



INNOVATION AND LEADERSHIP IN ENVIRONMENTAL PROTECTION



CONSOLIDATED ANNUAL REPORT

2021



Trusted Brand - Environment
2017 · 2018 · 2019 · 2020 · 2021 · 2022



Best Waste Management
& Collection Company - Portugal · 2019



Registered Office and
Services of Aveiro



Training
Services



Consolidated Annual Report 2021

SUMA – Serviços Urbanos e Meio Ambiente, S.A.
R. Mário Dionísio 2, Linda-a-Velha, 2799-557 Lisbon

Registered with the Lisbon Registrar of Companies / Legal Person Number: 503 210 560

Share Capital: 12,500,000.00 EUR

www.suma.pt

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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, S.A.** ("SUMA" or the "Company") hereby submits for your consideration the Consolidated Annual Accounts for the year 2021.



Message from the Chairman

Dear Sirs,

2021 was a year of advances and setbacks, both in terms of the pandemic - vaccination and new strains - and in terms of fluctuations in the economy, investment and inflation.

However, SUMA's purpose of service to the communities in which it intervenes has remained unchanged.

Besides the core, activities, in the area of urban cleaning and waste collection and treatment - continuously essential, but catapulted, in adaptation and recognition, as a result of covid-19 - SUMA has been investing in projects that generate a positive impact for the country, responding to national and community targets.

I am referring, for example, to the numerous communication and awareness campaigns and the implementation of bio-waste collection systems, which are mandatory throughout the country until 31 December 2023,

implying the need for a transition in waste management operating models by municipalities and in the behaviour of the population.

In this, as in other fields, we are changing the paradigm, with a view to sustainable development; an expression of growing use in the public arena, but which, as a reference framework entity in the environmental area, has long been one of our pillars of action, deserving its first dedicated annual report, relating to 2021.

The 'new normal' is now plural and, more than ever, it forces resilience and adaptation. However, our organisational culture, the solid foundations and shareholders, and the dedication of all those who are dedicated to SUMA, in five dozen companies spread over four continents, are the essential factor of our differentiation strategy and of the present and future success of the organisation.

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 Commercial Officer (CCO)
Eng. Nuno Jorge Sêco da Costa

SUPERVISORY BOARD

FULL MEMBERS OF THE SUPERVISORY BOARD

Chairman
Dr. Carlos Afonso Dias Leite Freitas dos Santos

Member
Dr. 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 organisational policy of the Company 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.

SUMA is dedicated to the global management of the waste lifecycle, having innovation and technology as permanent allies, 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.

Mission, Values and Vision

Mission

To manage waste, in the making of a better environment.

Values

Focus on customers and improvement.
Sustainable and safe performance.
Commitment of people.

Vision

Maintaining sustainable leadership in the domestic market.
Consolidation of business in international markets.

Management policy

Based on the mission, values and 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 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 Stakeholders 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.

