their fair value less selling costs.

3.16. Employee benefits

The EGF subsidiary's benefit plan for former employees who have already retired is limited to the payment of a supplement to the retirement pension (for old age or disability) granted by Social Security. Liabilities under the retirement pension supplement are financed through an established independent fund, managed independently by a financial institution.

A defined-benefit plan is a pension plan that defines the amount of pension benefit that an employee will receive in retirement, usually dependent on one or more factors such as age, years of service and compensation.

The defined-benefit plan obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is

determined by the discount of the future payment of the benefits using the interest rate of high quality bonds denominated in the same currency in which the benefits will be paid and with terms of maturity that approximate those of the liability assumed.

The liability recognised in the consolidated balance sheet in relation to the defined-benefit plan is the present value of the defined benefit obligation at the balance sheet date, less the fair value of the assets of the plan, together with adjustments related to past service costs.

Actuarial gains and losses, resulting from adjustments based on experience and changes in actuarial assumptions, are recognised in the period in which they are incurred in the consolidated statement of changes in equity.

Since 1 January 2007, the subsidiary EGF, changed the pension fund from "defined benefit" to "defined contribution" for current employees and is based on an EGF contribution calculated as a percentage of the pensionable salary of each employee, provided that the latter meet the necessary conditions to be eligible for the Plan. Under this "Defined Contribution" plan, the pension plan expense is fixed at the outset. The contributions made by the subsidiary EGF to defined contribution plans are recorded as an expense on the date they fall due.

3.17. Periods accruals

In accordance with the accrual basis, expenses and income are recognised in the periods to which they relate, regardless of when the transactions are invoiced. Income and expenses the real value of which is not known are estimated.

Expenditures and income attributable to the current period and whose expenses and revenues will only occur in future periods, as well as expenses and revenues that have already occurred, but which relate to future periods and which will be allocated to the results of each of these periods, at the corresponding values, are recorded under Other payables, Other receivables and Deferred charges.

3.18. Revenue

Revenue is measured based on the fair value of the consideration received or receivable. The revenue recognised is deducted from the amount of returns, discounts and other rebates and does not include VAT and other taxes settled in relation to the sale.

Revenue from the sale of energy and recoverable products is recognised when all of the following conditions are met:

- All the significant risks and rewards associated with the ownership of the goods were transferred to the buyer;
- The Group does not retain any control over the goods sold;
- The amount of revenue can be reliably measured;
- Future economic benefits associated with the transaction are likely to flow to the Group;
- The expenses incurred or to be incurred with the transaction can be reliably measured.

Revenue originating from the rendering of services is recognised with reference to the stage of completion of the transaction/service at the reporting date, provided that all of the following conditions are met:

- The amount of revenue can be reliably measured;
- Future economic benefits associated with the transaction are likely to flow to the Group;
- The expenses incurred or to be incurred with the transaction can be reliably measured;
- The stage of completion of the transaction/service at the reporting date can be reliably measured.

Additional works and price reviews are recognised as revenue where they are agreed and accepted by customers, taking into consideration compliance with the conditions set out above.

The companies belonging to the EGF subgroup have the tariff supported by the annual approval of the grantor and the regulator.

The recognition of the revenue for the concessionary activities is based on the approved tariff of the regulator (ERSAR) determined by the revenues allowed on the basis of the quantities of waste from the undifferentiated collection.

The tariff has the purpose of recovering:

- i) The amortization of concession assets associated with the regulated activity;
- ii) Return on the average accounting value of the assets associated to the regulated activity, according to the rates defined by the regulator;
- iii) Operating costs associated with regulated activity.

Tariff Adjustments

The tariff regulation, issued by the ERSAR, defines the formula for calculating permitted revenues from regulated activities and includes in this calculation formula the calculation of tariff adjustments that are recovered until the second year after the date on which they are generated, thus defining the period in which these deviations are recovered.

Accordingly, the concessionaires determine, on each reporting date and in accordance with the criteria defined by the tariff regulation published by ERSAR, the deviations calculated between the allowable revenues recalculated based on actual amounts and revenues billed.

In view of the legislation and regulatory framework in force described above, the tariff adjustments calculated by the group in each period comply with a set of characteristics (reliability of measurement, right of recovery, transferability thereof and interest rate) that support its recognition as revenue, and as assets, in the year in which they are accrued. Such rationality is also valid when tariff adjustments are to be delivered (payable), which are configurable as liabilities and less revenue.

Any arrears interest charged to customers is recognized as revenue where it is paid by customers.

3.19. Regulatory assets/ Regulatory liabilities

On 1 January 2016 and taking as reference the financial statements as of 31 December 2015, the concessionaires assessed the existence of a liability to the grantor ("Regulatory balance"), which is determined by reference to the amounts of the additions of expenses related to accumulated amortisation of contractual investment to be realised, less the amount of deferred tax associated with it and the net book value of amortisation and grants of the group of goods and assets that do not form part of the relevant regulated asset base for purposes of determining allowable returns. In cases where that amount was negative, that liability, or "Regulatory Liability", was recorded in liabilities and where positive, a "Regulatory Asset, or Contractual Right" was recorded. Subsequently, when an annual rate of variation in tariffs of more than 2% is estimated on the annual revenue allowed to the concessionaires, the excess amount may be deducted from the Regulatory Liability, where applicable. At the end of the concessions, if Regulatory Liabilities still exist, the corresponding amount will be deducted from the residual value of the BAR to which the concessionaires will be entitled. In cases where a "Regulatory assets" has been determined, this is amortised over the concession period.

3.20. Value judgements, critical assumptions and key sources of uncertainty associated with estimates

In the preparation of the accompanying consolidated financial statements, value judgements and estimates were made and various assumptions were used that affect the book value of the assets and liabilities, as well as the income and expenses for the period.

The estimates and underlying assumptions were determined based on the best knowledge available at the date of approval of the consolidated financial statements regarding current events and transactions, as well as on the experience of past and/or current events. However, unexpected situations may arise in subsequent periods that were not considered in the estimates at the date of approval of the consolidated financial statements. Changes to the estimates made after the date of the consolidated financial statements will be corrected prospectively. For this reason and given the degree of uncertainty associated with the actual results of the transactions in question, they may differ from the corresponding estimates.

The main value judgements and estimates made in the preparation of the accompanying consolidated financial statements were as follows:

- Useful lives of tangible fixed assets;
- Useful lives of tangible assets;
- Impairment tests on Goodwill and on tangible assets;
- Impairment losses on accounts receivable;
- Recoverability of deferred tax assets on tax losses;
- Estimate of tariff deviation to be reflected in future tariffs and accrual of revenue based on the ERSAR's regulatory model;
- Recognition and valuation of provisions.

3.21. Events after the date of the consolidated balance sheet

Events after the date of the consolidated balance sheet that provide additional information regarding conditions that existed at the date of the consolidated balance sheet are reflected in the consolidated financial statements. Events after the date of the consolidated balance sheet that provide additional information regarding conditions that came about after the date of the consolidated balance sheet, are disclosed in the consolidated financial statements, if they are considered material.

3.22. Consolidated statement of cash flows

The consolidated statement of cash flows is prepared in accordance with the direct method. The Group classifies under cash and bank deposits assets with a maturity of less than three months and for which the risk of change in value is insignificant. For the purposes of the consolidated statement of cash flows, the item cash and bank deposits also includes bank overdrafts included in the balance sheet under the item borrowings.

The consolidated statement of cash flows is classified into operating, investment and financing activities.

Operating activities include collections from customers and the payments to suppliers, to staff and others related to operating activities.

Cash flows covered under investing activities include, namely, receipts and payments resulting from the purchase and sale of intangible and tangible assets, if applicable.

Financing activities include, namely, payments and receipts relating to borrowings, financial leasing contracts and dividend payments.

4. CASH AND BANK DEPOSITS

For the purposes of the consolidated statement of cash flows, cash and bank deposits includes cash and immediately drawable bank deposits (with a maturity less than or equal to three months), with bank overdrafts being classified as a financing activity, due to their permanent nature within the Group's financing structure. Cash and bank deposits as of 31 December 2022 and 2021 may be broken down as follows:

	2022	Non-current assets held for sale (Note 36)	2022 Total	2021
Cash	440,035	(13,764)	426,271	151,503
Immediately drawable bank deposits	67,020,856	(15,317,938)	51,702,917	33,294,990
Other bank deposits	55,658,412	(320,144)	55,338,268	29,121,933
Cash and cash equivalents	123,119,302	(15,651,846)	107,467,456	62,568,426
Captive deposits	648,095	-	648,095	3,655,557
Time deposits	400,000	(400,000)	-	-
Cash and cash equivalents	124,167,397	(16,051,846)	108,115,551	66,223,983
Bank overdrafts	(1,944,435)	-	(1,944,435)	-
	122,222,962	(16,051,846)	106,171,116	66,223,983

As of 31 December 2022 and 2021, the item "Captive deposits" in the amounts of 648,095 Euros and 3,655,557 Euros, respectively, was not available for use by the Group, of which, 445,772 Euros and 2,225,876 Euros, respectively, correspond to a counter-guarantee provided to various credit institutions in the form of captive bank deposits, to guarantee full and timely

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

fulfilment of the obligations arising from the financing contracts entered into with the European Investment Bank (“EIB”), (Note 24). These will only be used to repay principal and/or pay interest and other bank charges under this loan agreement. The amount of these deposits must have a minimum balance of not less than the sum of principal, interest and other bank charges payable by the Group to the EIB in the next 6 months, in accordance with the payment plan established in the contract.

The increase of “Cash” amount as of 31 December 2022 refers to cheques received on 31 December 2022 and deposited in the first days of January 2023.

5. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

During the period ended 31 December 2022, there were no changes in accounting policies in relation to those used in the preparation of the consolidated financial statements for the period ended 31 December 2021, nor were material errors or significant changes in accounting estimates for prior periods recognised.

6. SUBSIDIARIES, ASSOCIATED ENTERPRISES AND INVESTEES

Subsidiaries

The company and the following subsidiaries, in which the majority of voting rights (control) is held or controlled, were included in the consolidation, using the full consolidation method, as of 31 December 2022 and 2021:

Company name	Head office	Percentage of Participation in 2022	Percentage of Participation in 2021	Main activity	Date of incorporation	Date of acquisition
Suma - Serviços Urbanos e Meio Ambiente, SA ("Suma" - parent company)	Lisbon	-	-	Collection and treatment of solid waste	jun/94	-
Citrave - Centro Integrado de Resíduos de Aveiro, S.A. ("Citrave")	Lisbon	100.00	100.00	Treatment and disposal of other non-hazardous waste	dec/08	-
Through Suma		99.85	99.85			
Through Novaflex - Técnicas do Ambiente, SA ("Novaflex")		0.08	0.08			
Through Suma (Esposende) - Serviços Urbanos e Meio Ambiente, Lda. ("Suma Esposende")		0.08	0.08			
Correia & Correia, Lda. ("Correia & Correia")	Sertã	78.35	78.35	Trade and collection of used used	-	nov/09
Through Enviroll		78.35	78.35			
Ekosrodowisko Spółka z.o.o. ("Ekosrodowisko")	Poland	100.00	100.00	Collection of urban solid waste	-	dec/05
Through MES	(Bytom)	100.00	100.00			
Enviroll, SGPS, Lda ("Enviroll")	Torres Novas	78.35	78.35	Recycling of used oils and electricity production	-	nov/09
Through Suma		78.35	78.35			
Investambiente - Recolha de Resíduos e Gestão de Sistemas de Saneamento Básico, S.A. ("Investambiente") (Note 7)	Lisbon	-	52.00	Collection of other non-hazardous waste	jan/00	-
Through Novaflex		-	52.00			
Mota-Engil Srodowisko, Sp. z.o.o. ("MES")	Poland	100.00	100.00	Collection of urban solid waste	-	oct/09
Through Suma	(Krakow)	100.00	100.00			
Nova Beira - Gestão de Resíduos, S.A. ("Nova Beira") (Note 7)	Lisbon	-	100.00	Treatment and disposal of other non-hazardous waste	-	dec/07
Through Novaflex		-	33.00			
Through Investambiente		-	67.00			
Novaflex	Lisbon	100.00	100.00	Collection of other non-hazardous waste	-	dec/07
Through Suma		100.00	100.00			
Real Verde - Técnicas de Ambiente, S.A. ("Real Verde")	Vila Real	100.00	100.00	Treatment and disposal of other non-hazardous waste	-	dec/07
Through Novaflex		100.00	100.00			
Resigés - Gestão de Resíduos Hospitalares, Lda. ("Resigés")	Setúbal	50.00	50.00	Waste collection waste	-	dec/07
Through Novaflex		50.00	50.00			
Resilei - Tratamento de Resíduos Industriais, SA ("Resilei") (a)	Leiria	50.00	50.00	Collection and treatment of industrial Waste	-	jun/03
Through Suma		50.00	50.00			
Rima - Resíduos Industriais e Meio Ambiente, S.A. ("Rima")	Silvares	96.129	96.129	Collection and treatment of industrial Waste	aug/01	-
Through Suma		96.129	96.129			
Siga - Serviço Integrado Gestão Ambiental, S.A. ("Siga")	São Roque	70.00	70.00	Treatment and disposal of non-hazardous waste	oct/08	-
Through Suma		70.00	70.00			
SRI - Gestão de Resíduos, Lda. ("SRI")	Sertã	78.35	78.35	Waste collection	aug/08	-
Through Correia & Correia		78.35	78.35			
Suma (Douro) - Serviços Urbanos e Meio Ambiente, Lda. ("Suma Douro")	Murça	100.00	100.00	Collection and treatment of solid waste	jul/00	-
Through Suma		100.00	100.00			
Suma Esposende	Esposende	100.00	100.00	Collection and treatment of solid waste	dec/99	-
Through Suma		100.00	100.00			
SumaLab, S.A.	Matosinhos	100.00	100.00	Collection and treatment of solid waste	jul/00	-
Through Suma		100.00	100.00			
Suma (Porto) – Serviços Urbanos e Meio Ambiente, SA ("Suma Porto")	Porto	100.00	100.00	Collection of urban solid waste	nov/08	-
Through Suma		100.00	100.00			
Triu - Técnicas de Resíduos Industriais e Urbanos, S.A. ("Triu")	Prior Velho	78.35	78.35	Collection of non-hazardous waste	-	sept/08
Through Enviroll		78.35	78.35			
Sigamb	Angola	99.90	99.90	Waste collection	feb/14	-
Through Novaflex	(Luanda)	99.90	99.90			
Suma Macau	Macao	99.00	99.00	Waste collection	dec/13	-
Through Suma		99.00	99.00			
Enviroll II	Torres Novas	70.52	70.52	Recycling of used oils, electricity production and sale of fuel	apr/11	-
Through Enviroll		70.52	70.52			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

Company name	Head office	Percentage of Participation in 2022	Percentage of Participation in 2021	Main activity	Date of incorporation	Date of acquisition
Suma Moçambique, Lda. ("Suma Moçambique") Through Suma	Mozambique (Maputo)	99.00 99.00	99.00 99.00	Household cleaning	jun/11	-
AGIR - Ambiente e Gestão, Lda. ("Agir") Through Suma	Cape Verde	50.00 50.00	50.00 50.00	Collection and treatment of solid waste	dec/07	-
Suma Tratamento Through Suma Through Novaflex Through Suma Esposende	Lisbon	80.00 79.98 0.01 0.01	80.00 79.98 0.01 0.01	Collection and treatment of solid waste	oct/14	-
Triaza - Tratamento de Resíduos Industriais de Azambuja, SA ("Triaza") Through Suma	Lisbon	100.00 100.00	100.00 100.00	Construction and operation of the landfill	aug/15	-
Ecovision Through Suma	Omã	51.00 51.00	51.00 51.00	Collection of waste and urban cleaning	jul/15	-
EGF Through Suma Tratamento	Lisbon	79.99 79.99	79.99 79.99	Treatment and recovery of waste	-	jul/15
Valorminho Through EGF	Valença	40.80 40.80	40.80 40.80	Treatment and recovery of waste	-	jul/15
Resulima Through EGF	Vila Fria	40.80 40.80	40.80 40.80	Treatment and recovery of waste	-	jul/15
Resinorte	Celorico de Bastos	60.08	60.08	Treatment and recovery	-	jul/15
Through EGF		60.08	60.08	of waste		
Suldouro Through EGF	Vila Nova de Gaia	48.00 48.00	48.00 48.00	Treatment and recovery of waste	-	jul/15
Resiestrela Through EGF	Fundão	50.35 50.35	50.35 50.35	Treatment and recovery of waste	-	jul/15
ERSUC - Resíduos Solidos do Centro, SA ("Ersuc") Through EGF Through Suma	Coimbra	51.93 45.95 5.98	51.93 45.95 5.98	Treatment and recovery of waste	-	jul/15
Valorlis Through EGF	Leiria	40.80 40.80	40.80 40.80	Treatment and recovery of waste	-	jul/15
Valnor Through EGF	Avis	42.66 42.66	42.66 42.66	Treatment and recovery of waste	-	jul/15
Valorsul Through EGF	São João da Talha	42.34 42.34	42.34 42.34	Treatment and recovery of waste	-	jul/15
Amarsul Through EGF	Palmela	40.80 40.80	40.80 40.80	Treatment and recovery of waste	-	jul/15
Algar Through EGF	Almancil	44.80 44.80	44.80 44.80	Treatment and recovery of waste	-	jul/15
SBE Waste Management Limited (b) Through Suma	Hong Kong	90.00 90.00	90.00 90.00	Treatment and recovery of waste	apr/16	-
Suma Brazil Branch	Belo	100.00	0.00	Collection and treatment of solid waste	may/19	-
Geres Participações (c) and (d)	Belo	100.00	42.85	Collection and treatment of solid waste	dec/14	-
Suma Brasil (c) Through Geres	Belo	100.00	42.85	Collection and treatment of solid waste	-	dec/14
CTR (c) Through Geres	Santa Luzia	99.00	42.42	Collection and treatment of solid waste	-	dec/14

- (a) At 31 December 2022 and 2021, this investee was included in the consolidation using the full consolidation method, due to the remaining shareholders having transferred control of the management of Resilei's operational and financial policies to SUMA.
- (b) This investee was incorporated in April 2016 and has not yet started operating. In September 2017, SUMA acquired 30% of its capital, later holding 90% of its capital and it is now included under the full consolidation method.
- (c) With the acquisition of the remaining stake in Geres Participações, S.A. in November 2021, these affiliates are now included in the consolidation using the full consolidation method.
- (d) During the 2022 period, Geres ceased to hold the majority of Mais Itapevi's capital and now holds 35% of its capital.

These subsidiaries were included in the consolidation using the full consolidation method, under which it holds or controls the majority of the voting rights. In addition, the consolidated financial statements include the effect of the full consolidation of the operations of the subsidiaries disposed of and settled until the effective date.

For foreign-based companies, their financial statements were translated into euros using the exchange rates prevailing at the date of the consolidated balance sheet. The results of these

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

companies were translated into euros at the average exchange rate for the periods. The difference resulting from the conversion is recorded in equity under "Other changes in equity".

Investments in associated companies

As of 31 December 2022 and 2021, the Group held the following investments in associates:

Company name	Head office	Percentage of participation	Activity
AMBIBATALHA - Gestão de Resíduos, S.A. ("Ambibatalha")	Batalha	20.00	Collection and treatment of solid waste
Ambilital - Investimentos Ambientais no Alentejo, EIM ("Ambilital")	Santiago do Cacém	49.00	Collection and treatment of solid waste
Citrup - Centro Integrado de Resíduos, Lda. ("Citrup")	Maia	30.00	Collection and treatment of solid waste
Ecoleziria - Empresa Intermunicipal para o Tratamento de Resíduos Sólidos, EIM ("Ecoleziria")	Almeirim	24.50	Collection and treatment of solid waste
Ecolife	Maputo	30.00	Collection and treatment of solid waste
Vista Waste	Luanda	49.00	Collection and treatment of solid waste
Ecoss Ambiental	Belo Horizonte	34.00	Collection and treatment of solid waste
Mais Itapevi	Belo Horizonte	35.00	Collection and treatment of solid waste

Investments in associates are recognized in accordance with the equity method (Note 3.2), with financial statements of these companies being used with the same reporting date as that of the Group. For foreign-based companies, their financial statements were translated into euros using the exchange rates prevailing at the date of the consolidated balance sheet. The results of these companies were translated into euros at the average exchange rate for the periods. The difference resulting from the conversion is recorded in equity under "Other changes in equity".

Geres Participações, S.A., as per the introductory note, was considered an associate until October 2021, having become a subsidiary as of November 2021.

7. CHANGES TO THE CONSOLIDATION PERIMETER

During the period ended December 31, 2022, there were the following changes in the consolidation perimeter of the Group:

- During the 2022 period, Geres ceased to hold the majority of Mais Itapevi's capital and now holds 35% of its capital.
- During the period 2022, the companies Novabeira and Investambiente were dissolved and liquidated, hence, they were excluded from the consolidation scope.

During the year ended December 31, 2021, there were the following changes in the consolidation perimeter of the Group:

- In November 2021, 57.15% of the shares of Geres Participações S.A. were acquired, with the Group now holding 100% of the company's capital and, therefore, controlling the entity and its affiliates;
- Suma Brasil Sucursal was established in November 2021.

8. TANGIBLE FIXED ASSETS

During the periods ended 31 December 2022 and 2021, the movements in tangible fixed assets, as well as in the related accumulated depreciation and impairment losses, were as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

	2022						
	Land and assets natural resources	Buildings and other constructions	Equipment equipment	Basic of transport	Equipment administrative	Other fixed assets tangible	Fixed tangible ongoing
Gross Assets:							
Opening balance	12,893,579	21,693,289	56,361,442	65,491,313	3,224,675	6,749,605	7,306,948
Change in consolidation perimeter (Note 7)	-	-	(6,272)	-	(5,903)	-	-
Non-current assets held for sale (Note 36)	(6,415,234)	(11,755,388)	(28,134,539)	(7,960,891)	(626,293)	(1,338,637)	(5,295,631)
Acquisitions	-	70,265	1,141,893	1,813,553	133,380	250,465	3,342,724
Disposals	-	-	(202,103)	(1,866,178)	(2,287)	(227,713)	(14,950)
Transfers	-	239,351	313,049	597,835	4,888	840	(1,155,962)
Write-offs	-	(57,240)	(647,195)	(306,952)	(33,718)	(37,750)	(15,415)
Other variations	-	-	-	-	-	-	-
Currency revaluation	1,069,171	112,471	912,203	919,304	14,601	12,270	617,303
Closing balance	7,547,516	10,302,748	28,735,024	58,687,982	2,709,344	5,409,080	4,785,016
Accumulated depreciation and impairment losses:							
Opening balance	883,114	15,898,684	43,108,789	42,063,760	3,005,722	6,319,354	283,362
Change in consolidation perimeter (Note 7)	-	-	(213)	-	(93)	-	-
Non-current assets held for sale (Note 36)	(709,475)	(7,736,323)	(21,856,960)	(6,336,297)	(569,524)	(1,312,326)	(38,521,205)
Depreciation for the year (Note 32)	36,546	915,911	2,567,865	4,752,866	144,792	271,387	8,686,388
Disposals	-	(36,857)	(212,530)	(2,127,180)	(5,040)	(231,829)	-
Write-offs	-	-	(633,844)	(34,936)	(30,932)	(31,402)	-
Currency revaluation	-	60,814	443,632	381,611	14,014	1,097	-
Closing balance	210,185	9,102,563	23,504,248	38,708,123	2,560,713	5,016,281	283,362
Net assets	7,337,331	1,200,185	5,230,776	19,979,859	148,631	392,800	4,501,654

	2021						
	Land and assets natural resources	Buildings and other constructions	Equipment equipment	Basic of transport	Equipment administrative	Other fixed assets tangible	Fixed tangible ongoing
Gross Assets:							
Opening balance	6,476,958	21,599,812	53,005,001	54,441,951	3,072,038	6,612,196	5,407,110
Change in consolidation perimeter (Note 7)	6,408,949	18,006	3,737,672	6,893,220	14,311	103,035	231,579
Acquisitions	8,415	21,755	570,489	4,196,004	131,341	88,114	3,850,240
Disposals	-	(84,250)	(1,812,882)	(1,674,830)	(10,075)	(46,190)	-
Transfers	-	-	406,399	1,775,581	-	-	(2,181,980)
Write-offs	-	-	(138,054)	(272,648)	(670)	(5,550)	-
Currency revaluation	(743)	137,968	592,817	132,036	17,730	-	-
Closing balance	12,893,579	21,693,289	56,361,442	65,491,313	3,224,675	6,749,605	7,306,948
Accumulated depreciation and impairment losses:							
Opening balance	835,612	14,645,425	41,066,334	37,369,660	2,869,839	6,028,631	283,362
Change in consolidation perimeter (Note 7)	-	2,176	1,417,104	2,746,399	1,293	41,712	-
Depreciation for the year (Note 32)	47,502	1,228,010	2,139,443	3,649,109	125,886	299,268	-
Disposals	-	(51,535)	(1,764,262)	(1,520,165)	(7,955)	(44,751)	-
Write-offs	-	-	(121,652)	(275,448)	(670)	(5,550)	-
Currency revaluation	-	74,608	371,823	94,205	17,328	44	-
Closing balance	883,114	15,898,684	43,108,789	42,063,760	3,005,722	6,319,354	283,362
Net assets	12,010,465	6,794,605	13,252,653	23,427,553	218,953	430,251	7,023,586

During the period ended 31 December 2022 and 2021, the main purchases of tangible fixed assets are related to the acquisition of equipment, transport equipment and containers required for the Group's operating activities, as well as the improvement and expansion of the facilities of Correia & Correia e Enviroil II.

The considerable increase in tangible fixed assets during the period ended 31 December 2021 is largely influenced by the change in the scope of consolidation that occurred in November 2021, with the acquisition of the remaining stake of Geres Participações, S.A. (Note 7).

Transport equipment includes all types of vehicles and equipment used in municipal solid waste collection services, namely, sweeping vehicles and vacuum sweepers, container washers, crane and compactor vehicles and waste collection vehicles, among others. This type of equipment is essentially acquired through financial leasing contracts, as evidenced in Note 24.2.

Disposals correspond mainly to the sale of various types of used vehicles that were mostly depreciated.

The write-offs mainly concern containers that were no longer in working order.

With the acquisition of Gerês Participações, as of 31 December 2021, land held by the subsidiary Suma Brasil in the amount of 6,408,949 Euros is recognised in Suma's consolidated accounts. The Group's management expects that it will be operated as a landfill, and there are agreements in place with an investor for this purpose, which have underlying clauses with certain established conditions, including obtaining a licence.

9. INVESTMENT PROPERTIES

As of 31 December 2022, investment properties include land located in Cascais, Escandarão and Várzea. This land is not allocated to the production or supply of goods and services, but is recorded at historical cost, in the amounts of 1,647,000 Euros, 14,863 Euros, 35,491 Euros and respectively.

As of 31 December 2021, investment properties include land located in Cascais, Maceira, Escandarão and Várzea. This land is not used for the production or supply of

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

goods and services, but is recorded at historical cost, in the amounts of 1,647,000 Euros, 176,779 Euros, 14,863 Euros and 35,491 Euros, respectively.

In the period ended 31 December 2021, the company sold the Lousada land for the amount of 420,000.00 Euros.

In addition, on 31 December 2022 and 2021, this caption included a unit of a property leased to third parties in Lisbon.

In the periods ended 31 December 2022 and 2021, the movement under this caption was as follows:

	2022	2021
Opening balance	1,885,138	2,166,324
Disposals	-	(280,403)
Non-current assets held for sale (Note 36) (a)	(176,779)	-
Depreciation for the year (Note 32)	(783)	(783)
Closing balance	1,707,576	1,885,138

Investment properties have a market value lower than their book value, amounting to approximately 1,646,420 Euros, according to the property valuations carried out by an independent entity in 2022.

(a) This amount has been reclassified to Tangible fixed assets

10. GOODWILL

The detail of goodwill refers to the purchase difference recorded in previous periods, in the acquisition of subsidiaries and associated companies. As of 31 December 2022 and 2021, the detail of goodwill is as follows:

Entity or cash-generating unit	Year	Carrying	Depreciations of	Non-current assets held for sale (Note 36)	Carrying amount
		Acquisition amount 2021	the financial year (Note 32)		2022
Ecolatlantica	2006	83,212	(6,559)	-	76,653
Resilei	2007	79,827	(21,007)	(58,820)	-
Triu	2008	2,188,123	(280,599)	(1,907,524)	-
Enviroil	2009	6,488,047	(509,830)	(5,978,217)	-
Geres	2021	1,836,490	(188,358)	-	1,648,132
Citrave	2009	-	-	(81,580)	(81,580)
		10,675,699	(1,006,353)	(8,026,139)	1,643,207

Entity or cash-generating unit	Year	Carrying	Depreciations of	Carrying amount
		acquisition amount 2020	Increases financial year (Note 32)	2021
STL	2003	67,048	-	(67,048)
Ecolatlantica	2006	89,771	-	(6,559)
Resilei	2007	100,834	-	(21,007)
Triu	2008	2,468,722	-	(280,599)
Enviroil	2009	6,997,877	-	(509,830)
Geres	2021	-	1,883,580	(47,089)
		9,724,252	1,883,580	(932,133)

During the period ended 31 December 2021, the Group acquired the remaining 57.15% of the holding of Geres Participações, S.A., becoming the holder of its entire share capital, which generated a Goodwill whose useful life was set at 10 years as it is not defined.

During the periods ended 31 December 2022 and 2021, the movement in goodwill was as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

	2022	2021
Opening balance	10,675,699	9,724,252
Non-current assets held for sale (Note 36)	(8,026,139)	
Increases	-	1,883,580
Accumulated (Note 32)	(1,006,353)	(932,133)
Closing balance	1,643,207	10,675,699

In the period ended 31 December 2022, the Company assessed the recoverable value of its financial holdings, which include goodwill, considering the cash flow projections in accordance with the financial projections of each cash-generating unit for a period of five years, using a discount rate of 6.29% and a perpetuity growth rate of 2%.

For the Geres investee, a discount rate of 14.5% and a perpetuity growth rate of 3% were used. For the investee Resilei, the discount rate of 6.29% was used, but no perpetuity growth rate and considering cash flow projections until 2041, given that the landfill has a finite useful life.

In the period ended 31 December 2021, the Company assessed the recoverable value of its financial holdings, which include goodwill, considering the cash flow projections in accordance with the financial projections of each cash-generating unit for a period of five years, using a discount rate of 4.46% and a perpetuity growth rate of 2%. For the investee Resilei, the discount rate of 4.46% was used, but no perpetuity growth rate and considering cash flow projections until 2041, given that the landfill has a finite useful life.

For the purpose of the impairment test, and based on the criteria defined, no indications of impairment were identified, as a result, goodwill was amortised.

11. INTANGIBLE ASSETS

During the periods ended 31 December 2022 and 2021, the movements in intangible assets, as well as in the respective depreciation and accumulated impairment losses, were as follows:

	2022					
	Contractual	Development	Computer	Intangible assets	Other intangible	
	rights	Regulatory Assets	expenses	software	ongoing	assets
Gross Assets:						
Opening balance	1,215,824,957	270,201	557,533	1,777,507	21,582,672	20,929,237
Non-current assets held for sale (Note 36)	(2,860)	-	(557,533)	(304,285)	(24,750)	(13,528)
Acquisitions	18,277,802	-	-	447,046	37,205,588	258,771
Disposals	(2,922,553)	-	-	(940)	-	-
Reductions	(11,507,657)	-	-	-	(8,400)	(267,828)
Transfers	31,653,873	-	-	-	(31,653,873)	(1,341,945)
Currency revaluation	-	-	-	2,556	-	-
Closing balance	1,251,323,561	270,201	-	1,921,903	27,101,238	19,564,709
Depreciation and accumulated impairment losses:						
Opening balance	851,050,110	85,295	557,532	964,739	-	15,919,779
Non-current assets held for sale (Note 36)	(2,860)	-	(557,533)	(301,314)	(12,442)	(874,149)
Depreciation for the year (Note 32)	43,933,404	14,221	-	207,575	-	3,434,993
Disposals	(3,162,956)	-	-	(940)	-	253
Adjustments	-	-	-	-	-	2,602
Reductions	(10,575,134)	-	-	-	-	-
Currency revaluation	-	-	-	143	-	-
Closing balance	881,242,564	99,516	(1)	870,061	-	19,345,185
Net assets	370,080,997	170,685	1	1,051,843	27,101,238	219,523

	2021					
	Contractual	Development	Computer	Intangible assets	Other intangible	
	rights	Regulatory Assets	expenses	software	ongoing	assets
Gross Assets:						
Opening balance	1,167,489,458	270,201	557,533	874,307	50,899,205	18,051,470
Change in consolidation perimeter (Note 7)	-	-	-	21,459	-	-
Regulatory assets	-	-	-	-	-	-
Acquisitions	12,128,421	-	-	265	24,114,493	1,534,167
Disposals	(2,818,641)	-	-	-	-	-
Write-offs	(12,167,947)	-	-	(13,171)	-	-
Other movements (a)	-	-	-	884	-	-
Transfers	51,193,666	-	-	893,761	(53,431,027)	1,343,600
Closing balance	1,215,824,957	270,201	557,533	1,777,507	21,582,672	20,929,237
Depreciation and accumulated impairment losses:						
Opening balance	832,277,477	71,074	556,438	848,931	-	11,167,926
Change in consolidation perimeter (Note 7)	-	-	-	11,977	-	-
Depreciation for the year (Note 32)	33,330,388	14,221	1,095	116,152	-	4,751,853
Disposals	(3,015,603)	-	-	-	-	-
Write-offs	-	-	-	(13,171)	-	-
Reductions	(11,542,152)	-	-	830	-	-
Currency revaluation	-	-	-	20	-	-
Closing balance	851,050,110	85,295	557,532	964,719	-	15,919,779
Net assets	364,774,847	184,906	1	812,788	21,582,672	5,009,458

The main investments made during the year ended 31 December 2022 were as follows:

- Algar: Completion of the CTTRU — ASB Municipal Waste Treatment and Sorting Centre. Replacement of fleet and mechanical equipment. Installation of two Leachate Water Treatment Plants by Reverse Osmosis;
- Amarsul: adaptation of the Palmela Mechanical Treatment Unit for Mechanical and Biological Treatment. Purchase of door-to-door and separate collection vehicles. Purchase of other equipment for CVO;
- Ersuc: replacement of vehicles for selective collection, acquisition of containers for door-to-door collection. Partial sealing of operated Landfills.
- Resiestrela: TMB optimisation contract, renewal of compost tuning equipment. Purchase of automatic compactors and other support equipment;
- Resinorte: acquisition of landfill equipment, partial sealing of Landfills. Purchase of other IT equipment;
- Resultima: continuation of partial sealing works at Vila Fria landfill. Advance payment for the order of 2 generators for the Vila Fria Energy Recovery Plant;
- Suldouro: project to seal the Sermonde Landfill. Purchase of 2 trucks for selective collection. Purchase of other equipment for CVO and Landfill;
- Valnor: optimisation of the mechanical and biological treatment of the CITVRS of Avis, reverse osmosis of Castelo Branco. Purchase of separate collection vehicles and semi-trailers for the transfer of waste;
- Valorlis: works to increase the organic recovery capacity of the TMB for the treatment of biowaste, acquisition of vehicles for selective collection. Purchase of other equipment for Sorting, Biological Treatment and Mechanical Treatment;
- Valorminho: acquisition of replacement equipment (biogas, leachate and landfill, acquisition of new equipment for mechanical treatment and transfer stations);
- Valorsul: paper/cardboard and packaging presses for Sorting Centres. Fixed equipment for the West Sorting line and acquisition of selective collection vehicles.

As of 31 December 2022, the methods and main assumptions used in the preparation of the impairment test for Goodwill arising from the acquisition of the subsidiary EGF were based on the provisional regulated accounts as approved by the regulator (the ERSAR) for the regulatory period 2022-2024, plus capex investment projections and working capital variation for the period 2022-2034, remuneration rates currently in force for the entire contractual period and a post-tax discount rate of 6.37%. Based on the impairment testing carried out, there was no identified need to recognize impairment losses on this goodwill.

The final approval process of the CRPs for the 2022-2024 regulatory period was completed in the 1st quarter of 2023, and there are no relevant differences between the amounts recognised in the accounts of EGF's 11 concessions and the amounts arising from the CRPs for the 2022-2024 regulatory period.

With respect to the EGF Group, we emphasise that in 2020, as a way to find balanced, sustainable and stable solutions in terms of the results of the subsidiary EGF's concessionaires, the regulator proposed to the subsidiary EGF, within a framework of operating efficiency, to hire an independent external entity (auditor) to identify the causes of the variations in the results of the companies between 2018 and 2019 and quantify them, in order to make corrections to the 2019 reference operating costs. This process took place during 2020 and 2021 with significant adjustments to be made in CRR 2020 to 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

As a result of this decision, in 2021, EGF withdrew the administrative actions that were in place for the regulatory periods of 2016-2018 and 2019-2021.

As of 31 December 2022, based on the impairment testing carried out, no impairment losses were recorded in the aforementioned intangible assets.

12. FINANCIAL HOLDINGS - EQUITY METHOD

As of 31 December 2022 and 2021, the Group held the following financial holdings in associated enterprises:

2022									
	%		Turnover	Net		Value of the	Additional	Total equity investment in	
	Head office	held	Assets	Equity	income	holding	paid-in capital	assets	
Investments in associated companies:									
Vista Waste (a) and (b)	Luanda	49.00%	105,061,345	35,191,463	28,594,588	10,857,585	17,243,817	944,834	18,188,650
Ambilital	Santiago	49.00%	25,661,816	18,810,983	4,301,917	438,451	9,217,381	-	9,217,381
Citrup	do Cacém	30.00%	12,283	(18,230)	28,714	(11,915)	-	-	-
Ecolezria (c)	Maia	24.50%	-	-	-	-	317,481	-	317,481
Ecolife (b)	Almeirim	30.00%	2,340,623	1,206,730	2,016,225	140,206	362,019	-	362,019
Mais Itapevi	Maputo	35.00%	3,350,401	595,306	6,345,229	697,332	208,357	-	208,357
Ecos ambiental	Brazil	34.00%	146,045,856	57,518,933	66,824,042	14,388,516	27,938,167	944,834	28,883,001
2021									
	%		Turnover	Net		Value of the	Additional	Total equity investment in	
	Head office	held	Assets	Equity	income	holding	paid-in capital	assets	
Investments in associated companies:									
Vista Waste (a) and (b)	Luanda	49.00%	123,015,850	60,560,601	2,741,595	6,694,735	29,211,726	944,834	30,156,560
Ambilital	Santiago	49.00%	22,212,736	17,089,180	4,843,271	251,270	8,373,698	-	8,373,698
Citrup	do Cacém	30.00%	16,862	(6,316)	30,755	(9,088)	-	-	-
Ecolezria (c)	Maia	24.50%	-	-	-	-	317,481	-	317,481
Ambibatalha	Almeirim	20.00%	51,590	19,543	-	(178,734)	3,909	-	3,909
Ecolife (b)	Batalha	30.00%	1,842,229	884,588	1,229,629	114,227	295,376	-	295,376
Ecos ambiental	Maputo	34.00%	7,691,451	898,119	3,468,312	232,557	305,361	-	305,361
			146,939,264	78,647,597	8,845,251	6,932,410	38,202,190	944,834	39,452,384

- (a) The company's equity includes additional paid-in capital or supplementary capital granted by the Group.
- (b) These companies are based outside Portugal and use a currency other than the euro. Their financial statements are translated into euros and transposed to the NCRF. The subsidiary ECB SUMA changed its name to Geres Participações SA.
As mentioned in Note 7, Suma acquired the remaining 57.15% of Geres Participações, S.A., thus taking control and consolidating it.
Ecos is an affiliated company of Geres Participações, S.A..

- (c) Financial information not available.

During the periods ended 31 December 2022 and 2021, the Group did not identify any signs of impairment in relation to the financial holdings held.

Investments in associates are recognized in accordance with the equity method (Note 3.2), with financial statements of these companies being used with the same reporting date as that of the Group.

During the period ended 31 December 2022 and 2021, the movement in "Financial investments — equity method" was as follows:

2022			
	Value of the holding	Additional paid-in capital	Total
Opening balance	38,507,551	944,834	39,452,384
Increases	208,357	-	208,357
Decreases	(3,909)	-	(3,909)
Dividends assigned	(26,523,416)	-	(26,523,416)
Equity method	15,749,58	-	15,749,584
	4		
Closing balance	27,938,16	944,834	28,883,001
	7		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

2021			
	Value of the holding	Additional paid-in capital	Total
Opening balance	31,369,648	944,834	32,314,482
Increases	226,325	-	226,325
Decreases	(720,863)	-	(720,863)
Dividends assigned	(1,995,697)	-	(1,995,697)
Equity method	9,628,13	-	9,628,137
	7		
Closing balance	38,507,55	944,834	39,452,384
	1		

During the periods ended 31 December 2022 and 2021, of the dividends allocated, 16,569,383.66 Euros and 2,498,975 Euros, respectively, were received and the differences from the amounts approved for distribution were recorded in accounts receivable of the respective affiliates.