Corporate

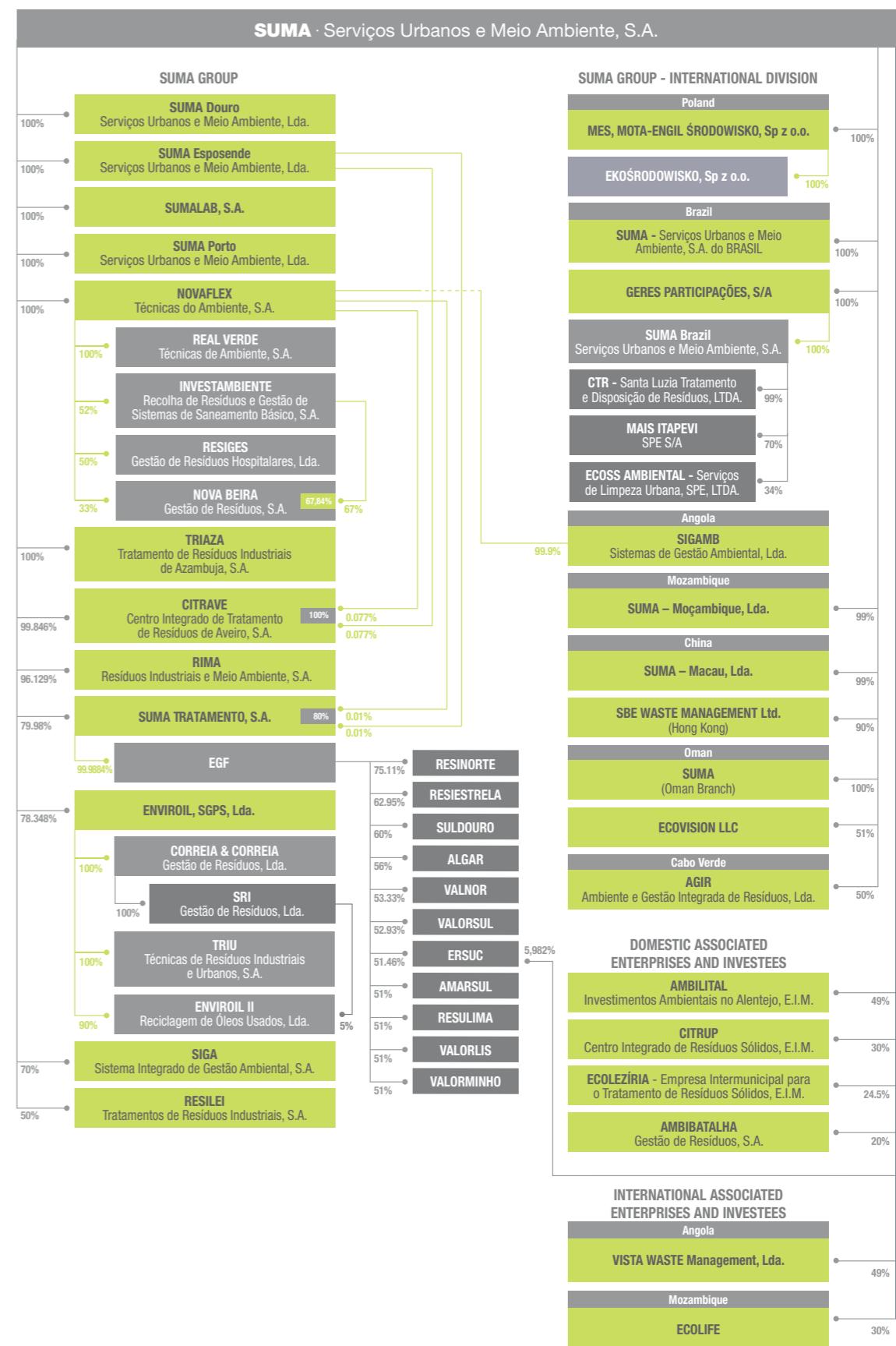
SUMA is the result of the strategic association of five dozen companies with broad and distinctive operations in national and international territory, in the field of integrated waste management, enabling the strengthening and coordination of competencies in its sphere of operation and offering multiple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

The incorporation of various specialised operators has enabled the expansion of 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 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



Timeline

- 1994 Establishment of SUMA – Serviços Urbanos e Meio Ambiente, S.A., investment by the Mota-Engil and Urbaser Groups for the domestic waste market.
- 1995 Conclusion of the first service contract - collection of large objects and urban cleaning services - with the municipality of Batalha.
- 1996 Start of the first selective collection contract in the municipality of Aveiro.
- 1998 Application of an exemplary model of urban cleaning – EXPO'98: the last world exhibition of the twentieth century, which took place at Parque das Nações, in Lisbon.
- 2000 Selection of SUMA to manage the selective collection and cleaning of the interior and exterior spaces of the headquarters of the Portuguese Presidency of the Council of the European Union – PORTUGAL 2000.
- 2001 Incorporation of SERURB. The synergies between the two largest domestic companies in the waste sector allow them to gain dimension and complement their skills.

Launch of a pioneering project in the field of environmental education – Itinerant LIXOTECA®, comprising the conversion of public transport vehicles into mobile awareness-raising units, aimed at younger audiences, namely in the elementary education age groups.
- 2002 Launch of SUMA's travelling Mobile Training Unit, to fulfil the annual plans in this area.
- 2003 Integration of the companies UTIL, STL and RESILEI, which enhances competencies, expands the geographic scope of operations and consolidates our leadership of the sector in Portugal.

Coverage of 2 million inhabitants served by waste collection and urban cleaning.

Accreditation of the analysis laboratory (SUMALAB) under the NP EN ISO / IEC 17025 standard.
- 2004 Award of 1st place in the National Environmental Innovation Awards, with the Patronage of the Presidency of the Republic, to the SUMA-VLE equipment (vehicle for washing waste collection point and underground containers).
- 2005 Launch of the 1st Mobile Solidarity Unit – REUTILÂNDIA®, a project that combines the environmental principles of reuse and sustainability with those of solidarity.

Certification of the municipal solid waste processing plant in Riba d'Ave (ETRSU) under the NP EN ISO 9001:2000 standard.
- 2006 Certification of the SUMA Headquarters and the Aveiro service centre under the NP EN ISO 9001:2000 standard, making it the only private company in its area of operation to hold this accreditation.