Movements relating to the application of the equity method are as follows:

2022				
	Gains/(losses) attributed to associates	Other changes in equity	Provisions for losses on financial holdings (Note 23)	Financial holdings
Vista Waste	5,297,872	9,103,376	-	14,401,248
Ambilital	214,841	783,101	-	997,942
Citrup	(3,574)	-	3,574	-
Ambibatalha	429	(429)	-	-
Ecolife	42,740	23,903	-	66,643
Mais Itapevi	367,457	(367,457)	-	-
Ecos ambiental	770,748	(486,996)	-	283,752
	6,690,512	9,055,497	3,574	15,749,584
2021				
	Gains/(losses) attributed to associates	Other changes in equity	Provisions for losses on financial holdings (Note 23)	Financial holdings
Vista Waste	3,248,763	5,144,956	-	8,393,719
Ambilital	123,122	1,492,470	-	1,615,592
Citrup	(2,726)	-	1,895	(832)
Ambibatalha	(35,847)	-	-	(35,847)
Ecolife	52,268	54,727	-	106,995
Geres	(1,289,356)	758,831	-	(530,525)
Ecos ambiental	79,035	-	-	79,035
	2,175,260	7,450,983	1,895	9,628,137

The caption "Other changes in equity" corresponds essentially to the recording of the exchange rate effect of the application of the equity method of associated companies in foreign currency and to the recording of Government grants they received.

13. OTHER FINANCIAL INVESTMENTS

On 31 December 2022 and 2021, the caption "Other financial investments" has the following composition:

	2022	2021
Opening balance	283,447	224,151
Increases/decreases	63,143	59,295
Non-current assets held for sale (Note 36)	(59,060)	-
Closing balance	287,530	283,447

14. LIABILITIES FOR POST-EMPLOYMENT BENEFITS

The EGF subgroup has a “defined-benefit” pension plan for its former employees, financed through payments to independently managed funds, to cover the payment of pension supplements (old age or disability) in the part that exceeds that guaranteed by social security.

Under this defined contribution plan, the cost of the pension plan is fixed from the outset and remains stable, with no need to make periodic actuarial valuations or meet financing deficits.

For the former employees’ plan, the actuarial study carried out, with reference to 31 December 2022 and 2021, presented the following assumptions:

	<u>2022</u>	<u>2021</u>
Mortality table	TV 88/90	TV 88/90
Disability table	EKV 79	EKV 79
Annual discount rate	3.80%	4.20%
Fund Yield Rate	-6.90%	-0.82%

At 31 December 2022 and 2021, the retirement benefit liabilities are as follows:

	<u>2022</u>	<u>2021</u>
Opening balance	259,519	312,217
Interest cost	1,126	1,903
Actuarial Losses/(Gains) resulting from changes in assumptions	50,058	24,373
Benefits foreseen	(68,622)	(80,814)
Discount rate change	<u>(5,545)</u>	<u>1,840</u>
Closing balance	<u>236,536</u>	<u>259,519</u>

For the period ended 31 December 2022 and 2021, the evolution of the assets of the fund and the summary of the fund was as follows:

	<u>2022</u>	<u>2021</u>
Opening balance	216,340	240,702
Adjustment Opening balance	-	(4,079)
Effective return	925	1,432
Gain/(loss) of income	(14,578)	2,273
Company Contributions	76,067	38,429
Benefits paid	<u>(67,942)</u>	<u>(62,417)</u>
Closing balance	<u>210,812</u>	<u>216,340</u>

	<u>2022</u>	<u>2021</u>
Current value of past liabilities	236,536	259,519
Current value of the assets in the fund	<u>210,812</u>	<u>216,340</u>
(Deficit)/Surplus in the fund	<u>(25,724)</u>	<u>(43,179)</u>

15. INCOME TAX

The Company is subject to Corporation Tax (“IRC”) at a standard rate of 21% on the basic taxable amount, plus a surcharge of 1.5% on taxable income and a state surcharge of 3%, resulting in an aggregate tax rate of, at the most, 25.5%.

Additionally, taxable profits for the period exceeding 1,500,000 Euros are subject to a state surcharge, pursuant to Article 87-A of the Portuguese Corporation Tax Code, at the following rates:

- 3% for taxable income between 1,500,000 euros and 7,500,000 euros;
- 5% for taxable income between 7,500,000 Euros and 35,000,000 Euros; and
- 9% for taxable income over 35,000,000 euros.

The deduction of net financing costs in determining taxable profit was subject to the higher of the following limits:

- 1,000,000 Euros;
- 30% of profit before depreciation, net financing costs and taxes.

Under Article 88 of the Portuguese Corporation Tax Code, the company is subject to autonomous taxation on a set of charges at the rates provided for in the above article.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except where there are tax losses, tax exemptions or reductions have been granted, or inspections, complaints or disputes are in progress, in which case, depending on the circumstances, the time limits may be extended or suspended. Therefore, the Group's tax returns for the years 2019 to 2022 may still be subject to revision.

The Board of Directors believes that any corrections resulting from reviews/inspections by the tax authorities of those tax returns will not have a significant effect on the financial statements as at 31 December 2022 and 2021.

As of 31 December 2022, and therefore effective for the year 2022, the deadline for reporting tax losses incurred in the tax years beginning on or after 2014 until 2016 was twelve tax periods. Tax losses generated in periods beginning on or after 1 January 2017 could be reported for a period of five years. Tax losses generated in tax years beginning on or after 1 January 2020 could be reported for a period of twelve years. The 2020 and 2021 tax periods shall be disregarded for purposes of calculating reporting time limits for tax losses prevailing on the first day of the 2020 taxable period. Additionally, the deduction of the tax losses was limited to 70% of taxable income, this rule being applicable to the deductions made in the tax periods starting in or after the 2014 tax year. This limit was increased to 80 per cent for tax losses assessed in the 2020 and 2021 tax periods.

With the approval of the 2023 State Budget, there is no longer a time period for loss carryforwards. On the other hand, the annual limit of the deduction from taxable profit is reduced to 65%, with the exception of losses generated in 2020 and 2021 to which 10 p.p. are added. This amendment applies to the deduction of losses from taxable profits for tax periods beginning on or after 1 January 2023, as well as to tax losses calculated in tax periods prior to 1 January 2023, whose deduction period is still in progress.

As of 31 December 2022, in Portugal, the Group had tax losses carried forward amounting to 94,365,047 Euros generated during the period 2014 to 2022.

	<u>2022</u>
Financial year in which they were generated	Amount
2014	256,676
2015	754,366
2016	10,906,889
2017	3,100,891
2018	11,782,561
2019	22,208,303
2020	21,765,217
2021	11,152,717
2022	<u>11,139,467</u>
	93,067,087

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

Additionally, on 31 December 2022, the Group had tax losses carried forward from companies located outside Portuguese territory, in the amount of 8,156,867 Euros, of which 6,858,906 Euros relate to Brazil and 1,297,960 Euros relate to Poland.

As of 31 December 2022, only deferred tax assets were recognised up to the amount of tax losses that Management expects to be recoverable.

Movements in deferred taxes:

At 31 December 2022 and 2021, according to the temporary differences that generated them, deferred tax assets and liabilities were as follows:

	Deferred tax assets			Deferred tax liabilities		
	2022	2021	2022	Non-current liabilities current assets held for sale (Note 36)	2022 total	2021 total
Provisions for other risks and charges	239,143	400,733	4,420,927	-	4,420,927	5,039,066
Financial restatement of accounts receivable	198,049	127,787	-	-	-	-
Tangible fixed assets	16,516	21,772	151,532	(151,532)	-	151,532
Impairment losses on inventories	105,285	105,285	-	-	-	-
Impairment losses on trade accounts receivable	178,950	371,150	-	-	-	-
Investment subsidies	-	-	11,983,317	(295,595)	11,687,722	11,586,741
Grants recognised in advance	-	-	1,324,016	-	1,324,016	2,063,953
Tax loss carryforwards	24,129,998	19,631,825	-	-	-	-
Regulatory liabilities	646,432	1,840,050	-	-	-	-
Transition adjustment - (POC/IFRS) (a)	-	-	16,170,771	-	16,170,771	17,573,793
Transition adjustment - grants	932,172	1,067,083	-	-	-	-
Intangible assets	12,255,122	14,180,415	9,081,451	-	9,081,451	9,746,377
Tariff deviation	2,733,351	5,073,171	8,658,363	-	8,658,363	4,863,945
Deferral of margins generated internally	25,874	25,874	-	-	-	-
Other	162,906	162,906	457,296	-	457,296	384,702
Regulatory balance	905,086	16,025	-	-	-	-
	42,528,884	43,024,076	52,247,674	(447,127)	51,800,547	51,410,109

(a) These temporary differences result from the transitional adjustments determined in 2009, by the Concessionaire Subsidiaries, as a result of the change from the POC to the IFRS. These differences are mainly due to increases in expenses for contractual investments made and amortisations relating to investments made, as well as the recognition of the respective grants, which, in view of the applicable legal provisions, will be recognised, for tax purposes, during the remaining period of the concession contract or in 5 years, depending on whether they relate to future or past investments, respectively. The remaining temporary differences result mainly from the recording of accruals of amortisations for future contractual investment and the registration of grants.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

The movement in deferred tax assets and liabilities for the periods ended 31 December 2022 and 2021 was as follows:

	2022				
	Opening balance	Income Statement of results	Equity	Non-current liabilities held for sale (Note 36)	Closing balance
Deferred tax assets					
Provisions for risks and charges	400,733	(161,590)	-	-	239,143
Financial restatement of accounts receivable	127,787	70,262	-	-	198,049
Tangible fixed assets	21,772	(5,256)	-	-	16,516
Impairment losses on inventories	105,285	-	-	-	105,285
Impairment losses on trade accounts receivable	371,150	(192,200)	-	-	178,950
Tax loss carryforwards	19,631,825	4,498,173	-	-	24,129,998
Regulatory liabilities	1,840,050	(1,193,618)	-	-	646,432
Transition adjustments - Subsidies	1,067,083	(134,911)	-	-	932,172
Intangible assets	14,180,415	(1,925,293)	-	-	12,255,122
Deferral of margins generated internally	25,874	-	-	-	25,874
Tariff deviation	5,073,171	(2,339,820)	-	-	2,733,351
Other	162,906	-	-	-	162,906
Regulatory balance	16,025	889,061	-	-	905,086
	43,024,076	(495,192)	-	-	42,528,884
Deferred tax liabilities					
Transition adjustment - (POC/IFRS) (a)	17,573,793	(1,403,022)	-	-	16,170,771
Tangible fixed assets	151,532	-	-	(151,532)	-
Investment subsidies	11,586,741	(26,595)	423,171	(295,595)	11,687,722
Grants recognised in advance	2,063,953	(739,937)	-	-	1,324,016
Accrued liability	5,039,066	(618,138)	-	-	4,420,927
Tariff deviation	4,863,945	3,794,418	-	-	8,658,363
Other	384,702	72,594	-	-	457,296
Fair value of intangible assets	9,746,377	(664,926)	-	-	9,081,451
	51,410,109	414,394	423,171	(447,127)	51,800,547

	2021				
	Opening balance	Change of perimeter of consolidation (Note 7)	Income Statement of results	Equity	Closing balance
Deferred tax assets					
Provisions for risks and charges	437,666	-	(36,933)	-	400,733
Financial restatement of accounts receivable	125,483	-	2,304	-	127,787
Tangible fixed assets	33,430	-	(11,658)	-	21,772
Impairment losses on inventories	105,285	-	-	-	105,285
Impairment losses on trade accounts receivable	642,532	-	(271,382)	-	371,150
Tax loss carryforwards	14,842,820	1,746,303	3,042,701	-	19,631,825
Regulatory liabilities	3,051,426	-	(1,211,375)	-	1,840,050
Transition adjustments - Subsidies	1,208,443	-	(141,360)	-	1,067,083
Intangible assets	15,690,170	-	(1,509,755)	-	14,180,415
Deferral of margins generated internally	25,874	-	-	-	25,874
Tariff deviation	3,925,590	-	1,147,580	-	5,073,171
Other	-	171,657	(8,751)	-	162,906
Regulatory balance	705,938	-	(689,913)	-	16,025
	40,794,659	1,917,960	311,457	-	43,024,076
Deferred tax liabilities					
Transition adjustment - (POC/IFRS) (a)	18,902,903	-	(1,329,110)	-	17,573,793
Tangible fixed assets	151,532	-	-	-	151,532
Investment subsidies	10,613,363	-	(679,583)	1,652,962	11,586,741
Grants recognised in advance	2,131,145	-	(67,192)	-	2,063,953
Accrued liability	4,638,004	-	401,061	-	5,039,066
Tariff deviation	3,899,991	-	963,954	-	4,863,945
Other	-	384,667	35	-	384,702
Fair value of intangible assets	10,132,223	-	(385,846)	-	9,746,377
	50,469,161	384,667	(1,096,680)	1,652,962	51,410,109

In December 2017, the answer to the request for binding information submitted to the Tax Administration by the subsidiary EGF representing the concessionaires was received with respect to the tax deduction of the derecognition of assets not related to the BAR, which resulted in the correction of tax loss carryforwards

for the year of 2016, passing a substantial part of the derecognised assets following the change in the regulatory model, to be recovered in the future through its tax amortisation.

As of 31 December 2022 and 2021, the temporary differences denominated “Transitional adjustments” result from the transitional adjustments determined, in 2009, as a result of the change from the POC to the IFRS (with the Group later adopting the SNC). These differences are mainly due to increases in expenses for contractual investments made and amortisations relating to investments made, as well as the recognition of the respective grants, which, in view of the applicable legal provisions, will be recognised, for tax purposes, during the remaining periods concession contracts.

The remaining temporary differences derive mainly from the recording of accruals of amortisations for future contractual investment (in accordance with the regulatory model in force until 31 December 2015) and the registration of investment grants under equity.

b) Reconciliation of the tax rate:

	2022	2021
Earnings before taxes	22,215,265	28,876,161
Nominal tax rate	21.00%	25.50%
Expected tax	4,665,206	7,363,421
Permanent differences (i)	(1,055,681)	(1,855,711)
Tax losses for which deferred tax was not recognised	264,187	17,872
Other	376,921	(894,630)
Tax benefits	-	(20,912)
Constitution / (use) of tax loss carryforwards	42,611	210,954
State surcharge	5,915	64,592
Autonomous taxation (ii)	803,145	576,348
Municipal Surcharge	26,427	-
(Excess)/deficit of tax estimate	(296,467)	(185,655)
	<u>4,832,264</u>	<u>5,276,279</u>
Current tax (Note 18)	4,332,090	6,653,467
(Excess)/deficit of tax estimate	(409,412)	29,602
Non-recoverable special payment on account	-	1,346
Deferred tax generated in the year	909,586	(1,408,137)
	<u>4,832,264</u>	<u>5,276,279</u>
Effective tax rate	<u>22%</u>	<u>18%</u>

(i) As of 31 December 2022 and 2021, this caption was broken down as follows:

	2022	2021
Undocumented expenses and other charges	439 559	532 883
Bad debts	70 648	800 609
Non-deductible provisions	(599 228)	(76 301)
Capital gains with/without intention to reinvest	(8)	(67 437)
Corrections relating to previous years	399 083	256 259
Fines and other penalties	18 525	23 073
Impairment/Amortisation of Goodwill	1 075 481	959 326
Accounting capital gains/losses	(82 980)	(4 486)
(Gains)/losses allocated to associates (Note 12)	(6 690 512)	(2 175 260)
Tax benefits	(892 032)	(793 570)
Depreciation not accepted as expense	1 471	2 808
Other net	1 232 942	(6 735 205)
	<u>(5 027 052)</u>	<u>(7 277 300)</u>
Nominal tax rate	21.00%	25.50%
Permanent differences	<u>(1 055 681)</u>	<u>(1 855 711)</u>

16. INVENTORIES AND COST OF GOODS SOLD AND MATERIALS CONSUMED

As of 31 December 2022 and 2021, the inventories have the following composition:

	2022				2021		
	Gross value	Impairment losses	Non-current assets held for sale	Net Value	Gross	Impairment losses	Net value
				Value			
				(Note 36)			
Goods	-	-	-	-	-	-	-
Finished products	1,561,263	-	(57,355)	1,503,908	1,374,837	-	1,374,837
Raw materials and consumables	3,153,678	(412,883)	(436,233)	2,304,562	2,863,919	(412,883)	2,451,036
Miscellaneous materials	7,723	-	(420)	7,303	10,256	-	10,256
	<u>4,722,664</u>	<u>(412,883)</u>	<u>(494,008)</u>	<u>3,815,773</u>	<u>4,249,012</u>	<u>(412,883)</u>	<u>3,836,129</u>

The cost of goods sold and materials consumed recognised in the periods ended 31 December 2022 and 2021, may be broken down as follows:

	2022			2021		
	Raw materials, subsidiaries and			Raw materials, subsidiaries and		
	Goods	consumption	Total	Goods	consumption	Total
Opening balance	-	2,874,175	2,874,175	114	2,241,125	2,241,239
Purchases	-	29,072,118	29,072,118	-	22,436,779	22,436,779
Adjustments	-	(47,859)	(47,859)	-	36,232	36,232
Closing balance	-	(3,161,401)	(3,161,401)	-	(2,874,175)	(2,874,175)
	<u>-</u>	<u>28,737,033</u>	<u>28,737,033</u>	<u>114</u>	<u>21,839,961</u>	<u>21,840,075</u>

In the periods ended 31 December 2022 and 2021, the cost of goods sold and materials consumed with related parties amounted to 8,388,152 Euros and 7,259,830 Euros, respectively (Note 26). This cost relating to merchandise, essentially due to the collection of recyclable waste subcontracted to Lisbon Municipal Council, for an amount of 75% of the value obtained by the subsidiary Valorsul through the sale of that waste to the companies Sociedade Ponto Verde, Novo Verde and Eletrão.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

The variation in production inventories for the periods ended 31 December 2022 and 2021 had the following composition:

	2022	2021
Opening balance	(1,374,837)	(1,878,269)
Inventory adjustments	6,087	3,952
Closing balance	1,561,263	1,374,837
Variation in production inventories	192,513	(499,480)

Impairment losses:

As of 31 December 2022 and 2021, the movement in impairment losses on inventories was as follows:

	2022	2021
Opening balance	412,883	412,883
Closing balance	412,883	412,883

17. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

As of 31 December 2022 and 2021, the captions “Trade accounts receivable” and “Other receivables” had the following composition:

	Gross value	Accumulated impairment	2022 Financial statement of accounts receivable of customers	Income recognise	Net value
Trade accounts receivable, non-current:					
General	165,442	(21,560)			143,882
Other receivables, non-current:					
2022 tariff deviation	29,561,535	-	-	-	29,561,535
Deferral of tariff (a)	6,341,625	-	-	-	6,341,625
Other debtors	53,212	-	-	-	53,212
Other debtors - Related parties (Note 26)	44,471	-	-	-	44,471
	36,000,843	-	-	-	36,000,843
	36,166,285	(21,560)	-	-	36,144,724
Customers, current account:					
General	60,133,047	(12,975,077)	(762,759)	(576,078)	45,819,133
Related parties (Note 26)	40,392,099	-	(28,387)	-	40,363,712
Non-current assets held for sale (Note 36)	(11,386,391)	1,895,013			(9,491,378)
	89,138,755	(11,080,064)	(791,146)	(576,078)	76,691,467
Or other receivables, current account:					
Other general debtors	4,751,715	-	-	(1,447,924)	3,303,791
Other general debtors - Related parties (Note 26)	7,547,864	-	-	-	7,547,864
Grants receivable	2,713,118	-	-	-	2,713,118
Advances on account of investments	1,469,403	-	-	-	1,469,403
2017 tariff deviation	37,724	-	-	-	37,724
2018 tariff deviation	119,783	-	-	-	119,783
2019 tariff deviation	716,334	-	-	-	716,334
2020 tariff deviation	80,822	-	-	-	80,822
2021 tariff deviation	10,025,974	-	-	-	10,025,974
Debtors by accrued income - Others	9,146,992	-	-	-	9,146,992
Non-current assets held for sale (Note 36)	(535,642)	-	-	-	(535,642)
	36,074,087	-	-	(1,447,924)	34,626,163
	161,379,127	(11,101,625)	(791,146)	(2,024,002)	147,462,354

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

	Gross value	Accumulated impairment	2021 Financial statement of accounts receivable of customers	Income recognise	Net value
Trade accounts receivable, non-current:					
General	1,825,129	(30,421)	-	-	1,794,708
Other receivables, non-current:					
Tariff deviation	12,487,023	-	-	-	12,487,023
Deferral of tariff (a)	5,828,075	-	-	-	5,828,075
Other Debtors	79,626	-	-	-	79,626
Other debtors — Related parties (Note 26)	44,471	-	-	-	44,471
	18,439,195	-	-	-	18,439,195
	20,264,324	(30,421)	-	-	20,233,903
Customers, current account:					
General	55,149,400	(12,814,099)	(487,806)	(547,026)	41,300,469
Related parties (Note 26)	38,224,466	-	(20,100)	-	38,204,366
	93,373,866	(12,814,099)	(507,906)	(547,026)	79,504,835
Other receivables, current account:					
Other general debtors:	4,882,142	(610,179)	-	(1,447,924)	2,824,039
Other general debtors - Related parties (Note 26)	1,016,477	-	-	-	1,016,477
Grants receivable	5,943,670	-	-	-	5,943,670
Investment payments on account	2,113,742	-	-	-	2,113,742
Tariff deviation	14,754,878	-	-	-	14,754,878
Accrued receivables - Related parties (Note 26)	465	-	-	-	465
Debtors by accrued income - Others	7,930,548	-	-	-	7,930,548
	36,641,922	(610,179)	-	(1,447,924)	34,583,819
	150,280,112	(13,454,699)	(507,906)	(1,994,950)	134,322,557

a) This amount results from the difference in the value of the tariff approved by the ERSAR, compared to the value invoiced in 2016 by the subsidiary Valnor. In June 2017, it was accepted by ERSAR the proposal made by the subsidiary Valnor with the agreement of the municipalities, to recover the tariff increase of the first regulatory period until 2024, hence it was part of the balance classified as non-current. In April 2019, the ERSAR agreed to extend the tariff agreement until 2027, i.e., it accepted that the regulatory balance created by the agreement should be settled by the aforementioned date.

“Grants receivable” refers essentially to PO-SEUR applications related to the investment made during the financial years 2022 and 2021. In 2022, the Group recorded an amount of 2,822,657 Euros for investment grants. As of 31 December 2022, the Group has made grant requests totalling 2,713,118 Euros, which are yet to be received. During the year ended 31 December 2022, an amount of 11,665,741 Euros was received. As of 31 December 2021, a total of 5,943,670 Euros in grants were requested.

During the periods ended 31 December 2022 and 2021, impairment losses on receivables changed as follows:

	2022	2021
Opening balance	13,454,699	13,234,841
Change in the consolidation perimeter	-	449,228
Increases	970,371	1,173,199
Reversals	(1,060,881)	(685,745)
Uses	(484,876)	(716,824)
Currency revaluation	117,325	-
Non-current assets held for sale (Note 36)	(1,895,013)	-
Closing balance	11,101,625	13,454,699

As of 31 December 2022 and 2021, an impairment loss in an approximate amount of 6,000,000 euros was reported relating to the value of the financial contribution due by the company Ponto Verde - Sociedade Gestora de Resíduos de Embalagens, SA (“SPV”), due to the increase in costs incurred with the collection and sorting of certain waste delivered by the Group for recycling, as that entity does not acknowledge its position as debtor. In the opinion of the Group, there are legal and/or constructive responsibilities assumed by that entity, both with the Group and with the public bodies responsible for the Environment, which bind the SPV in the payment of those amounts, which is why the concessionaires, on 14 June 2017 filed a consolidated consortium litigation in order to collect those amounts. However, in view of the non-recognition of the debt part of the SPV and because the collection of those amounts is not certain, the Group decided to constitute an impairment loss to meet those amounts.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

The increase in impairments was mainly due to secondary packaging that Sociedade Ponto Verde, Novo Verde and Electrão refused to pay and which are under discussion with those entities and with the ERSAR, with the reversal being related to the VAT on the SPV impairment.

In 2021 there was an increase in impairments related to management entities and the reversal of impairments related to SPV and other municipal customers.

In 2022 there was an increase in impairments, namely Resiestrela, and the reversal of impairments related to SPV.

During the periods ended 31 December 2022 and 2021, the following movements were made in the balances of the caption financial restatement of trade accounts receivable:

	2022	2021
Opening balance	507,906	495,114
Increases/Decreases (Note 31)	283,240	12,793
Closing balance	791,146	507,906

During the periods ended 31 December 2022 and 2021, the following movements were made in the balances of income receivable from trade accounts receivable and other accounts receivable:

	2022	2021
Opening balance	1,994,950	5,701,420
Increases/(decreases)	38,103	(433,795)
Recognized in income	(9,050)	(3,272,676)
Closing balance	2,024,002	1,994,950

As of 31 December 2021, the recognition in profit or loss corresponds essentially to interest on late payment and services provided, in the amount of 3,224,753.73 Euros, arising from a favourable decision of the Administrative and Tax Court of Sintra regarding the dispute between the Group and the Cascais Municipal Council.

The income receivable corresponds to interest on arrears charged to customers for delays in the settlement of amounts previously invoiced for services rendered and for services carried out. These amounts are recognised in the statement of income at the time they are paid by the customers (Note 3.18). Additionally, this caption also includes the recognition of services deferred up to that point.

18. STATE AND OTHER PUBLIC BODIES

As of 31 December 2022 and 2021, the caption “State and other public bodies” had the following composition:

	2022			2021		
	Debtors balances	Non-current assets held for sale (Note 36)	Total debtors balances	Creditors balances	Non-current liabilities held for sale (Note 36)	Total creditors balances
IRC:						
Payments on account	3,942,653	-	3,942,653	(241,485)	241,485	-
Special payment on account	2,070	-	2,070	-	-	-
Tax estimate (Note 15)	(4,332,090)	2,018,165	(2,313,925)	-	-	-
Withholding	2,868,089	-	2,868,089	728	(728)	-
Other	1,331,803	(2,018,165)	(686,362)	823,190	(699,915)	123,275
Personal income tax	115	-	115	758,590	(34,110)	724,480
Income tax — capital	-	-	-	-	-	-
Value Added Tax (“VAT”)	6,519,020	(396,593)	6,122,427	168,806	(28,872)	139,934
VAT - refunds requested	442,956	(370,112)	72,844	-	-	-
Social Security Contributions	312	-	312	2,043,730	(68,151)	1,975,579
Waste Management Fee	-	-	-	46,188,878	(2,057,735)	44,131,143
37,402,919 Other taxes (a)	-	-	-	687,816	1,914,733	44,131,143
	11,462,744	(766,705)	10,696,039	51,657,170	(2,707,140)	48,950,030

a) The waste management fee corresponds to amounts invoiced to customers of the companies of the EGF subgroup, which will be returned to the Portuguese Environment Agency (“APA”) and whose value increased from 11€/tonne to 22€/tonne in the 2nd half of 2021 and in 2022 the TGR remained at 22€/tonne, which partially accounts for the increase in this liability.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

19. DEFERRED ASSETS AND LIABILITIES

As of 31 December 2022 and 2021, “Deferred” assets and liabilities have the following composition:

Nature	Assets	2022 Liabilities	Assets	2021 Liabilities
Non-current:				
2021 tariff deviation - annual	-	-	-	17,881,632
Other	948,865	-	-	-
	948,865	-	-	17,881,632
Current:				
Regulatory balance	208,613	-	208,613	-
2017 tariff deviation	-	64,394	-	64,395
2018 tariff deviation	-	321,565	-	321,565
2019 tariff deviation	-	160,046	-	680,031
2020 tariff deviation	-	150,532	-	4,106,083
2021 tariff deviation	-	12,503,904	-	-
Regulatory balance	-	3,966,250	-	1,000,983
Insurance policies paid in advance	3,743,853	-	3,291,839	-
Non-current assets held for sale (Note 36)	(162,123)	-	-	-
Other	4,487,059	592,330	4,399,212	1,019,700
	8,277,402	17,759,021	7,899,664	7,192,757

The amounts related to the tariff deviation are derived from the difference between the tariff determined by the ERSAR against the amounts of allowable income recalculated based on actual amounts and revenues billed by the concessions of the EGF Subgroup.

20. CAPITAL

At 31 December 2022 and 2021, the capital was composed of two hundred and fifty thousand fully paid-up shares (Note 37) with a par value of fifty euros each. The subscribed capital is held by:

Companies	%	Amount
Mota-Engil Ambiente e Serviços, S.G.P.S., S.A. (“MEAS”)	61.5%	7,687,500
Urbaser (entity based in Spain and part of the ACS Group)	38.5%	4,812,500
		12,500,000

21. OTHER EQUITY CAPTIONS

The relevant information regarding the equity captions, as of 31 December 2022 and 2021, is as follows:

Share premiums: The amount recorded under this caption results from the premium obtained in the capital increase for the period ended 31 December 2004. In accordance with prevailing law, the use of the amount included under this item follows the legal reserve regime, i.e. it may not be distributed to shareholders, it may be used to absorb losses after all other reserves have been exhausted or it may be incorporated into capital.

Legal reserve: In accordance with prevailing legislation, at least 5% of the annual net profit, if positive, must be appropriated to the legal reserve, until it represents at least 20% of share capital. This reserve cannot be distributed except in the event of the Group’s liquidation, but it may be used to absorb losses after all other reserves have been exhausted or be incorporated into capital.

Other reserves: These reserves are constituted as free reserves, available for distribution.

Other changes in equity: This item corresponds to the effect of currency translation adjustments arising from the application of the equity method of associated enterprises held in foreign currency and the effects on associated enterprises of the registration of Government grants. Additionally, it includes the

effect on the conversion of assets and liabilities held in foreign currency of the translation adjustments of the financial statements of the branch in Oman.

The detail of this item may be broken down as follows:

	2022	2021
Opening balance	16,419,255	3,317,560
Equity accounting (Note 12)	9,055,497	7,450,983
Net deferred tax grants (a)	1,294,162	1,970,043
Goodwill on acquisition of Gerês	-	838,620
Reclassification of undistributed profits	(70,392)	2,171,945
Other variations	669,367	670,105
Closing balance	27,367,889	16,419,255

(a) Government grants

As of 31 December 2022 and 2021, investment grants obtained by the Group were recorded in equity and may be broken down as follows:

	2022				
	Opening balance	Recognition	Recognition	Reclassification	Closing balance
Triu	345	-	(445)	100	(0)
Correia & Correia	49,296	-	(11,644)	2,620	40,271
Enviroil II	1,060,122	-	(106,106)	23,874	977,890
EGF	53,585,960	8,514,657	(6,434,709)	-	55,665,908
	<u>54,695,723</u>	<u>8,514,657</u>	<u>(6,552,904)</u>	<u>26,594</u>	<u>56,684,070</u>

	2021				
	Opening balance	Recognition	Recognition	Reclassification	Closing balance
Triu	1,816	-	(1,897)	427	345
Correia & Correia	58,320	-	(11,644)	2,620	49,296
Enviroil II	1,142,203	-	(105,910)	23,830	1,060,122
EGF	46,424,966	11,584,163	(4,423,169)	-	53,585,960
	<u>47,627,304</u>	<u>11,584,163</u>	<u>(4,542,621)</u>	<u>26,877</u>	<u>54,695,723</u>

	2022	2021
Grants	1,961,753	7,041,542
Deferred tax liabilities	<u>(423,171)</u>	<u>(1,640,817)</u>
	<u>1,538,582</u>	<u>5,400,725</u>
Company shareholders:		
Grants	1,444,335	2,832,993
Deferred tax liabilities	<u>(150,173)</u>	<u>(862,949)</u>
Non-controlling interests	<u>244,420</u>	<u>3,430,681</u>
	<u>1,538,582</u>	<u>5,400,725</u>

Appropriation of profits from 2021: By decision of the General Meeting held on 29 august 2022, it was decided to allocate net income for the period ended 31 December 2021, amounting to 12,897,243.10 Euros for free reserves.

Additionally, the appropriation of net income for the period includes the distribution of 200,000 euros to Company employees.

Appropriation of profits from 2020: By decision of the General Meeting held on 14 June 2021, it was decided to allocate net income for the period ended 31 December 2020, amounting to 13,241,014.92 Euros, to unappropriated retained earnings.

Additionally, the appropriation of net income for the period includes the distribution of 240,000 euros to Company employees.

Proposed Appropriation of Profits from 2022:

Pursuant to Article 376 (b) of the Companies Code and taking into account the financial statements for the period, it is proposed that net income for the period 2022, amounting to 9,565,131.14 EUR, should be allocated to Free reserves.

Net income for the period 2022 already includes the distribution of profits to employees, amounting to 247,500.00 EUR.

22. NON-CONTROLLING INTERESTS

At 31 December 2022 and 2021, the caption non-controlling interests has the following composition:

	Balance sheet		Statement of income	
	2022	2021	2022	2021
Agir	(23,828)	(15,867)	(8,039)	(3,055)
Enviroil	5,742,859	5,364,548	912,910	938,791
Subsidiaries of Novaflex	4,687	46,657	1,656	(15,579)
Resilei	2,363,883	1,406,581	957,302	326,581
Rima	135,894	123,757	12,137	48,821
Siga	38,389	48,977	(10,587)	3,117
Suma Macau	(10,699)	(10,637)	621	743
Ecovision	(707,507)	(1,082,419)	448,809	559,455
Brazil	(1,980,774)	83,562		41,036
SBE	(864)	(628)		(201)
Suma Tratamento	(507,705)	(708,408)	78,702	870,156
Subsidiaries of Suma Tratamento	83,791,16	75,311,667	5,424,36	7,932,773
	<u>88,845,49</u>	<u>80,567,791</u>	<u>7,817,87</u>	<u>10,702,639</u>
	<u>8</u>	<u>0</u>	<u>0</u>	<u>0</u>

Changes in minority interests in the periods ended 31 December 2022 and 2021 were as follows:

	2022	2021
Opening balance	80,567,791	69,755,649
Profit for the year	7,817,870	10,702,639
Other changes:		
Allocation of dividends	(504,856)	(1,219,609)
Grants	244,420	3,430,681
Other	<u>720,273</u>	<u>(2,101,570)</u>
	<u>459,837</u>	<u>109,502</u>
	<u>8,277,708</u>	<u>10,812,141</u>
Closing balance	<u>88,845,498</u>	<u>80,567,791</u>

During the periods ended 31 December 2022 and 2021, dividends were paid to non-controlling interests in the amounts of 504,856 Euros and 1,219,609 Euros, respectively.

23. PROVISIONS

The movements in provisions for the period ended 31 December 2022 and 2021 was as follows:

	2022						Non-current liabilities held	
	Opening balance	consolidation	Increases	Reversals	Uses	Other	for sale (Note 36)	Closing balance
Current litigation	751,234	-	309,608	(5,001)	-	(98,822)	-	957,019
Provisions for environmental matters	8,043,501	-	518,276	-	-	-	(7,569,052)	992,725
Provisions for losses on financial holdings (Note 12)	1,895	-	-	-	-	3,574	-	5,469
Other risks and charges	2,018,803	(1,628)	83,495	(488,803)	(167,089)	-	(5,880)	1,438,898
	10,815,432	(1,628)	911,379	(493,804)	(167,089)	(95,248)	(7,574,932)	3,394,111

	2021						Non-current liabilities held	
	Opening balance	consolidation	Increases	Reversals	Uses	Other	for sale (Note 36)	Closing balance
Current litigation	737,166	-	103,665	(74,582)	(15,014)	-	-	751,234
Provisions for environmental matters	7,319,184	-	724,317	-	-	-	-	8,043,501
Provisions for losses on financial holdings (Note 12)	-	-	-	-	-	1,895	-	1,895
Other risks and charges	2,193,618	3,187	323,568	(412,534)	(89,035)	-	-	2,018,803
	10,249,968	3,187	1,151,549	(487,116)	(104,050)	1,895	-	10,815,432

The provisions recorded under “Current litigation” are intended to cover liabilities arising from lawsuits brought against the group, based on the opinion of lawyers and the historical experience of these types of litigation.

The amounts recorded under the item “Environmental matters” correspond to provisions for the sealing and monitoring of landfills and are recorded according to the amount of waste deposited in the landfill.

The amounts recorded under the item “Provisions for other liabilities and charges” correspond to provisions recorded to cover terminations of employment contracts arising from the legal obligation to indemnify, at the end of the service contracts entered into with the various Municipalities, employees who are performing duties under those contracts by virtue of their termination of employment. The reversals recorded relate to the renewal and extension of service contracts.

In 2008, following an international tender for the “collection of municipal solid waste in the high-density areas of Maputo city”, the subsidiary EGF formed a complementary company grouping (“CCG”) with the local company Neoquímica Moçambique Limitada, called EGF/Neoquímica, which is 75% held by the subsidiary EGF and 25% by the local company. For the development of this agreement, the CCG provided undifferentiated collection services in the city of Maputo, for a period of approximately 36 months. Although this agreement was terminated in October 2011, it has not yet been possible to complete the process of winding up this company as a result of the liquidation of all its assets and liabilities. Taking into consideration the development of the business and the prospect of potential losses, all balances related to this contract are accrued under other liabilities and charges, amounting to 357,329 Euros.

Additionally, during the course of the year ended 31 December 2022, there were reversals amounting to 5,001 Euros under current litigation. The amount of 98,822 Euros relating to ongoing legal proceedings was also utilised. Provisions for other risks and charges were increased by 309,608 Euros.

24. BORROWINGS

Borrowings, at 31 December 2022 and 2021, have the following composition:

	2022		2021	
	Non-current	Current	Non-current	Current
Borrowings	220,264,638	80,187,913	173,238,710	83,042,479
Finance leases	37,936,492	14,419,396	43,061,143	13,848,048
Non-current liabilities held for sale (Note 36)	(1,734,116)	(912,265)	-	-
	256,467,014	93,695,044	216,299,853	96,890,527

24.1. Borrowings

Loans at 31 December 2022 and 2021 consist of the following:

	2022		2021	
	Non-current	Current	Non-current	Current
Bond issue	9,750,000	3,250,001	11,375,000	1,625,000
Bank loans	210,514,638	38,386,462	159,363,710	37,631,327
Commercial paper	-	18,500,000	2,500,000	13,500,000
Bank overdrafts	-	1,944,435	-	8,343,923
Guaranteed current accounts	-	14,172,140	-	16,860,047
Factoring	-	3,934,875	-	5,000,000
Other borrowings	-	-	-	82,182
	220,264,638	80,187,913	173,238,710	83,042,479

Under the financing agreements concluded, bank loans are repayable as follows:

	2022	2021
2022	-	37,631,327
2023	37,061,771	33,736,120
2024	69,250,040	61,315,265
2025 and later	141,264,596	64,312,325
	247,576,408	196,995,037

As of 31 December 2022 and 2021, the bank loans bear interest at rates ranging from 2.75% and 3.75%.

During the period ended 31 December 2014, Suma arranged a loan from a Syndicate led by BPI, taken under the acquisition of EGF, amounting to a total of 70,000,000.00 Euros, with an amount of 68,750,885.81 Euros having been disbursed by 31 December 2017 as initial credit and part of the Subsequent credit.

The objective of the loan was to support Suma Tratamento (a subsidiary company) in the acquisition of EGF, and has been subject to semi-annual amortisation since May 2016. Additionally, Suma assumed associated financial commitments (Covenants), namely, the net financial debt/EBITDA, debt service coverage ratio, as well as issuing comfort letters. The debt to this Syndicate is net of the financial charges paid at the date of conclusion of the contract.

It should also be mentioned due to SUMA's failure to comply with the covenants, on 31 December 2022, the Company obtained a letter from BPI relating to the waiving of the right of the banks of the syndicate to accelerate the liabilities arising from the contract. Furthermore, the covenant related to the financing of BCP is currently not being met, nonetheless, it is under current.

The remaining covenants are in compliance as of 31 December 2022.

As a result of the finance contract for the acquisition of 95% of subsidiary EGF concluded on 5 November 2014, the subsidiary Suma Tratamento assumed certain responsibilities and covenants, which are being fulfilled. Within the scope of that financing, the covenants to be met correspond to the "Debt service coverage ratio" and "Debt service coverage ratio after cash" determined from Suma Tratamento's individual financial statements, which may not exceed 1.05, and the "Net Debt/EBITDA" ratio, calculated on the basis of EGF's consolidated accounts, which may not exceed 3.5. In the event of default, the financial institution may request the early repayment of the loan and/or a change to the previously agreed terms of the loan, if remediation measures are not implemented.

Additionally, SUMA, Suma Tratamento and EGF must not cease to directly or indirectly hold the current percentage interests in SUMA Tratamento, EGF and the concessionaires, respectively.

As part of that loan, the covenants to be fulfilled correspond to the "Net remunerated debt ratio/EBITDA" and "EBITDA/Accrued interest" at the level of EGF's consolidated financial statements, which should not exceed the parameter of 3.5 and should be higher than 4.5, respectively, and also to the "Net remunerated debt ratio/BAR" at the level of the individual statements of the concessionaires, which should not exceed the parameters between 0.75 and 1.5. In the event of default, the financial institution may request the early repayment of the loan and/or a change to the previously agreed terms of the loan.

Under the contract concluded in December 2019 with the EIB and not used, the Group assumed certain obligations and covenants under a solidarity arrangement. The covenants to be complied with in the context of that load correspond to "Net Debt/EBITDA" and "EBITDA/Accrued interest" in the consolidated financial statements of the subsidiary EGF, which must not exceed the parameters of 3.5 and less than 4.5, respectively, and also to the "Net remunerated debt ratio/BAR ratio" in the consolidated financial statements, which must not exceed the parameters of 65%.

The Board of Directors understands that there is no situation of default in relation to the obligations arising from the aforementioned Facility Agreement, either in terms of the maintenance of the main holdings in the subsidiaries or financial covenants.

Additionally, as a guarantee of full compliance with these loans, Suma Tratamento issued blank promissory notes and assumed the pledge of the shares held on the subsidiary EGF's capital, in favour of the banking syndicate led by BPI.

For the debenture loan issued by Montepio Geral, SUMA assumed associated negative pledge and cross default Covenants, as well as the net debt / EBITDA which cannot exceed 4 and the consolidated net debt cannot exceed 125 million Euros.

Additionally, as collateral for the various loans, there are several blank signed promissory notes, as well as autonomous guarantees from the Reciprocal Guarantee Companies (Garval and Lisgarante).