Accreditation of SUMA by the Institute for Quality in Training.
- 2007 Acquisition of NOVAFLEX and investees – REAL VERDE and NOVA BEIRA.

Extension of CITRUP's certification in the field of social responsibility – SA 8000 standard.

Award of the EcoPME prize to CITRUP, which recognises companies' eco-efficiency and sustainability policies.
- 2008 Beginning of internationalisation project – conclusion of contracts in the areas of MSW collection, urban cleaning and environmental education in the province of Luanda (Angola).

Assignment to the SUMA headquarters and the Aveiro service centre triple certification in quality, environment and safety – NP EN ISO 14001:2004 and NP 4397:2001/OHSAS 18001:1999.

Acquisition of TRIU, by incorporation.

Launch of CIDADÓMETRO®, a mobile unit geared towards raising awareness among families.

- 2009 Acquisition of the companies CORREIA & CORREIA, ENVIROIL, TRANSPORLIXOS and EKOSRODOWISKO.

Start of activity at the non-hazardous industrial waste (NHW) landfill of Lustosa, municipality of Lousada, managed by RIMA.

Implementation of GiSUMA – integrated system for consulting and editing geographic information.

Inauguration of the environmental education centre in Luanda and extension of services provided in Angola to the province of Benguela.

Recognition of SUMA as a "Company with Exemplary Leadership" ("The 1,000 Greatest Companies of 2008", DN, November 2009).

- 2010 Launch of ECOSCÓPIO®, a new format of mobile awareness-raising unit aimed at young people.

Launch of ECOMACHIMBA® in Angola – mobile awareness-raising unit.

- 2011 SUMA's Turnover exceeded by 25% as a result of its international activity.

VISTA WASTE recognised as the "Best International Participation" at the 1st International Environment Fair in Angola.

- 2012 Start of MSW collection operations by AGIR in the city of Praia, Cape Verde, expanding the internationalisation project.

- 2013 Start-up of MSW collection and urban cleaning operations in Sumbe, capital of the province of Kwanza Sul, Angola.

Start of MSW collection services in the city of Maputo, through ECOLIFE, in which SUMA has an interest, for the Mozambican market.

Recognition in the area of risk management with receipt of the "Special Trust" award under the "Diário Económico Azorean Risk Management Awards" initiative.

- 2014 Acquisition of Empresa Geral de Fomento ("EGF"), a holding company that manages 11 multi-municipal waste treatment systems.

Start of activity in the Middle East – Sultanate of Oman - through the subsidiary ECOVISION.

Re-entry into the Brazilian market through the Brazilian company CONSITA.

Inauguration of the first used oil regeneration unit in Portugal, in Chamusca, by ENVIROIL.

- Dissemination of environmental awareness content in a television setting, under the interactive MEO Kids application.

- 2015 Award of a contract to ECOVISION for waste collection, operation and maintenance of two landfills in Al Sharqya Sul, for a period of seven years, consolidating its presence in Oman.

Extension of CONSITA's activity to the state of Rio Grande do Sul, surpassing the threshold of one million people served in Brazil.

Launch of ECO KIOSKO – an innovative structure designed to disseminate good practices of citizenship in a commercial and cultural context.

Installation of the SUMAKids interactive platform - an online space for the democratisation of environmental education content.

2016 Renewal of contracts in Batalha, Alcobaça and Ourém, where the company has now been continuously providing services for over two decades.

Launch of an interactive online platform to provide content and environmental awareness games, "Animals of the City".

Certification of the ECOVISION integrated management system, in Oman, under the three main standards: ISO 9001:2015, ISO 14001: 2015 and OHSAS 18001:2007.

2017 Official opening of a new non-hazardous waste treatment centre in Azambuja, managed by the investee TRIAZA, in a ceremony presided over by the Secretary of State for the Environment.

Election of SUMA as "Trusted Brand - Environment 2017", voted for by the public, reflecting recognition of its proved credibility among the wider population.

Inauguration of the ZOOURBANIDADE® mobile awareness-raising unit, which explores the need for a spirit of civic duty in the use of public spaces and facilities.

2018 Renewal of fleets for waste collection and urban cleaning in the central region of the country, representing an investment of over 6.5 million euros.

Start of door-to-door awareness-raising activities in seven municipalities within the sphere of influence of Lipor.

SUMA voted "Trusted Brand - Environment 2018", extending the previous year's recognition.

2019 SUMA celebrates its 25th anniversary and celebrates at Batalha Monastery.

Provision of technical consulting in the area of environmental education, in Oman.