As of 31 December 2022 and 2021, escrow accounts earn interest in the range of rates between 2% and 3.25% and are subject to renewal for successive periods of three, six and twelve months, until termination by one of the parties. Additionally, as a guarantee of full performance of these financings, the Company signed blank promissory notes.

In 2018, with the acquisition of Banco Popular by Santander Totta, the Popular Grouped Overdraft and the Santander Grouped CCC were reverted to a Santander Grouped Overdraft with effect from 04 May 2018 in an amount and subject to an overall limit of 13,100,000.00 Euros, between the companies Suma, Suma Matosinhos, Suma Porto, Siga, Rima, Triu and Triaza.

The bank overdraft granted by BPI is pool funding, maturing in April 2023, which may be automatically renewed for successive periods of six and twelve months. In 2021, the Company had used this credit line amounting to 1,209,309.73 Euros and in 2020 it had not used the amount. Additionally, Suma Group companies jointly and severally assume liability for compliance with this financing. Under this financing agreement, the companies undertook to maintain the current shareholder structure.

The remaining bank overdrafts may be renewed for successive periods of six and twelve months, blank promissory notes having been given as a guarantee of full performance.

For the commercial paper the Group has assumed the following covenants:

- BCP — negative pledge, financial autonomy ratios above 20% and Net Debt/EBITDA should not exceed 3.5;

- CAIXA AGRICOLA — negative pledge and financial autonomy ratio above 35%;

- CGD - *negative pledge*.

As of 31 December 2022 and 2021, the Group had approved yet unused credit limits amounting to approximately 187 million Euros and 45.5 million Euros, respectively (Note 37).

24.2. Leases

Financial leases:

As of 31 December 2022 and 2021, the Group had the following assets under a finance leasing arrangement:

	2022			2021		
	Gross asset	Accumulated depreciation	Non-current liabilities held for sale	Asset income	Gross asset	Accumulated depreciation
Right of Use of Infra Structures	44,572,073	11,129,143	-	33,442,930	37,680,603	7,467,296
Buildings and other structures	1,678,754	972,132	(706,622)	()	1,829,203	1,037,456
Basic equipment	2,040,941	912,248	(829,784)	298,909	1,810,487	785,751
Transport equipment	28,942,255	11,698,241	(1,283,803)	15,960,211	27,361,127	8,743,384
Other tangible assets	297,591	180,531	-	117,060	396,943	226,672
	<u>77,531,614</u>	<u>24,892,295</u>	<u>(2,820,208)</u>	<u>49,819,111</u>	<u>69,078,363</u>	<u>18,260,559</u>
						<u>50,817,804</u>

The Group is lessee in financial lease contracts mainly related to the acquisition of transport vehicles, washing equipment and cranes.

At 31 December 2022 and 2021, the group's liabilities for maturing finance lease payments, including principal and interest, amounted to 55,304,300 euros and 57,494,283 euros, respectively, and fall due in the coming periods as follows:

	2022			2021		
	Capital	Interests	Non-current liabilities held for sale	Capital	Interests	Total
Up to 1 year	14,419,396	887,601	(760,641)	13,848,047	245,520	14,093,567
Between 1 and 5 years	37,936,492	1,209,980	(1,388,528)	43,061,144	339,572	43,400,716
	<u>52,355,888</u>	<u>2,097,581</u>	<u>(2,149,169)</u>	<u>56,909,191</u>	<u>585,092</u>	<u>57,494,283</u>

Operating leases:

The Group is lessee in operating lease contracts mainly related to the acquisition of light vehicles.

The operating lease agreements in force do not have contingent rents. Rents under operating leases fall due as follows:

	2022	2021
Up to 1 year	330,685	251,221
Between 1 and 5 years	536,542	192,046
	<u>867,228</u>	<u>443,267</u>

25. TRADE CREDITORS AND OTHER PAYABLES

As of 31 December 2022 and 2021, the item "Trade creditors" consists of:

	2022	2021
Trade creditors, non-current		
account: General	76,976	184,478
Related parties (Note 26)	-	23,864
	<u>76,976</u>	<u>208,342</u>
Suppliers, current account: General		
	38,158,321	31,840,687
Related parties (Note 26)	5,619,533	8,252,946
Receipt and checking of invoices	762,297	734,746
Non-current liabilities held for sale (Note 36)	(4,387,145)	-
	<u>40,153,006</u>	<u>40,828,379</u>

As of 31 December 2022 and 2021, the item "Other payables" consists of:

	2022	2021
Other payables, non-current: Regulatory liabilities (a)	-	2,798,211
Investment providers	184,478	-
Other creditors	591,112	239,384
Shareholders (Note 26)	8,240,000	8,240,000
	<u>9,015,590</u>	<u>11,277,595</u>
Other payables, current:		
Investment providers	19,264,493	15,564,344
Related parties (Note 26)	-	135,648
Advances from customers	30,462	-
Shareholders (Note 26)	564,041	1,018,716
Creditors by accrued expenses:		
Remunerations payable	15,763,645	14,291,333
External supplies and services	1,064,825	1,030,941
Interest payable on financing	1,234,504	531,093
Balance sheet allowances / staff bonuses (Note 21)	247,500	200,000
Related parties (Note 26)	5,685	2,037
Other	4,812,766	4,135,711
Regulatory liabilities (a)	2,738,596	3,979,525
Other general creditors	12,175,364	4,259,231
Related parties (Note 26)	5,036,996	5,205,752
Non-current liabilities held for sale (Note 36)	(2,368,935)	-
	<u>60,569,942</u>	<u>50,354,331</u>

The balance payable recorded under "Shareholders" corresponds to the dividends distributed by the Company to its shareholders for the year ended 31 December 2014.

(a) During the periods ended 31 December 2022 and 2021, movements in this heading were as follows:

	2022	2021
Opening balance	6,777,735	13,494,512
Use	(4,039,139)	(6,716,777)
Closing balance	<u>2,738,596</u>	<u>6,777,735</u>

The amount of Regulatory Liability used was due to the fact that in certain concessionaires there was an annual change in tariffs of more than 2% of the yearly allowable income (Note 3.19).

26. RELATED PARTIES

The most relevant related parties for the Group belong to the Suma Group and EGF Groups, namely Suma and EGF, including all its shareholders, directors/managers and key management personnel and companies controlled by them or significantly influenced by them, as well as companies belonging to the Mota-Engil and Urbaser Groups.

Shareholders:

As mentioned under Note 20, the Company is 61.5% owned by the Mota-Engil Group and 38.5% owned by Urbaser (a company based in Spain and part of the ACS Group).

Key management personnel

Given the company's governance structure and the decision-making process, the company only considers the Board of Directors as "management key personnel". During the periods ended 31 December 2022 and 2021, the Board of Directors received remuneration of 3,141,450 Euros and 3,036,201 Euros, respectively (Note 29).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

Transactions with related parties

During the periods ended 31 December 2022 and 2021, the following transactions were carried out with related parties:

Related parties	Acquisition of Right of Use of Infra Structures	Purchases of tangible fixed assets	2022				Interests and similar expenses incurred	Sales and services provided (Note 27)	Other income (Note 30)	Interest and similar income earned (Note 33)
			Cost of goods sold and materials consumed (Note 16)	External supplies and services (Note 28)	Payroll Expenses	Other expenses (Note 31)				
Águas de S. João e M, SA	-	-	-	-	-	-	-	5,397	-	-
Agrimota	-	-	-	-	19,232	7,347	-	385	-	-
Ambiohlo EM	-	-	-	39,765	-	-	-	1,874,913	-	-
Aqualvel	-	-	-	-	-	-	-	19,264	-	-
Ascendi O&M, SA	-	-	-	333	-	-	-	-	-	-
APIN -E.I.A. PINHAL INTER.EIM, SA	-	-	-	2,165	-	68	-	1,152,400	-	-
Biosmart, SA	-	-	-	60,000	-	-	-	-	-	-
Lousada Municipal Council	-	-	-	71,107	-	-	-	-	-	-
Carlos Augusto P.Santos & Fil.,Lda	1,442,313	-	-	-	-	-	-	5,145	-	-
Cerâmica Do Boialvo	-	-	-	-	-	-	-	5,095	-	-
Ecoezirnia	-	-	-	11	-	-	-	362,609	-	-
Ecolife	-	-	-	-	-	-	-	145,265	-	-
Eco Eburnie	-	-	-	-	-	-	-	38,937	-	-
Ecoss ambiental	-	-	-	-	54,269	-	-	-	2,324	-
Elaseco - Engenharia de Sistemas	-	-	-	-	-	-	-	15,185	-	-
EMARP - Emp. Mun. Ag. Res. Portimão EM	-	-	-	61,976	-	331	-	2,508,119	-	-
Emerge - ME Real Estate Developers, S.A.	-	-	-	-	-	-	-	9,646	-	-
FACGAR - Faro, Gestão Água Resíduos EM	-	-	-	-	-	-	-	2,328,312	-	-
Manuel Ant. da Mota Foundation	-	-	-	-	-	5,346	-	-	-	-
Iberifbran	-	-	-	-	-	-	-	5,646	-	-
Infralobo - Emp Infr. Vale do Lobo EM	-	-	-	-	-	-	-	216,804	-	-
Inframoura - Emp. Infr. Vilamoura, EM	-	-	-	13,246	-	31	-	635,773	-	-
Infraguinta - Emp. Infr. Quinta do Lago EM	-	-	-	304,303	-	-	-	218,656	-	-
Largo do Paço, Lda	-	-	-	346	-	-	-	-	-	-
Lusoporte - Concessão Travessia Tejo, SA	-	-	-	-	-	-	-	91,552	-	-
Mais Itapevi	-	-	-	292,422	-	7,633	-	242,421	-	-
Manvia	-	-	-	216	4,860	-	-	-	-	-
Mantifer	-	-	-	-	-	-	-	416	-	-
Metro Santos Sodré ACE	-	-	-	-	-	-	-	509	-	-
Mota-Engil Atv	288,125	6,078	-	3,496,199	-	-	-	67,584	-	70
Mota-Engil - global	-	-	-	1,325	-	-	-	-	-	-
Mota-Engil - Africa	-	-	-	1,602	25	-	-	-	-	-
Mota-Engil, SGPS	-	-	-	159,762	48	1,063	-	-	-	49,982
Mota-Engil, Ambiente e Serviços	-	-	-	2,080,600	-	-	-	-	-	-
Mota-Engil, Serviços Partilhados, S.A.	199	-	-	744,753	-	-	-	-	-	-
Mota-Engil Global Serviços Partilhados	-	-	-	340,705	(245)	374	-	-	-	-
Mota-Engil, Engenharia e Construção	-	-	-	3,513,767	-	179	-	253,480	8,204	-
Mota-Engil Polska	-	-	-	8,400	-	-	-	-	-	-
Mota-Engil Next S.A.	-	-	-	123,449	-	-	-	-	-	-
Mota-Engil Real Estate SGPS,SA	-	-	-	164,415	-	-	-	-	-	-
Mota-Engil Real Estate Developers	-	-	-	64,941	-	3,358	-	-	-	-
Mota-Engil Real Estate Alverca	-	-	-	-	-	-	-	1,356	-	-
Mota-Engil Real State Freixo	-	-	-	-	-	-	-	2,970	-	-
Mota-Engil Renewing, SA	-	-	-	7,870	-	-	-	-	-	-
Mota-Engil Railway Engineering	-	-	-	2,859	-	696	-	146,691	-	-
Mts-Metro Transportes Sul,SA	-	-	-	-	-	-	-	1,353	-	-
Municipalities of the Algarve	-	-	-	34,983	-	922	-	14,193,472	-	-
Municipalities of the Margem Sul do Tejo	-	-	-	33,440	408	-	-	17,359,301	434	-
Municipalities of the Centre Coast	-	-	-	884,062	-	245	8,022	11,503,072	13,082	-
Municipalities of Cova da Beira	-	-	-	124,263	-	2	-	2,562,888	3,058	-
Municipalities of the Centre North	-	-	-	-	-	-	-	5,471,257	-	-
Municipalities of Vale do Lima and Baixo Cávado	-	-	-	-	-	-	-	3,365,821	-	-
Municipalities of the South of the Douro	-	-	-	-	-	-	-	4,654,759	-	-
Municipalities of the North Alentejo	-	-	-	5,207	-	-	-	3,418,551	8,778	-
Municipalities of Upper Extremadura	-	-	-	-	-	-	-	3,810,513	-	-
Municipalities of Vale do Minho	-	-	-	-	-	-	-	1,443,698	-	-
Municipalities of Lisbon and the West Regions	-	-	7,302,250	1,183,919	-	1,724	-	16,823,570	96,791	1,219
SMAS Almada	-	-	-	610	-	-	-	53,603	-	-
Freguesia Vila do Bispo e Raposeira	-	-	-	-	-	-	-	383	-	-
Serviços Municip.Câmara Municipal Torres Vedras	-	-	-	6,796	-	-	-	1,255,005	-	-
Serv.Int.Águas e Resíduos Municípios Loures e Odivelas	-	-	1,085,902	327,957	-	20,953	-	5,200,105	16,292	-
Serviços Municip.Câmara Municipal Concelho Nazaré	-	-	-	2,406	-	-	-	345,278	329	329
Swipe News	-	-	-	15,000	-	-	-	-	-	-
Survauto	-	-	-	-	-	-	-	24,400	-	-
Taviraverde EM	-	-	-	90,194	-	56	-	1,219,080	-	-
Urbaser	-	-	-	814,216	-	-	-	-	-	-
Urbaser (Branch)	-	-	-	300,000	-	-	-	-	-	-
Vibeiras	-	-	-	-	-	-	-	39,532	-	-
Municipalised Services of Abrantes	-	-	-	1,326	-	-	-	702,636	-	-
Municipalised Services of Castelo Branco	-	-	-	4,714	-	-	-	1,141,331	-	-
Tejo Ambiente EIM, S.A.	-	-	-	-	-	-	-	183,666	281	-
Vista Waste	-	-	-	2,721	-	2,391,962	-	16,231	-	-
Civil Parish of Quarteira	-	-	-	-	-	-	-	94,358	-	-
Civil Parish of Santa Bárbara de Nexe	-	-	-	-	-	-	-	158	-	-
Civil Parishes of Faro St and S. Pedro	-	-	-	-	-	-	-	5,636	-	-
Serv Mun. Caldas Rainha Municipal Council Water and Sanitation	-	-	-	-	-	-	-	778,340	-	-
	1,730,637	6,078	8,388,192	15,388,261	76,189	2,442,696	8,022	106,022,527	149,573	51,800

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

2021										
Related parties	Acquisition of Right of Use of Infra Structures	Purchases of tangible fixed assets	Cost of goods sold and materials consumed (Note 16)	External supplies and services (Note 28)	Payroll Expenses	Other expenses (Note 31)	Interests and similar expenses incurred	Sales and services provided (Note 27)	Other income (Note 30)	Interest and similar income earned (Note 33)
Águas de S. João e M. SA	-	-	-	542	-	-	-	4,957	-	-
Agrimota	-	-	-	-	116	32,215	-	-	-	-
Ambiothão EM	-	-	-	-	-	-	-	1,076,904	-	-
Aqualvel	-	-	-	810	-	-	-	64,663	-	-
Ascendi IGI	-	-	-	-	-	-	-	49,891	-	-
Ascendi Operadora DI	-	-	-	-	-	-	-	685	-	-
Ascendi Operadora BLA	-	-	-	-	-	2,082	-	-	-	-
Ascendi O&M, SA	-	-	-	176	-	-	-	-	-	-
APIN - E.I.A. PINHAL INTER.EIM, SA	-	-	-	1,554	-	90	-	751,531	-	-
Biosmart, SA	-	-	-	60,000	-	-	-	5,107	-	-
Carlos Augusto P.Santos & Fil.,Lda	230,224	-	-	12,000	-	-	-	5,155	-	-
Ecotezira	-	-	-	53	-	-	-	344,121	-	-
Equimetra,SA	-	-	-	2,625	-	-	-	3,877	-	-
Ecopaint, SA	-	-	-	-	-	-	-	1,234	-	-
Eco Eburnie	-	-	-	-	-	-	-	31,277	-	-
Ecoss ambiental	-	-	-	-	47,973	15,749	-	-	-	-
EMARP - Emp. Mun. Ag. Res. Portimão EM	-	-	-	21,418	-	164	-	1,371,715	-	-
Eurocol - Invest. Turísticos, Lda	-	-	-	-	-	-	-	14	-	-
FAGAR - Faro, Gestão Água Resíduos EM	-	-	-	-	-	-	-	1,319,272	-	-
Civil Parishes of Faro Sé and S. Pedro	-	-	-	-	-	-	-	18,217	-	-
Geres Participações, S.A.	-	-	-	-	-	-	-	-	-	691,760
Hidrovia,SA	-	-	-	12,050	-	-	-	-	-	-
Iberfibran	-	-	-	-	-	-	-	2,562	-	-
Infralobo - Emp Infr. Vale do Lobo EM	-	-	-	-	-	-	-	86,073	-	-
Inframoura - Emp. Infr. Vilamoura, EM	-	-	-	2,803	-	39	-	305,972	-	-
Infraguinta - Emp. Infr. Quinta do Lago EM	-	-	-	15,589	-	-	-	106,597	-	-
Indagua Matosinhos	-	-	-	-	-	-	-	17,709	-	-
Indagua Vila do Conde	-	-	-	4,262	-	-	-	5,123	-	-
Largo do Paço, Lda	-	-	-	191	-	-	-	-	-	-
Liscont Operadores Contentores, SA	-	-	-	-	-	-	-	33,833	-	-
Liz On-Line, SA	-	-	-	1,299	-	-	-	-	-	-
Lena Eng. E construção, SA	-	9,273	-	6,053	-	-	-	9,273	-	-
Lena Agregados, SA	-	-	-	141	-	-	-	78,752	-	-
Lusoporte - Concessão Travessia Tejo, SA	-	-	-	1,600,906	-	-	-	34,557	24,982	-
Manvia	538,850	7,846	-	-	-	-	-	2,261	-	-
Manvia II	-	-	-	197,330	-	-	-	-	-	-
Manvia - Diagnósticos Eléctricos ACE	432,547	-	-	173,633	-	-	-	-	-	-
Manvia II Condutas, Lda	-	-	-	-	-	-	-	-	-	-
Mantiler	-	-	-	-	-	90	-	1,600	-	-
Metro Santos Sodré ACE	-	-	-	-	-	-	-	137	-	-
Mota-Engil - Africa	-	-	-	19,580	-	80	-	-	20,960	-
Mota-Engil, SGPS	-	-	-	311,574	-	460	-	93,397	1,177	132,173
Mota-Engil, Ambiente e Serviços	-	-	-	482,625	-	-	-	-	-	-
Mota-Engil, Serviços Partilhados, S.A.	-	-	-	718,251	-	15	-	68,688	18,493	-
Mota-Engil Global Serviços Partilhados	-	-	-	284,920	-	444	-	-	-	-
ME Capital	-	-	-	125,717	-	-	-	-	-	-
Mota-Engil, Engenharia e Construção	470	-	-	3,531,938	-	2,753	-	75,816	1,311	-
Mota-Engil Polska	-	-	-	8,400	-	-	-	-	-	-
Mota-Engil Dominicana	-	-	-	-	75	-	-	-	-	-
Mota-Engil Europa	-	-	-	1,452,000	-	-	-	-	-	-
Mota-Engil Imob. e Turismo	-	-	-	13,899	-	89	-	13,586	-	-
Mota-Engil Real Estate SGPS,SA	-	-	-	218,452	-	-	-	-	-	-
Mota-Engil Railway Engineering	-	-	-	-	-	-	-	140,797	-	-
Mts-Metro Transportes Sul,SA	-	-	-	-	-	-	-	1,384	-	-
MRN - Manutenção de Rodovias	-	-	-	-	-	-	-	315	-	-
Municipalities of the Algarve	-	-	-	48,856	-	838	-	7,738,403	-	-
Municipalities of the Margem Sul do Tejo	-	-	-	41,340	232	-	-	13,310,579	1,155	-
Municipalities of the Centre Coast	-	-	-	140,728	56	6,273	-	10,297,810	35,700	-
Municipalities of Cova da Beira	-	-	-	124,213	2	-	-	2,222,873	2,850	-
Municipalities of the Centre North	-	-	-	-	-	-	-	4,534,657	-	-
Municipalities of Vale do Lima and Baixo Cávado	-	-	-	-	-	-	-	991,886	-	-
Municipalities of the South of the Douro	-	-	-	-	-	-	-	3,200,287	-	-
Municipalities of the North Alentejo	-	-	-	17,056	-	-	-	5,496,183	8,517	63,453
Municipalities of Upper Extremadura	-	-	-	4,025	102	-	-	3,616,909	-	-
Municipalities of Vale do Minho	-	-	-	-	-	-	-	802,614	-	-
Municipalities of Lisbon and the West Regions	-	-	6,439,735	1,183,413	-	1,985	-	16,201,476	5,257	3,079
S.S. Bioenergias, SA	-	-	-	-	-	-	-	40,937	-	-
SMAS Almada	-	-	-	386	-	-	-	46,261	-	-
Freguesia Vila do Bispo e Raposeira	-	-	-	-	-	-	-	234	-	-
Serviços Municip.Câmara Municipal Torres Vedras	-	-	-	(786)	-	-	-	1,307,381	-	-
Serv.Int.Águas e Resíduos Municípios Loures e Odivelas	-	-	820,095	360,489	-	20,603	-	5,019,639	1,223	-
Serviços Municip.Câmara Municipal Concelho Nazare	-	-	-	2,400	-	-	-	328,084	-	3,162
Scopajar Aveiro	-	-	-	-	-	-	-	212	-	-
Sotagás	-	-	-	-	-	-	-	24,831	-	-
Sunvaio	-	-	-	-	-	-	-	24,046	-	-
Taviravrede EM	-	-	-	73,790	-	53	-	662,634	-	-
Transitex	-	-	-	-	-	-	-	35	-	-
Trocevir	-	-	-	-	-	-	-	1,533	-	-
Urbaser	-	-	-	1,003,258	-	-	-	-	-	30,855
Urbaser (Branch)	-	-	-	300,000	-	-	-	-	-	-
Vieiras	-	-	-	-	-	-	-	100,569	108	-
Vista Waste	-	-	-	-	-	-	-	4,288	-	-
Serv. Mun. Cidades Ranhais Municipal Council Water and Sanitation	-	-	-	-	-	-	-	773,871	-	-
	1,202,091	17,116	7,259,830	12,579,959	48,164	78,141	6,273	82,895,454	121,733	924,482

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)2021

Clients, current account	Receivables	Other receivables	Accrued income	Suppliers, current account	Shareholders	Accrued expenses	Other payables
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The balance payable recorded under “Shareholders” essentially corresponds to the dividends distributed by SUMA to its shareholders for the period ended 31 December 2014, amounting to 8,240,000 Euros. This amount is classified as non-current.

27. SALES AND SERVICES PROVIDED

The sales and services provided recognised by the Group, in the periods ended 31 December 2022 and 2021, are as follows:

	2022	2021
Treatment of municipal solid waste	141 654 176	106 245 327
Sale of energy	49 045 086	50 542 421
Recyclable material	65 600 923	61 301 655
Collection and transport of municipal solid waste	63 254 199	39 763 935
Treatment of industrial waste	33 869 530	24 137 637
Cleaning and sweeping	25 746 428	17 073 366
Management of landfills/integrated systems	1 611 953	5 645 689
Container maintenance	5 335 507	6 799 331
Industrial collection	4 862 589	2 420 661
Other	14 211 485	10 108 523
	<u>405 191 876</u>	<u>324 038 545</u>

The services rendered in the years ended 31 December 2022 and 2021 refer essentially to the treatment and recovery of waste from undifferentiated collection to municipal customers. In 2021, there was an extraordinary revision of permitted revenues for the years 2019, 2020, and 2021 amounting to 20 million Euros and a correction to the tariff adjustment of the CRR 2020 amounting to 12 million Euros (this includes the cancellation of the estimated value of consideration from 2011).

During the year ended 31 December 2022, as mentioned in Note 1.1, the Group reflected in its services rendered the positive difference in the tariff deviation, resulting from the difference between that reflected in the statutory accounts for 2021 on an estimated basis and that determined by ERSAR in the draft decision of Actual Regulated Accounts 2021 (which includes the adjustment related to COVID and multi-annual maintenance), amounting to 8,042,795 Euros against deferred assets/liabilities (Note 17/19).

In addition, as mentioned in Note 1.1, the services rendered also included an estimated tariff deviation for 2022 amounting to 29,561,535 Euros, which includes the differential between the transition tariff and that approved for 2022 and the REPP, against deferred assets/liabilities (Note 19).

In the period ended 31 December 2022 and 2021, services were provided and sales made to related parties in the amounts of 106,022,527 Euros and 82,895,464 Euros, respectively (Note 26).

28. SUPPLIES AND SERVICES

The caption "External supplies and services", in the periods ended 31 December 2022 and 2021, had the following composition:

	2022	2021
Maintenance and repairs	38,796,927	24,286,337
Specialized work	16,057,662	16,598,532
Fuels	30,755,914	22,257,462
Insurance	6,456,917	5,955,144
Leases and rents	6,490,487	4,790,929
Surveillance and security	4,375,082	3,906,541
Transport, travel and accommodation	4,438,075	2,763,811
Subcontracts	30,076,277	20,977,923
Water and electricity	800,435	775,915
Communications	361,519	277,641
Commissions and fees	284,890	322,800
Management charges	1,049,023	1,399,474
Other supplies and services	<u>13,433,296</u>	<u>8,981,180</u>
	<u>153,376,504</u>	<u>113,293,689</u>

The caption "Other external supplies and services" consists essentially of costs incurred with the transport of goods, consumption of reagents, tools and fixtures of rapid wear, as well as travel and stays.

In the 2022 financial year, the increase in the maintenance and conservation caption is noteworthy due to the reclassification of multi-annual maintenance that until 2021 was recorded under amortisation (recognition of amounts to be amortised).

The caption subcontracts and specialised works increased due to the hiring of temporary work and transport and selective collection, namely in the companies Algar and Ersuc.

Regarding energy, fuel and other fluids the variation is explained by the increase in fuel prices over the year.

In other external supplies and services, the increase was essentially due to higher expenditure on process consumption, namely natural gas at Valorsul's CTRSU.

In the periods ended 31 December 2022 and 2021, services provided by related parties were obtained in the amounts of 15,388,261 euros and 12,579,959 euros, respectively (Note 26).

29. STAFF COSTS

The caption "Payroll expenses" for the periods ended 31 December 2022 and 2021, is as follows:

	2022	2021
Remuneration of staff	97 721 622	78 927 516
Charges on remunerations	22 792 837	17 403 545
Insurance	3 273 880	2 982 727
Payments to directors (Note 26)	3 141 450	3 036 201
Compensation payments	114 074	280 308
Social action expenses	123 736	204 535
Other	10 182 161	5 017 170
	<u>137 349 760</u>	<u>107 852 002</u>

The large variation in the captions remuneration and charges on remuneration is related to the fact that, in 2022, Suma Brasil's consolidation covered the entire 12-month period, whereas in 2021, it only included the last 2 months.

The average number of workers employed by the group in the periods ended 31 December 2022 and 2021 was as follows:

	2022	2021
Employees	7,826	8,032
Employees assigned by municipal councils	4	7
	<u>7 830</u>	<u>8 039</u>

30. OTHER INCOME

The caption "Other income", in the periods ended 31 December 2022 and 2021, is as follows:

	2022	2021
Construction income in right of use of infrastructure	59,118,577	35,366,847
Compensation payments associated with claims	339,703	416,422
Arrears interest charged to customers	133,479	1,495,045
Corrections relating to previous years	46,772	29,072
Cash discounts received	214,878	135,864
Operating subsidies	128,149	134,088
Gains from sales of tangible fixed assets	502,731	1,826,626
Financial restatement of trade receivables (Note 17)	-	19,179
Exchange differences	681,843	200,064
Recognition of income associated with the change in the remuneration model	-	81,276
Gains on financial instruments	2,414	57
Other additional income	<u>2,476,356</u>	<u>2,030,722</u>
	<u>63,644,902</u>	<u>41,735,262</u>

In the periods ended 31 December 2022 and 2021, other income was obtained from related parties in the amounts of 149,573 euros and 121,733 euros, respectively (Note 26).

31. OTHER EXPENSES

The caption "Other expenses", in the periods ended 31 December 2022 and 2021, is as follows:

	2022	2021
Construction expenses in right of use of infrastructure	59,118,577	35,366,847
Taxes	1,493,621	2,347,051
Currency revaluation	2,278,452	12
Donations and contributions to employer's associations	214,658	223,831
Corrections relating to previous years	203,572	158,099
Undocumented expenses	439,519	532,763
Financial restatement of trade receivables (Note 17)	283,240	34,438
Contractual penalties	320,317	51,744
Losses on disposals/write-offs of tangible fixed assets	27,452	128,187
Cash discounts allowed	3	954
Losses Financial investments FCT	12	903
Bad debt write-offs	959,506	50,060
Other	<u>1,591,004</u>	<u>(936,583)</u>
	<u>66,929,933</u>	<u>37,958,306</u>

In 2022 the DUI was higher than the previous year, due to higher investment.

The unusual amount in other expenses concerns the correction of the TGR-NR amounts for 2020.

In the period ended 31 December 2022 and 2021, the Group incurred other expenses with related parties amounting to 2,442,696 euros and 78,141 euros, respectively (Note 26).

32. DEPRECIATION AND AMORTIZATION EXPENSES

The caption "Depreciation and amortisation expenses" for the periods ended 31 December 2022 and 2021 has the following composition:

	2022	2021
Tangible fixed assets (Note 8)	8,689,368	7,489,217
Intangible assets (Note 11)	47,590,194	38,213,708
Investment properties (Note 9)	783	783
	<u>56,280,345</u>	<u>45,703,708</u>
Goodwill (Note 10)	<u>1,006,353</u>	<u>932,133</u>
	<u>57,286,698</u>	<u>46,635,842</u>

The changes in the intangible assets caption are mainly due to the provisional regulated accounts for 2022-2024 where ERSAR now classifies this maintenance as opex in its entirety, whereas previously, the value was deferred due to its amortization. Thus, as of 2022, maintenance is accounted for in ESF, the amounts to be amortised in 2021 were fully amortised in 2022 and the amount not yet reflected in the tariff was adjusted and considered in the 2021 CRR.

33. INTEREST AND SIMILAR INCOME EARNED

The income and gains from financing, recognised in the periods ended 31 December 2022 and 2021, are as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

	2022	2021
Interest received:		
Deposits and short-term investments	1,307,918	1,345,712
Financing granted to related parties (Note 26)	51,600	924,482
Similar income received:		
Other	1,497,087	295,163
	<u>2,856,605</u>	<u>2,565,357</u>

34. INTEREST AND SIMILAR EXPENSES INCURRED

Financing expenses and losses, recognised in the periods ended 31 December 2022 and 2021, are as follows:

	2022	2021
Interest payable	13,380,817	12,296,530
Stamp Duty	544,908	812,512
Bank charges	1,092	-
Other	1,924,914	1,976,617
	<u>15 851 731</u>	<u>15 085 659</u>

35. BANK GUARANTEES

As of 31 December 2022 and 2021, the group had requested the issuance of bank guarantees provided to third parties (namely to Municipal Councils and Associations of Local Authorities), due to contractual requirements, as follows:

	2022	2021
<u>BPI:</u>		
Portuguese State	2 839 524	2 839 524
DGGE	20 000	20 000
EDP - Distribution	918	918
Municipal Chambers and Associations	845 978	847 463
Municipality of Montalegre	11 404	11 404
Santo Tirso Labour Court	14 014	14 014
Leiria Employment Tribunal - 1st Chamber	8 222	8 222
Northern Regional Development Coordination Commission	47 215	47 215
	<u>3 787 275</u>	<u>3 788 760</u>
<u>BCP:</u>		
Portuguese State	3 911 154	3 911 154
Municipal Chambers and Associations	662 690	607 690
Jud. Court County Porto Este -Labour Court of Vila Nova de Gaia 1st Chamber	3 224	3 224
APA - Portuguese Environment Agency	100 000	100 000
Tax and Customs Authority	1 000	1 000
Viana do Castelo Court	5 509	5 509
	<u>4 683 577</u>	<u>4 628 577</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DECEMBER 2022
(Amounts expressed in euros)

	2022	2021
<u>CGD:</u>		
Municipal Chambers and Associations	891 436	1 124 098
MARL - Lisbon Regional Supply Market	-	56 706
Lipor	45 982	45 000
ANA - Aeroportos de Portugal, SA	78 077	78 077
EPAL - Empresa Port. de Águas Livres	18 600	18 600
APDL - Administração dos Portos do Douro, Leixões e Viana do Castelo, S.A.	36 250	36 250
APA - Portuguese Environment Agency	22 041	22 041
University of Aveiro	11 377	11 377
Ecoleziria	19 992	19 992
University of Coimbra Social Action Services	6 005	6 005
University of Coimbra	9 985	9 985
EDP - Distribution	13 485	13 485
IAPMEI	98 360	98 360
APFF - Administração do Porto da Figueira da Foz, SA	-	1 613
SIMDOURO - Saneamento do Grande Porto, SA	14 171	5 485
SMCL - Santa Casa Misericórdia de Lisboa	-	4 360
DGGE	5 375	5 375
SIMAR	58 500	58 500
	<u>1 329 636</u>	<u>1 615 309</u>
<u>Caja Duero:</u>		
APA - Portuguese Environment Agency (RIMA)	90 313	90 913
<u>Garval</u>		
MONTEPIO	600 000	600 000
<u>BPF - Banco Portugues Fomento SA</u>		
EURO BIC	128 000	128 000
<u>Cosec:</u>		
Ecoleziria	2 643	2 643
Municipal Chambers and Associations	787 954	809 468
	<u>790 597</u>	<u>812 111</u>
<u>Santander Totta:</u>		
Municipal Chambers and Associations	20 854	20 854
Portuguese State	1 732 307	1 732 307
Lisbon and Vale do Tejo Regional Development Coordination Committee (CCDRLVT)	92 514	-
Repsol, SA	500 000	500 000
	<u>2 345 675</u>	<u>2 253 161</u>
<u>Credito Y Caucion</u>		
Municipal Chambers and Associations	1 313 295	-
University of Coimbra Social Action Services	4 828	-
Lipor	19 832	-
SMAS Sintra	12 750	-
SIMAR Loures Odiveias	30 729	-
	<u>1 381 434</u>	<u>-</u>
<u>ABARCA - Companhia de Seguros, SA</u>		
Municipal Chambers and Associations	3 078 812	3 801 778
SIMAR Loures Odiveias	-	20 169
Lipor	4 817	19 411
University of Coimbra	-	5 016
Resialentejo	4 692	4 692
APDL – PORTS AUTHORITY OF DOURO, LEIXÕES AND VIANA DO CASTELO	13 000	13 000
Águas do Vale do Tejo, SA	4 315	4 315
Ecoleziria	8 963	8 963
University of Coimbra Social Action Services	-	4 828
	<u>3 114 599</u>	<u>3 882 172</u>
<u>Banco Muscat (a):</u>		
Oman Environment Services Holding C.O. (S.A.O.C)	1 837 590	1 463 440
Total Bank Guarantees	<u>20 088 696</u>	<u>19 262 443</u>

- a) In the course of the period ending on 31 December 2015, the Company provided counter-guarantees to Banco Muscat, within the framework of the competition to provide services to “be'ah”, entered by the Omani branch, and the borrowings by the branch under the contract for the provision of those services.

As of 31 December 2022 and 2021, the Group had the following financial bank guarantees:

Financial bank guarantees:	2022	2021
European Investment Bank	796,380	1,618,177 Santander Totta
European Investment Bank	796,379	1,618,176 Montepio
European Investment Bank	724,343	1,471,805 Millennium BCP
European Investment Bank	482,896	981,205 CGD
Lisgarante	1,457,778	1,600,000 Millennium BCP
BCP	1,600,000	1,600,000 Other institution
Tax Authority	1,090,636	1,090,636 Tax Authority
Garval-Sociedade de Garantia Mútua	911,111	1,177,778 Millennium BCP
Norgarante - Sociedade de Garantia Mútua	1,600,000	1,600,000 CCAM
Norgarante - Sociedade de Garantia Mútua	911,111	1,177,778 Millennium BCP
	<u>10,370,635</u>	<u>13,935,555</u>

36. NON-CURRENT ASSETS AND LIABILITIES HELD FOR SALE

In the period ended 31 December 2022, following an ongoing sale transaction with the minority shareholder of GRUPO SUMA, the GROUP classified the assets and liabilities associated with the industrial waste business as held for sale.

Since the business does not fit into any particular segment, there are no changes in its presentation within the consolidated statement of income.

On 1 March 2023, the Mota-Engil Group announced the conclusion of an agreement with the Urbaser Group, its partner since 1994 in SUMA, which will allow the group to acquire the capital position held until now by its partner, thus owning the entire capital in the municipal waste collection and treatment business. This agreement also results in the sale to Urbaser, S.A. (“Urbaser”) of the industrial waste area, until now operated by SUMA.

The Competition Authority's decision of non-opposition, received on 29 March 2023, regarding the above-mentioned concentration of companies presented by Urbaser. This consolidation will result in exclusive control over a newly-established vehicle company, which will be responsible for holding SUMA's industrial waste business unit. Completion of this transaction, which is expected to take place in 2023, is contingent upon a number of other conditions.

Since the business does not fit into any particular segment, there are no changes in its presentation within the consolidated statement of income, the companies included in the above agreement are the Enviroil Group, namely (Correia & Correia, SRI, Triu, Enviroil II and Enviroil), Resilei, Citrave and Rima.

As of 31 December 2022, non-current assets and liabilities held for sale related to the industrial waste activity may be broken down as follows:

ASSETS:	Notes	2022
<u>NON-CURRENT ASSETS:</u>		
Tangible fixed assets	8/9	24,182,186
Goodwill	10	8,026,139
Intangible assets	11	28,785
Other financial investments	13	59,061
Total non-current assets		<u>32,296,171</u>

<u>CURRENT ASSETS:</u>		
Inventories	16	494,008
Customers	17	9,491,378
State and other public bodies	18	766,705
Other receivables	17	535,642
Deferrals	19	162,123
Bank deposits and cash	4	16,051,846
Total current assets		<u>27,501,702</u>
Total assets		<u>59,797,873</u>

<u>LIABILITIES:</u>		
<u>NON-CURRENT LIABILITIES:</u>		
Provisions	23	7,574,932
Borrowings	24	1,734,116
Deferred tax liabilities	15	447,127
Total non-current liabilities		<u>9,756,175</u>

<u>CURRENT LIABILITIES:</u>		
Suppliers	25	4,387,145
State and other public bodies	18	2,707,140
Borrowings	24	912,265
Other payables	25	2,368,935
Total current liabilities		<u>10,375,485</u>
Total liabilities		<u>20,131,660</u>

37. EARNINGS PER SHARE

Earnings per share for the periods ended 31 December 2022 and 2021 were determined as follows:

	2022	2021
Net income for the year	9 565 131	12 897 243
Number of shares (Note 20)	250 000	250 000
Earnings per basic and diluted share	<u>38.26</u>	<u>51.59</u>

Due to the fact that there are no situations giving rise to dilution, the net diluted reimbursement per diluted share is equal to the net earnings per basic share.

38. FINANCIAL RISK MANAGEMENT

The Group is essentially exposed to the following financial risks: Interest rate risk

The interest rate risks are essentially related to the interest paid on the contracting of various loans with variable interest rates.

Liquidity risk

Liquidity risk may occur if sources of financing, such as operating cash flows, divestiture, credit lines and cash flows obtained from financing operations, do not meet financing needs, such as cash outflows for operating and financing activities, investments, shareholder remuneration and debt repayment.

To reduce this risk, the group seeks to maintain a net position and an average debt maturity that allows it to repay its debt in appropriate time frames. In the opinion of the Board of Directors, taking into account the main cash flow projections for 2022 and the structure and type of its assets, the Group does not foresee difficulties in settling its current financial liabilities.

Although as of 31 December 2022, a positive working capital amounting to 12.5 million Euros is shown, we emphasise that, at this date the amounts of available and unused medium and long-term credit are 121 million Euros, leasing of 10 million Euros and also current accounts of 56 million Euros.

Regulatory Risk

The gains recorded each period by each concessionaire are essentially derived from the assumptions considered by the regulator ERSAR in the definition of the regulated tariffs for the waste treatment and management sector.

On 6 March, Law 10/2014 was published, which approved the new Statutes of the ERSAR. This publication results from Law 67/2013, of 28 August, which approved the framework law for independent administrative entities with functions involving the regulation of the economic activity of the private, public and cooperative sectors.

According to the new statutes, the operational independence of the ERSAR has increased (Article 2), the range of entities subject to regulation has been expanded (Article 4) and its powers and duties in relation to the regulated entities have been strengthened (Articles 5, 9, 10 and 11). In view of the changes being implemented in the waste sector, strengthening ERSAR's powers poses a significant challenge for both the regulator and the regulated entities. It is expected that, with this strengthening of ERSAR's powers, the sector will adopt an agenda in line with its stage of development, focusing on sustainability in a manner conducive to the integration of economic, social and environmental aspects.

During 2014, putting the new regulatory powers of the ERSAR into practice, the RTR – tariff regulation of the municipal waste management service, resolution 928/2014, was published in the Diário da República, 2nd series, of 15 April. This regulation took effect on 1 January 2016 and led to a change in the prevailing regulatory model, moving from a cost plus model to a revenue cap model, which remunerates an asset base at the cost of capital and allows the recovery of operating expenses within a scenario of productive efficiency.