Bolstered by new contracts, CONSITA has operations in the states of Minas Gerais, São Paulo and Brasilia. Altogether, the contracts won by CONSITA in 2019 total 996,000,000 reais (around 220,000,000 euros.)

Receipt of the international award for business excellence, as "Best Waste Management & Collection Company – Portugal", in the Business Excellence Awards.

Election of SUMA as "Trusted Brand - Environment 2019", for the third successive year.

2020 Pioneer in the incorporation of the mandatory use of helmets, enhancing the safety of all workers who operate on vehicle running boards.

COVID-19 mitigation measures: creation of safety protocols and distribution of PPE; where possible, implementation of telework on a rotational basis; creation of reserve teams; and facilitation of access to online tests and consultations.

Change of name of the subsidiary for the Brazilian market to SUMA Brasil, with a view to alignment with the business group.

Election of SUMA as "Trusted Brand - Environment 2020".

2021 Acquisition and presentation of fleets powered by natural gas, in Figueira da Foz and Coimbra.

Launch of the new SUMA website.

Fifth consecutive award as a " Trusted Brand - Environment", demonstrating the importance of the services provided to the population.

Services

Waste collection - Collect waste, channel 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, proof of civic-mindedness.

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 waste.

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.

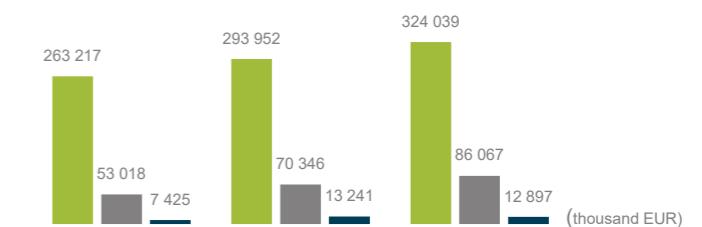
Laboratory - Guaranteeing quality, giving credibility to results.

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 - Educating populations, promoting environmental and citizenship literacy.

Environmental education represents a pillar of SUMA's social responsibility policy and, since its inception, one of the key elements that differentiates the company's performance. The focus on the civic training of populations has as its operational objective 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



	2019	2020	2021	Variation 20/21
Sales and services provided (■)	263,217,062	293,952,002	324,038,545	10.24%
EBITDA (■)	53,018,200	70,345,706	86,066,807	22.35%
EBITDA Margin	20.14%	23.93%	26.56%	2.63 pp
EBIT	12,338,369	25,075,630	41,396,463	65.09%
Operating profit margin	4.69%	8.53%	12.78%	4.25 pp
Earnings before taxes	2,242,821	14,197,542	28,876,161	103.39%
RAI Margin	0.85%	4.83%	8.91%	4.08 pp
Net income (■)	7,425,253	13,241,015	12,897,243	(2.60%)
Net profitability of sales	2.82%	4.50%	3.98%	(0.52 pp)
ROE	4.30%	7.03%	5.78%	(1.25 pp)
Debt	73.75%	73.18%	69.59%	(3.59 pp)
Financial autonomy	24.74%	25.44%	29.00%	3.56 pp
General liquidity	75.13%	79.95%	82.69%	2.74 pp

	2019	2020	2021	Variation 20/21
Average number of employees	8,626	10,034	9,971	(0.63%)
Tonnes – MSW collection	1,751,700	1,724,010	1,389,750	(25.24%)
Tonnes – MSW treatment	3,681,969	3,792,488	3,603,366	2.19%
Tonnes – Industrial waste	362,275	493,699	506,359	2.56%
Municipalities served – MSW collection and urban cleaning	80	93	85	(8.60%)
Inhabitants served – MSW collection and urban cleaning	9,052,865	10,784,633	7,241,307	(32.86%)
Municipalities served – MSW treatment	180	180	180	-
Inhabitants served – MSW treatment	6,519,587	6,519,587	6,519,587	-

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

Activity 2021

After the year of 2020 plagued by the Covid-19 pandemic, 2021 will be marked by a focus on fighting the disease, with mass vaccination of the population, and a turn towards recovery. Society faced countless challenges that required an unparalleled effort on the part of the government and the population itself, putting to the test their resistance and resilience to adapt and overcome adversity. The overcoming, evidenced in all geographies, pointed to a year of recovery, but the exponential rise in inflation and a strong disruption of supply chains, influenced by the peak of recovery that everyone craved, combined with the emergence of new Covid-19 variants, hindered the sustained growth of the economy.