During the years 2016 and 2017, three complementary documents to the RTR with clarifications on regulatory methodologies were published, and by the end of 2017, a Public Consultation was published by ERSAR, no. 05/2017 of the "Draft Tariff Regulations of the Municipal Waste Management Service", after which a period for submission of contributions to the consultation was held between 07 November and 20 December 2017. The changes foreseen in this document were highly significant, changing conceptually the regulatory model then in effect. The EGF group's dealers submitted their statements in a timely manner to the document proposed by the Regulator and look forward to the results of the EGF Group.

During 2018, a Review of the RTR, Regulation 52/2018 of 23 January, was published by ERSAR, which, taking account of the experience of the first regulatory period, sought to make some adjustments to the RTR in order to simplify, relax and clarify some of its provisions. The review of the RTR also required the revision and adaptation of the reporting models. Thus, in 2018, two of the Supplementary Documents were approved and revised, namely:

- (a) Regulation 222/2018, as published in the *Diário da República* on 13 April (1st Supplementary Document) with the purpose of clarifying and adapting concepts relating to the presentation of the Forecast Regulatory Accounts to the new RTR, with the previous Supplementary Document 1, Regulation 817/2016, of 18 August, being revoked.

- (b) Regulation 395/2018, as published in the Diário da República on 29 June (3rd Supplementary Document), which established mechanisms that reward good performance with the objective of increasing environmental and economic gains.

Due to the changes imposed by the above regulations, ERSAR approved the Company's permitted revenues and tariffs for the 2016-2018 and 2019-2021 regulatory periods. Taking into account the impact on the Company's activity resulting from these ERSAR decisions, which seemed insufficient for the provision of the public service in a sustainable manner for the Company, they were the subject of a special administrative action with a request for impugnation at the Court by the Company.

Following the actions mentioned in the previous paragraph, in 2020 the regulator proposed to EGF, as a way to find balanced, sustainable and stable solutions in terms of the results of EGF's concessionaires, within a framework of operational efficiency, the hiring of an independent external entity (auditor) to identify the causes of variations in the companies' results between 2018 and 2019 and quantify them, in order to make corrections to the reference operating costs of the 2019-2021 regulatory period. This process took place during 2020 and 2021 with significant adjustments to be made in CRR 2020 to 2022.

As a result of this decision, in 2021, the Group withdrew the administrative actions for the regulatory periods of 2016-2018 and 2019-2021 mentioned above.

At the date of approval of the financial statements, the Actual Regulated Accounts for the year 2022 have already been submitted, and ERSAR's decision on them is not yet known. The final decision by ERSAR regarding the CRP for the next regulatory period 2022-2024 was also received, with no significant differences from the draft decision and respective accounting of the 2022 tariff deviation.

39. INFORMATION ON EGF SUBGROUP CONCESSION CONTRACTS

Exclusive concessions for a period of 19 years, ending in 2034, for operation and management in the areas of the Algarve, South of the Tagus, Leiria, Central Coast, Beira Alta, North Central, Vale do Lima and Baixo Cávado, South Douro, North Alentejo, Vale do Minho and Lisbon and West, under a public service regime, of the multi-municipal waste treatment and selective collection system was awarded to the subsidiaries of the EGF Group through the execution of the reformulated concession contract, on 30 September 2015.

The activities that are the subject of the concession include the treatment of municipal waste generated in the areas of the municipalities concerned, including its recovery and the provision of by-products, as well as the selective collection of municipal waste, with the municipalities being obliged to deliver to the EGF Group's subsidiaries all municipal waste, the management of which falls under their responsibility.

Supervision of the concession falls under the remit of the ERSAR, which is responsible for setting the tariffs to be charged, as well as for the approval of the Regulated Accounts, and the responsibility for approving the investment plan shifts to the grantor instead of ERSAR.

The aforementioned operation and management also includes the design, construction, acquisition, extension, repair, renovation, maintenance and optimisation of works and equipment necessary for the period of the activity of the Concessionaires.

The concession bases establish that the EGF Group subsidiaries have as their main activity the operation and management of the multi-municipal waste system, including the treatment of municipal waste resulting from undifferentiated collection and the selective collection of municipal waste, including sorting, and as complementary activities, activities that, while they do not fall within the main activity, use assets related to it, allowing optimisation of the respective profitability. The periods of complementary activities depends on the authorisation of the grantor, preceded by opinions from the Competition Authority and the ERSAR.

The following shall be considered as concession-related assets:

- Infrastructure relating to the treatment and recovery of undifferentiated and selective municipal waste, as well as the assets used in the selective collection of municipal waste: transfer stations, eco-centres, processing, sorting and recovery centres and respective accesses, associated infrastructure, landfills, recycling bins and waste transportation means;

- The equipment necessary for the operation of the infrastructures and for the monitoring and control of their operation;
- All works, machines and equipment and respective accessories used for the receipt and treatment of waste, the maintenance of equipment and the management of the multi-municipal system not mentioned above;
- The equipment, machinery, vehicles, apparatus and respective accessories used for the selective collection of municipal waste.

Additionally, the following are also considered assets allocated to the concession:

- Properties acquired through private law or through expropriation for the deployment of infrastructure;
- The exclusive rights of intellectual and industrial property owned by the concessionaires;
- Other assets and rights related to the continued operation of the concession, namely labour, works, leasing and services.

The subsidiaries of the EGF Group must prepare and maintain the inventory of the assets and rights allocated to the concession and must annually send to the ERSAR detailed information about them, as well as any write-offs.

During the term of the concession, the subsidiaries of the EGF Group are obliged to maintain the proper functioning, conservation and safety of the assets and resources allocated to the concession, making all necessary repairs, renovations and adaptations for the maintenance of the assets under the required technical conditions.

The subsidiaries of the EGF Group retain the right to operate the assets assigned to the concession until its termination. The assets assigned to the concession may only be used for the purpose provided for in the concession. On the date of termination of the concession, the assets allocated to it shall revert to an Intermunicipal Entity, Association of municipalities, the group of user Municipalities, or the State, through the period of the respective option right and the payment to the concessionaire, pursuant to the conditions laid down in the Bases and in the concession contract, of compensation corresponding to the net book value of those assets.

The remuneration regime of the concession is based on the recognition of the revenues allowable to the Concessionaires, to be reflected in the tariffs to be applied to the users of the system. The Concessionaires are responsible for the risks inherent to the concession under the terms of applicable legislation, assuming the respective operational risks. The Company is responsible for obtaining the necessary funding for the development of the subject of the concession, in order to comply fully and in a timely manner with the obligations assumed under the concession contract, assuming the respective investment and financing risks.

The revenues allowed annually to the EGF Group subsidiaries, under the activity under concession, are defined by the ERSAR for a time frame of three to five years ("Regulatory period"). The regulatory model is established by the ERSAR and is based, inter alia, on the following assumptions:

- Eligibility of operating costs, for the purpose of determining permitted revenue, by reference to a scenario of productive efficiency of the operation and management of the multi-municipal system;
- Remuneration of capital based on weighted average cost, with parameters defined in reference to market values and performance of comparable representative entities;
- Definition of an asset base consisting of assets allocated to the concession, as an incidence of return on capital;
- Adoption of mechanisms to encourage efficiency;
- Appropriate impact on permitted revenue of the differences recorded between estimated quantities and quantities of municipal waste delivered to the EGF group subsidiaries.

Additionally, the definition of the operating cost base must take into account its effective control by the EGF Group subsidiaries, installed technologies and capacities, as well as fluctuations in demand.

Accordingly, the tariffs to be applied to users must provide the EGF Group subsidiaries with the revenues allowed under the terms of the previous bases and correspond to the result of the division of the revenues allowed annually to the concessionaires by the estimated levels of consumption for that year.

The concession contract in effect as of 1 January 2016 allows a contractual balance under the conditions of efficient management, promoting a more rational investment and greater operational efficiency through the recognition of the costs of investment, operation and maintenance the adequate remuneration of the assets allocated to the concession, to be reflected in the tariffs applicable to the EGF Group subsidiaries, which allow operating costs to be recovered and a certain remuneration on the assets to be obtained.

The concession may be terminated by agreement between the parties, by rescission, by resumption of control and by expiry of the term. Upon termination of the concession, all assets and resources allocated to it shall be transferred to the Municipalities or to the State.

The concession agreement may be terminated by the grantor if any of the following situations occurs, having a significant impact on the concession operations: deviation from the purpose of the concession; prolonged discontinuation of operations due to a reason attributable to the EGF Group subsidiaries; repeated opposition to the period of supervision or repeated disobedience to the determinations of the grantor or, further, systematic non-observance of the laws and regulations applicable to the operation; refusal to carry out proper maintenance and repairs on infrastructure; repeated collection of values higher than those established in the concession contracts and in contracts with the users; dissolution or insolvency of the Concessionaires; sublease of the concession or unauthorised sub-concession; unauthorised disposal of shares in the Concessionaires' capital; encumbrance of shares in the Concessionaires' capital in breach of the provisions of the concession contract; unauthorised increase or reduction, where applicable, in the Concessionaires' share capital; failure to provide collateral or renewal of the respective value under the terms and deadlines established; and refusal of the Concessionaires to resume the concession, or where this proves impossible.

The grantor may resume control of the concession, assuming the direct management of the public service granted, whenever reasons of public interest so justify and at least two-thirds of the contractual term has elapsed, upon prior notice given to the EGF Group subsidiaries, by means of registered letter with acknowledgement of receipt, at least one year prior to the date on which the resumption of control takes effect.

Upon resumption of control, the EGF Group subsidiaries are entitled to indemnity that must take account of the book value at the date of resumption of control of the reverted assets, the value of existing credits, as well as the value of any loss of earnings, taking into account the number of years remaining until the end of the concession.

40. EVENTS AFTER THE BALANCE SHEET DATE

On 1 March 2023, the Mota-Engil Group announced the conclusion of an agreement with the Urbaser Group, its partner since 1994 in SUMA, which will allow the group to acquire the capital position held until now by its partner, thus owning the entire capital in the municipal waste collection and treatment business. This agreement also results in the sale to Urbaser, S.A. ("Urbaser") of the industrial waste area, until now operated by SUMA.

The Competition Authority's decision of non-opposition, received on 29 March 2023, regarding the above-mentioned concentration of companies presented by Urbaser. This consolidation will result in exclusive control over a newly-established vehicle company, which will be responsible for holding SUMA's industrial waste business unit. Completion of this transaction, which is expected to take place in 2023, is contingent upon a number of other conditions.

With this transaction, Mota-Engil will directly or indirectly hold the entire share capital of SUMA and SUMA TRATAMENTO.

Since the business does not fit into any particular segment, there are no changes in its presentation within the consolidated statement of income, the companies included in the above agreement are the Enviroil Group, namely (Correia & Correia, SRI, Triu, Enviroil II and Enviroil), Resilei, Citrave and Rima.

A new ERSAR draft decision has been received on 17 March 2023 regarding the Provisional

Regulated Accounts 2022-2024, submitted in November 2021, the impacts of which were recognised in the Financial Statements of Suma Tratamento's subsidiaries.
No subsequent events are known having a significant impact on the financial statements as of 31 December 2022.

41. INFORMATION REQUIRED BY LAW

Management reports that the Group has no debts to the State in arrears, pursuant to Decree-Law 534/80, of 7 November.

In compliance with Decree 411/91, of 17 October, the Management reports that the Group's situation vis-à-vis Social Security is in order, within the legally stipulated deadlines.

For the purposes of Article 66 (5) (d) of the Companies Code, during the 2022 period, the Company did not carry out transactions with own shares, with the number of own shares held as of 31 December 2022 standing at zero.

No authorisations were granted under Article 397 of the Companies Code, as a result of which there is nothing to report for the purposes of Article 66 (5) (e) of the Companies Code.

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS



Carsten Frippel Nuno Jorge Silva de Costa

Opinions and Certifications

Suma
Rua Mário Dionísio, N.º 2 • 2799-557 Linda-a-Velha
Tel.: +351 217 997 700 • Fax: +351 217 997 763 • Email: geral@suma.pt
www.suma.pt



RELATÓRIO e PARECER do CONSELHO FISCAL

CONTAS CONSOLIDADAS

Aos Acionistas da
SUMA – SERVIÇOS URBANOS E MEIO AMBIENTE, S.A.

INTRODUÇÃO

Em cumprimento das disposições legais e estatutárias aplicáveis e do mandato que nos foi conferido, o Conselho Fiscal apresenta o seu relatório e parecer sobre o relatório consolidado de gestão e as demonstrações financeiras consolidadas da SUMA – SERVIÇOS URBANOS E MEIO AMBIENTE, S.A. (“Grupo”), preparados pelo Conselho de Administração e da sua responsabilidade, relativos ao exercício findo em 31 de dezembro de 2022.

FISCALIZAÇÃO

O Conselho Fiscal acompanhou a gestão do Grupo, a evolução da sua atividade através de reuniões formais e informais com a extensão que considerou adequadas, mantendo igualmente contacto com o Revisor Oficial de Contas que nos informou da planificação das suas intervenções, do seu âmbito e natureza, bem como das conclusões dos trabalhos realizados. Foi ainda este Conselho Fiscal informado do desenvolvimento do processo de preparação e de divulgação da informação financeira consolidada, bem como da revisão das demonstrações financeiras consolidadas.

No âmbito das suas atribuições, o Conselho Fiscal examinou o balanço consolidado em 31 de dezembro de 2022, a demonstração consolidada dos resultados por naturezas, a demonstração consolidada das alterações no capital próprio, a demonstração consolidada dos fluxos de caixa e o correspondente anexo às demonstrações financeiras consolidadas para o exercício findo naquela data, os quais mereceram a sua concordância.

Procedeu ainda à apreciação do Relatório Consolidado de Gestão preparado pelo Conselho de Administração e da Certificação Legal de Contas Consolidadas, emitida pelo Revisor Oficial de Contas, a qual, a exemplo do ocorrido no exercício anterior, contém uma reserva por limitação de âmbito relacionada com a impossibilidade de se concluir sobre a razoabilidade da responsabilidade registada para fazer face às obrigações presentes existentes, derivadas da obrigatoriedade da selagem e monitorização dos aterros em exploração por parte do Grupo, os mencionados documentos merecem igualmente a concordância do Conselho Fiscal.

Tomámos conhecimento do acordo celebrado entre o Grupo Mota-Engil e o Grupo Urbaser que prevê que, no decurso de 2023, o Grupo Mota-Engil passe a deter a totalidade do capital no negócio de recolha e tratamento de resíduos urbanos e proceda à alienação à “Urbaser, S.A.” da sua participação no negócio de resíduos industriais.



Ordem dos Contabilistas
Auditoria - 2017 - 2018 -
2019 - 2020 - 2021 - 2022

Portuguese Management
& Pollution Company
Portugal - 2019



Handwritten signature in blue ink.

Página 1 de 2

Head office:

Rua Mário Dionísio, N.º 2 • 2799 - 557 Linda-a-Velha
Tel.: +351 217 997 700 * Fax: +351 217 997 763 * Email: geral@suma.pt

REPORT and OPINION of the SUPERVISORY

BOARD CONSOLIDATED ACCOUNTS

To the Shareholders of
SUMA - SERVIÇOS URBANOS E MEIO AMBIENTE, S.A.

INTRODUCTION

In accordance with the applicable legal and statutory provisions and the mandate given to us, the Supervisory Board presents its report and opinion regarding the consolidated management report and consolidated financial statements of SUMA - SERVIÇOS URBANOS E MEIO AMBIENTE, SA (“Group”), prepared by and under the responsibility of the Board of Directors, in relation to the financial year ended 31 December 2022.

OVERSIGHT

The Supervisory Board has monitored the management of the Group, the development of its activity by means of formal and informal meetings with the remit deemed necessary, and has likewise maintained contact with the Statutory Auditor, who has informed us of the planning of his operations, their scope and nature, as well as the conclusions of the work carried out. The Supervisory Board was further informed of the development of the process of preparing and disclosing the consolidated financial information, as well as the auditing of the consolidated financial statements.

In performing its work, the Supervisory Board examined the consolidated balance sheet at 31 December 2022, the consolidated statement of income by nature, the statement of changes in equity and the consolidated statement of cash flows and the corresponding annex to the consolidated financial statements for the year then ended, which were met with approval.

It also reviewed the Consolidated Management Report prepared by the Board of Directors and the Statutory Audit of Consolidated Accounts, as issued by the Statutory Auditor, which — similarly to the previous year — contains a reservation due to a limitation of scope related to the fact that it was impossible to reach a conclusion regarding the reasonableness of the liability reported for existing current obligations, resulting from the mandatory nature of the capping and monitoring of landfills operated by the Group. The aforementioned documents were likewise approved by the Supervisory Board.

We have learnt of the agreement between the Mota-Engil Group and the Urbaser Group which provides that, during 2023, the Mota-Engil Group will hold the entire capital in the municipal waste collection and treatment business and will sell its stake in the industrial waste business to “Urbaser, S.A.”.

Page 1 of 2

SUMA – Serviços Urbanos e Meio Ambiente, SA | Share Capital 12,500,000 euros | Registered at the Commercial Registry Office of Lisbon under the single registration and legal person number 503 210 560

SUMA
Rua Mário Dionísio, N.º 2 • 2799-557 Linda-a-Velha
Tel.: +351 217 997 700 • Fax: +351 217 997 763 • Mail: geral@suma.pt
www.suma.pt



No cumprimento das suas funções o Conselho Fiscal obteve do Conselho de Administração, dos Serviços do Grupo e do Revisor Oficial de Contas todas as informações e esclarecimentos solicitados, cobrindo a devida compreensão e avaliação da evolução dos negócios, do desempenho e da posição financeira, bem como dos sistemas de gestão de riscos e de controlo interno, não tendo tomado conhecimento de violações à Lei ou aos Estatutos.

PARECER

Tendo em consideração o exposto acima, somos de parecer que sejam aprovados:

- O Relatório Consolidado de Gestão e as Demonstrações Financeiras Consolidadas apresentados pelo Conselho de Administração relativos ao exercício de 2022.


CONSIDERAÇÕES FINAIS

O Conselho Fiscal manifesta o seu apreço pela colaboração recebida do Conselho de Administração e dos Responsáveis do Grupo e, bem assim, do Revisor Oficial de Contas.

Linda-a-Velha, 01 de junho de 2023

O CONSELHO FISCAL


Carlos Afonso Dias Leite Freitas dos Santos - Presidente


Inês Maria Vaz Ramos da Silva Cunha Leão - Vogal


Pedro Miguel Pereira Gonçalves - Vogal

Head office:

Rua Mário Dionísio, N.º 2 • 2799 - 557 Linda-a-Velha
Tel.: +351 217 997 700 • Fax: +351 217 997 763 • Email: geral@suma.pt

In the pursuit of its duties, the Supervisory Board obtained from the Board of Directors, Group Departments and the Statutory Auditor all information and clarifications requested allowing a proper understanding and assessment of the development of the business, its performance and financial position, as well as the risk management and internal control systems, and was not made aware of any violations of the law or the company charter.

OPINION

Taking into account that stated above, we are of the opinion that the following should be approved:

- The Consolidated Management Report and Consolidated Financial Statements presented by the Board of Directors in relation to the year 2022.

CLOSING REMARKS

The Supervisory Board expresses its thanks for the cooperation received from the Board of Directors and those in charge of the Group, as well as the Statutory Auditor.

Linda-a-Velha, 01 June 2023

THE SUPERVISORY BOARD

[signatures]
Carlos Afonso Dias Leite Freitas dos Santos – Chairman

[signature]
Inês Maria Vaz Ramos da Silva Cunha Leão - Member

[signature]
Pedro Miguel Pereira Gonçalves - Member



Associação de Municípios de Portugal
AMP - 2019 - 2020 - 2021 - 2022 - 2023

Best Value Municipality
in Portugal 2019

Best Value Municipality
in Portugal 2019

Best Value Municipality
in Portugal 2019

Best Value Municipality
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Best Value Municipality
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in Portugal 2019

Best Value Municipality
in Portugal 2019



Certificação Legal das Contas

Relato sobre a auditoria das demonstrações financeiras consolidadas

Opinião com reservas

Auditámos as demonstrações financeiras consolidadas anexas da Suma – Serviços Urbanos e Meio Ambiente, S.A. (o Grupo), que compreendem o balanço consolidado em 31 de dezembro de 2022 (que evidencia um total de 853.946.819 euros e um total de capital próprio de 251.933.878 euros, incluindo um resultado líquido de 9.565.131 euros), a demonstração consolidada dos resultados por naturezas, a demonstração consolidada das alterações no capital próprio e a demonstração consolidada dos fluxos de caixa relativas ao ano findo naquela data, e as notas anexas às demonstrações financeiras consolidadas que incluem um resumo das políticas contabilísticas significativas.

Em nossa opinião, exceto quanto aos possíveis efeitos da matéria referida na secção “Bases para a opinião com reservas”, as demonstrações financeiras consolidadas anexas apresentam de forma verdadeira e apropriada, em todos os aspetos materiais, a posição financeira consolidada da Suma – Serviços Urbanos e Meio Ambiente, S.A. em 31 de dezembro de 2022 e o seu desempenho financeiro e fluxos de caixa consolidados relativos ao ano findo naquela data de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística.

Bases para a opinião com reservas

Nos termos da legislação em vigor e conforme divulgado nas Notas 23 e 36 do anexo às demonstrações financeiras consolidadas, o Grupo tem a responsabilidade de selagem e monitorização dos aterros em exploração. Em 31 de dezembro de 2022, a provisão constituída para o efeito ascende a 8.562 milhares de euros (8.044 milhares de euros em 31 de dezembro de 2021), dos quais 7.569 milhares de euros respeitam às participadas Resilei - Tratamento de Resíduos Industriais, S.A. e Rima – Resíduos Industriais e Meio Ambiente, S.A., apresentados no balanço na rubrica de Passivos não correntes detidos para venda. Até à presente data, a informação disponível referente ao saldo desta provisão não é suficiente para nos permitir concluir quanto à razoabilidade da responsabilidade registada para fazer face às obrigações presentes existentes e respetiva movimentação do exercício. Consequentemente, não nos é possível concluir sobre o efeito desta situação nas demonstrações financeiras consolidadas do Grupo em 31 de dezembro de 2022.

A nossa auditoria foi efetuada de acordo com as Normas Internacionais de Auditoria (ISAs) e demais normas e orientações técnicas e éticas da Ordem dos Revisores Oficiais de Contas. As nossas responsabilidades nos termos dessas normas estão descritas na secção “Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas” abaixo. Somos independentes das entidades que compõem o Grupo nos termos da lei e cumprimos os demais requisitos éticos nos termos do código de ética da Ordem dos Revisores Oficiais de Contas.

Estamos convictos de que a prova de auditoria que obtivemos é suficiente e apropriada para proporcionar uma base para a nossa opinião com reservas.

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Sede: Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisboa, Portugal
Receção: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisboa, Portugal
Tel: +351 213 599 000, Fax: +351 213 599 999, www.pwc.pt
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Inscrita na lista das Sociedades de Revisores Oficiais de Contas sob o nº 183 e na CMVM sob o nº 20161485

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Statutory Auditor’s Report

Report on the audit of the consolidated financial statements Qualified

Opinion

We have audited the accompanying consolidated financial statements of Suma - Serviços Urbanos e Meio Ambiente, SA (the Group), which comprise the consolidated balance sheet as at 31 December 2022, (which shows a total of 853,946,819 euros and total equity of 251,933,878 euros, including a net profit of 9,565,131 euros), the consolidated statement of income by nature, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the accompanying notes to the consolidated financial statements, which include a summary of the significant accounting policies.

In our opinion, except for the possible effects of the matter referred to in the section “Grounds for qualified opinion”, the accompanying consolidated financial statements present fairly and appropriately, in all material respects, the financial position of Suma - Serviços Urbanos e Meio Ambiente, SA as of 31 December 2022 and its financial performance and consolidated cash flows in relation to the year then ended in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Accounting Standards System.

Grounds for the Qualified Opinion

Under prevailing legislation and as disclosed in Notes 23 and 36 of the notes to the consolidated financial statements, the Group has a liability concerning the capping and monitoring landfills in operation. As of 31 December 2022, the provision established for that purpose amounted to 8,562,000 Euros (8,044,000 Euros as of 31 December 2021), of which 7,569,000 Euros relate to affiliates Resilei - Tratamento de Resíduos Industriais, S.A. and Rima - Resíduos Industriais e Meio Ambiente, S.A., presented in the balance sheet under Non-current liabilities held for sale. As of the current date, the available information regarding that accrued liability is insufficient to enable us to conclude as to the reasonableness of the liability reported to cover existing current obligations and respective changes in the year. Consequently, we are unable to reach a conclusion regarding the effect of that situation on the consolidated financial statements of the Group at 31 December 2022.

Our audit was carried out in accordance with the International Standards of Auditing (ISAs) and otherethical standards and guidelines of the Portuguese Institute of Statutory Auditors. Our responsibilities under the terms of these standards are described in the section “Responsibilities of the auditor for auditing consolidated financial statements” below. We are independent of the entities that comprise the Group pursuant to the law and we fulfil all other ethical requirements pursuant to the code of ethics of the Institute of Statutory Auditors.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our qualified opinion.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda. Head office:
Palácio Sottomayor, Rua Sousa Martins, 1 - 3º, 1069-316 Lisbon, Portugal
Reception: Palácio Sottomayor, Avenida Fontes Pereira de Melo, nº16, 1050-121 Lisbon, Portugal
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Responsabilidades do órgão de gestão e do órgão de fiscalização pelas demonstrações financeiras consolidadas

O órgão de gestão é responsável pela:

- a) preparação de demonstrações financeiras consolidadas que apresentem de forma verdadeira e apropriada a posição financeira consolidada, o desempenho financeiro e os fluxos de caixa consolidados do Grupo de acordo com as Normas Contabilísticas e de Relato Financeiro adotadas em Portugal através do Sistema de Normalização Contabilística;
- b) elaboração do relatório consolidado de gestão nos termos legais e regulamentares aplicáveis;
- c) criação e manutenção de um sistema de controlo interno apropriado para permitir a preparação de demonstrações financeiras consolidadas isentas de distorções materiais devido a fraude ou a erro;
- d) adoção de políticas e critérios contabilísticos adequados nas circunstâncias; e
- e) avaliação da capacidade do Grupo de se manter em continuidade, divulgando, quando aplicável, as matérias que possam suscitar dúvidas significativas sobre a continuidade das atividades.

O órgão de fiscalização é responsável pela supervisão do processo de preparação e divulgação da informação financeira do Grupo.

Responsabilidades do auditor pela auditoria das demonstrações financeiras consolidadas

A nossa responsabilidade consiste em obter segurança razoável sobre se as demonstrações financeiras consolidadas como um todo estão isentas de distorções materiais devido a fraude ou a erro, e emitir um relatório onde conste a nossa opinião. Segurança razoável é um nível elevado de segurança, mas não é uma garantia de que uma auditoria executada de acordo com as ISAs detetará sempre uma distorção material quando exista. As distorções podem ter origem em fraude ou erro e são consideradas materiais se, isoladas ou conjuntamente, se possa razoavelmente esperar que influenciem decisões económicas dos utilizadores tomadas com base nessas demonstrações financeiras.

Como parte de uma auditoria de acordo com as ISAs, fazemos julgamentos profissionais e mantemos ceticismo profissional durante a auditoria e também:

- a) identificamos e avaliamos os riscos de distorção material das demonstrações financeiras consolidadas, devido a fraude ou a erro, concebemos e executamos procedimentos de auditoria que respondam a esses riscos, e obtemos prova de auditoria que seja suficiente e apropriada para proporcionar uma base para a nossa opinião. O risco de não detetar uma distorção material devido a fraude é maior do que o risco de não detetar uma distorção material devido a erro, dado que a fraude pode envolver conluio, falsificação, omissões intencionais, falsas declarações ou sobreposição ao controlo interno;
- b) obtemos uma compreensão do controlo interno relevante para a auditoria com o objetivo de conceber procedimentos de auditoria que sejam apropriados nas circunstâncias, mas não para expressar uma opinião sobre a eficácia do controlo interno do Grupo;

Responsibilities of the management body and of the supervisory body for the consolidated financial statements

The management body is responsible for:

- a) preparing consolidated financial statements that present fairly and appropriately the consolidated financial position, financial performance and consolidated cash flows of the Group in accordance with the Accounting and Financial Reporting Standards adopted in Portugal via the Accounting Standards System;
- b) preparing the consolidated management report under the applicable legal and regulatory terms;
- c) creating and maintaining an appropriate system of internal control to enable the preparation of consolidated financial statements that are free from material misstatement due to fraud or error;
- d) adopting accounting policies and criteria that are appropriate under the circumstances; and
- e) evaluating the ability of the Group to continue operating as a going concern, disclosing, where applicable, the issues that could raise significant doubts regarding the continuity of operations.

The supervisory board is responsible for supervising the process of preparing and disclosing the financial information of the Group.

Responsibilities of the auditor for the audit of the consolidated financial statements

Our responsibility consists of obtaining reasonable assurance that the consolidated financial statements as a whole are free from material distortions due to fraud or error and issuing a report that contains our opinion. Reasonable assurance is a high level of assurance, but is not a guaranty that an audit carried out according to the ISAs will always detect a material distortion when it exists. The misstatements may result from fraud or error and are considered material if, separately or jointly, it can be reasonably expected that they will influence the economic decisions of the users made based on these financial statements.

As part of an audit according to the ISAs, we make professional judgements and maintain professional scepticism during the audit, and also:

- a) we identify and evaluate the risks of material misstatement of the consolidated financial statements, due to fraud or error, design and carry out audit procedures that respond to these risks and obtain audit evidence that will be sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material distortion due to fraud is greater than the risk of not detecting a material distortion due to error, since fraud may involve collusion, falsification, intentional omissions, false statements, or superimposition of internal control;
- b) we obtain an understanding of the relevant internal control for the audit with the objective of designing audit procedures that are appropriate under the circumstances, but not to express an opinion on the effectiveness of the internal control of the Group;

- c) avaliamos a adequação das políticas contabilísticas usadas e a razoabilidade das estimativas contabilísticas e respetivas divulgações feitas pelo órgão de gestão;
- d) concluímos sobre a apropriação do uso, pelo órgão de gestão, do pressuposto da continuidade e, com base na prova de auditoria obtida, se existe qualquer incerteza material relacionada com acontecimentos ou condições que possam suscitar dúvidas significativas sobre a capacidade do Grupo para dar continuidade às suas atividades. Se concluirmos que existe uma incerteza material, devemos chamar a atenção no nosso relatório para as divulgações relacionadas incluídas nas demonstrações financeiras consolidadas ou, caso essas divulgações não sejam adequadas, modificar a nossa opinião. As nossas conclusões são baseadas na prova de auditoria obtida até à data do nosso relatório. Porém, acontecimentos ou condições futuras podem levar a que o Grupo descontinue as suas atividades;
- e) avaliamos a apresentação, estrutura e conteúdo global das demonstrações financeiras consolidadas, incluindo as divulgações, e se essas demonstrações financeiras representam as transações e os acontecimentos subjacentes de forma a atingir uma apresentação apropriada;
- f) obtemos prova de auditoria suficiente e apropriada relativa à informação financeira das entidades ou atividades dentro do Grupo para expressar uma opinião sobre as demonstrações financeiras consolidadas. Somos responsáveis pela orientação, supervisão e desempenho da auditoria do Grupo e somos os responsáveis finais pela nossa opinião de auditoria; e
- g) comunicamos com os encarregados da governação, entre outros assuntos, o âmbito e o calendário planeado da auditoria, e as conclusões significativas da auditoria incluindo qualquer deficiência significativa de controlo interno identificada durante a auditoria.

A nossa responsabilidade inclui ainda a verificação da concordância da informação constante do relatório consolidado de gestão com as demonstrações financeiras consolidadas.

Certificação Legal das Contas
31 de dezembro de 2022

Suma – Serviços Urbanos e Meio Ambiente, S.A.
PwC 3 de 4

- c) we evaluate the adequacy of the accounting policies used and the reasonableness of the accounting estimates and the respective disclosures made by the management body;
- d) we conclude on the appropriateness of the use, by the management body, of the going concern assumption and, based on the audit evidence obtained, whether there is any material uncertainty related to events or conditions that may give rise to significant doubts regarding the ability of the Group to continue operating. If we conclude that material uncertainty exists, we should draw attention in our report to the related disclosures included in the consolidated financial statements or, if those disclosures are not adequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may lead the Group to discontinue its activities;
- e) we evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures and whether those financial statements represent the underlying transactions and events so as to achieve a fair presentation;
- f) we obtain sufficient and appropriate audit evidence regarding the financial information of the entities or activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and performance of the audit of the Group and we have ultimate responsibility for our audit opinion; and
- g) among other issues, we communicate with those in charge of governance the context and planned schedule of the audit and the significant conclusions of the audit, including any significant shortcomings in internal control identified during the audit.

Our responsibility also includes verifying that the information contained in the consolidated management report is consistent with the consolidated financial statements.

Statutory Auditor's Report 31
December 2022

Suma - Serviços Urbanos e Meio Ambiente, S.A.
PwC 3 of 4

Relato sobre outros requisitos legais e regulamentares

Sobre o relatório consolidado de gestão

Dando cumprimento ao artigo 451.º, n.º 3, alínea e) do Código das Sociedades Comerciais, exceto quanto aos possíveis efeitos da matéria referida na secção “Bases para a opinião com reservas” do Relato sobre a auditoria das demonstrações financeiras consolidadas, somos de parecer que o relatório consolidado de gestão foi preparado de acordo com os requisitos legais e regulamentares aplicáveis em vigor, a informação nele constante é concordante com as demonstrações financeiras consolidadas auditadas e, tendo em conta o conhecimento e a apreciação sobre o Grupo, não identificámos incorreções materiais.

1 de junho de 2023

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
representada por:



Hugo Miguel Patrício Dias, ROC nº 1432
Registado na CMVM com o nº 20161042

Report on other legal and regulatory requirements The

Consolidated Management Report

In compliance with Article 451 (3) (e) of the Companies Code, except for the possible effects of the matter referred to in the section “Basis for the qualified opinion” of the Report on the audit of the consolidated financial statements, we are of the opinion that the consolidated management report was prepared in accordance with the applicable legal and regulatory requirements in force, the information contained therein is consistent with the audited consolidated financial statements and, taking into account our knowledge and appraisal of the Group, we did not identify material inaccuracies.

June 1, 2023 PricewaterhouseCoopers &

Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

[signature]
Hugo Miguel Patrício Dias, ROC no. 1432
Registered with the CMVM under no.
20161042

Minutes of the General Meeting

SUMA - SERVIÇOS URBANOS E MEIO AMBIENTE S.A.
Rua Mário Dionísio, nº 2
2799-557 Linda-A-Velha C.A.E.: 38112 N.I.F.: 503210560
Mat. 503210560 de 1997.02.05 em Lisboa Cap.: EUR 12 500 000,00

ATAS

Folha 34

ACTA N.º 73

Aos dezanove dias do mês de junho de dois mil e vinte e três, pelas quinze horas, reuniu na sede social, sita na Rua Mário Dionísio, n.º 2, freguesia de Algés, Linda-a-Velha e Cruz Quebrada-Dafundo, concelho de Oeiras, a Assembleia Geral da sociedade anónima, com a denominação "**SUMA – SERVIÇOS URBANOS E MEIO AMBIENTE, S.A.**", com o capital social, integralmente realizado, de doze milhões e quinhentos mil euros (€12.500.000,00) representado por 250.000 ações do valor nominal unitário de cinquenta euros (€50,00), matriculada na Conservatória do Registo Comercial de Lisboa sob o número único de matrícula e de pessoa coletiva quinhentos e três milhões duzentos e dez mil quinhentos e sessenta (503.210.560), com a seguinte Ordem de Trabalhos: -----

PONTO UM: Apreciar, discutir e votar, nos termos do disposto na alínea a) do número 1 do artigo 376.º do Código das Sociedades Comerciais, sobre o Relatório de Gestão, o Balanço, as Demonstrações dos Resultados, as Demonstrações das Alterações no Capital Próprio, as Demonstrações dos Fluxos de Caixa e o Anexo às Demonstrações Financeiras, relativos ao exercício de dois mil e vinte e dois (2022), apresentados pelo Conselho de Administração, bem como o Relatório e Parecer do Conselho Fiscal e a Certificação Legal de Contas do Revisor Oficial de Contas.-----

PONTO DOIS: Discutir e deliberar, nos termos do disposto na alínea b) do número 1 do artigo 376.º do Código das Sociedades Comerciais, sobre a Proposta de Aplicação de Resultados. -----

PONTO TRÊS: Proceder, nos termos do disposto na alínea c) do número 1 do artigo 376.º e no artigo 455.º do Código das Sociedades Comerciais, à apreciação geral da Administração e Fiscalização da Sociedade. -----

PONTO QUATRO: Apreciar, discutir e votar, nos termos do disposto no artigo 508.º-A do Código das Sociedades Comerciais, sobre o Relatório Consolidado de Gestão, o Balanço Consolidado, as Demonstrações Consolidadas dos Resultados, as Demonstrações das Alterações no Capital Próprio, as Demonstrações Consolidadas dos Fluxos de Caixa, e o Anexo às Demonstrações Financeiras Consolidadas, relativos ao exercício de dois mil e vinte e dois (2022), apresentados pelo Conselho de Administração, bem como o Relatório e Parecer do Conselho Fiscal e a Certificação Legal de Contas do Revisor Oficial de Contas.-----
Assumiu a Presidência dos Trabalhos, a Presidente da Mesa da Assembleia Geral, Sra. Dra. Ivone Santos Martins, secretariada pela Secretária da Mesa da Assembleia Geral, Sra. Dra. Patrícia Maria Fernandes dos Santos. -----

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ATAS

Folha 35

Antes da abertura dos trabalhos, a Senhora Presidente da Mesa da Assembleia Geral, verificou pela lista de presenças, que estavam representadas ambas as acionistas da sociedade, ou seja, a totalidade do capital social, e que os documentos comprovativos dos poderes conferidos aos representantes destas acionistas, para os efeitos da reunião, satisfaziam o disposto no nº 3 do Artigo 54º do Código das Sociedades Comerciais pelo que considerando ainda que a reunião não havia sido precedida de quaisquer formalidades prévias de convocação, indagou expressamente dos representantes das acionistas, se as suas representadas pretendiam e era de sua vontade que a Assembleia Geral se constituísse e deliberasse sobre a Ordem de Trabalhos acima transcrita, independentemente do cumprimento dessas formalidades, nos termos do artigo 54º do Código das Sociedades Comerciais, o que foi também expressamente confirmado e aceite pelos representantes das acionistas.-----

Encontravam-se também presentes a maioria do membros do Conselho de Administração da Sociedade. -----

Em consequência, a Senhora Presidente da Mesa da Assembleia Geral declarou estar a Assembleia Geral constituída e, aberta a sessão, pela Secretária da Mesa da Assembleia Geral foi lida integralmente a Ordem de Trabalhos. -----

De seguida, a Senhora Presidente da Mesa da Assembleia Geral fez referência que haviam sido submetidos à Assembleia e nela se encontravam patentes o Relatório de Gestão, o Balanço, as Demonstrações dos Resultados, as Demonstrações das Alterações no Capital Próprio, as Demonstrações dos Fluxos de Caixa e o Anexo às Demonstrações Financeiras, relativos ao exercício de dois mil e vinte e dois (2022), apresentados pelo Conselho de Administração, bem como o Relatório e Parecer do Conselho Fiscal e a Certificação Legal de Contas do Revisor Oficial de Contas, quer relativos às Contas Individuais, quer relativos à contas Consolidadas. -----

Entrou-se, de imediato, no **PONTO UM** da Ordem de Trabalhos tendo, após análise e discussão sido aprovados, por unanimidade, todos os documentos de Prestação de Contas patentes à Assembleia no âmbito do Ponto Um da Ordem de Trabalhos. -----

Entrando-se, de seguida, no **PONTO DOIS** da Ordem de Trabalhos, foi lida pela Secretária da Mesa da Assembleia Geral a proposta de aplicação de resultados, apresentada pelo Conselho de Administração, com o seguinte teor: -----

"Nos termos do disposto na alínea b) do Artigo 376.º do Código das Sociedades Comerciais e tendo em consideração as demonstrações financeiras do exercício,

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ATAS

Folha 36

propõe-se que o resultado líquido apurado no exercício de 2022, no montante de 9.565.131,14 EUR, tenha a seguinte aplicação: -----

Reservas Livres: 9.565.131,14 EUR -----

O resultado líquido do exercício de 2022 já contempla a distribuição de resultados aos colaboradores, no montante de 247.500,00 EUR,-----

Lisboa, 31 de maio de 2023 -----

O Conselho de Administração". -----

Colocada, então, à votação a proposta de aplicação de resultados supra transcrita, foi a mesma aprovada por unanimidade. -----

Entrados, então, no **PONTO TRÊS** da Ordem de Trabalhos, foi deliberado, por unanimidade, a atribuição de um voto de confiança e louvor à Administração e Fiscalização da Sociedade e a cada um dos seus membros, individualmente considerados. -----

Passou-se, por fim, ao **PONTO QUATRO** da Ordem de Trabalhos, tendo, após análise e discussão, sido aprovados, por unanimidade, o Relatório Consolidado de Gestão, o Balanço Consolidado, as Demonstrações Consolidadas dos Resultados, as Demonstrações das Alterações no Capital Próprio, as Demonstrações Consolidadas dos Fluxos de Caixa, e o Anexo às Demonstrações Financeiras Consolidadas, relativos ao exercício de dois mil e vinte e dois (2022), apresentados pelo Conselho de Administração, bem como o Relatório e Parecer do Conselho Fiscal e a Certificação Legal de Contas do Revisor Oficial de Contas.-----

Nada mais havendo a tratar, a Presidente da Mesa da Assembleia Gera deu por encerrada a sessão pelas quinze horas e trinta minutos, dela se lavrando a presente acta que, depois de lida, vai ser assinada pela Presidente da Mesa da Assembleia Geral e, bem assim, pela Secretária da Mesa da Assembleia Geral. ----

Ivone Martins

Patrícia Santos