Since the beginning of Covid-19, tens of thousands of tonnes of waste have been accumulating around the world as a result of the pandemic. This waste threatens both human health and the environment, putting enormous pressure on waste management systems and exposing the urgent need for improvement of these practices. The challenge posed by waste from Covid-19 will be an opportunity to strengthen systems and to reduce and manage safely and sustainably waste from healthcare facilities as well as from society at large.

Economic backdrop of the year

Macroeconomic background

Global economic activity showed a significant upturn in 2021, with world growth reaching 5.9%, according to International Monetary Fund (IMF) estimates, following 2020 with a historic contraction due to the Covid-19 pandemic. The recovery in 2021 to 2019 levels of economic activity was achieved with mass vaccination against Covid-19, particularly in developed economies and China, coupled with the monetary and fiscal stimuli adopted by most economies, which extended throughout the pandemic period. The biggest boost in growth comes from the second quarter of 2021, with a significant increase in consumer spending, but the emergence of new variants of Covid-19 and the lack of equity in the distribution of vaccines globally lead to the adoption of measures at different rates in different geographies, causing imbalances essentially in emerging countries. Also, disruptions in the supply chains of products and other raw materials, caused by the strong recovery in demand, generate volatility in the pace of economic recovery. According to the IMF, emerging economies are expected to grow by 6.5% in 2021, with a stronger performance from Asian economies, with 7.2% growth in 2021.

The increase in *commodity* prices and the rise in inflation above expectations was one of the main side effects of the rapid economic recovery, particularly in developed economies and its impact may not be limited to the short term and may cause negative repercussions on economic activity growth in 2022. For the year as a whole, the consumer price index (CPI) in the eurozone will have increased by 2.6%, much higher than the 0.3% recorded in 2020, but the European Central Bank (ECB) maintained monetary stimulus, leaving benchmark interest rates unchanged in 2021, despite the CPI being above the 2% target. Debt to Gross Domestic Product (GDP) ratios have continued to rise in European countries in 2021, influencing the increase in budget deficits. The gradual lifting of the extraordinary measures implemented during the pandemic was signalled by the ECB, which reduced its asset purchase rate in the last quarter of 2021 and communicated that purchases under the Pandemic Emergency Purchase Programme will end in March 2022.

GDP in Portugal grew by 4.9% in 2021, according to data released by the National Statistics Institute (INE). It represents the highest annual growth since 1990, after the historic contraction of 8.4% seen in 2020, a consequence of the effects of the pandemic on the economy. Growth in 2021 was driven by the contribution of domestic demand, with private consumption and investment showing a strong recovery. On the other hand, external demand still does not show positive growth figures, but it is less negative than in 2020, with significant growth in both exports of products and services and imports. The economic recovery has boosted job creation, with a 2.1% growth in 2021, after a 1.9% drop in 2020. In the same way, the unemployment rate also improved in relation to the previous year, settling at 6.6%.

Background of the Waste Sector

The evolution of the sector in 2021 cannot but be seen in the light of all the changes in society brought about by the Covid-19 pandemic. The suspension of activities, the *layoffs* and lockdowns, such as the expected recovery and peaks in demand and consumption, influenced the quantities of waste produced and its typology. As a result of Covid-19, we cannot fail to highlight the tens of thousands of tonnes of personal protective equipment that will have been discarded since the start of the pandemic, worldwide, adding to the problem of the dispersion of waste left in the environment.

In Portugal, the activities related to waste management ensured the continuity of collection, treatment and disposal of the waste produced, but many essential investments continued to be postponed in order to comply with the targets set for the sector.

In 2021, the Parliament voted on the new circular economy action plan, calling for additional measures to achieve a carbon-neutral, sustainable, toxic-free and fully circular economy by 2050, including stricter recycling rules and mandatory targets for material use and consumption by 2030. The General Regime for Waste Management, the Legal Regime for the Landfill of Waste and the Regime for the Management of Specific Waste Streams were also legislated, whose approved decrees outline new paths for the pursuit of the objectives of governance with regard to waste, but which are not unscathed by some of the more controversial issues in their wording. One of the diplomas has implications for the management of landfills for non-urban waste, which has been hampered by the suspension of licences by municipalities at various landfills with valid environmental licences, putting at risk the installed capacity for the disposal of non-urban waste. These difficulties have been legitimised by legislation that is not very coherent with a so-called national strategy for waste management and whose clarification or alteration is urgently needed.

During 2021, the implementation of the Deposit and Return System (SDR) was being prepared, as a new packaging management system that aims to increase the quantity and quality of collected materials, as well as accelerate the achievement of targets, but in the current Packaging Waste Management System (SIGRE), which will operate in parallel, uncertainties are reinforced.

The targets for municipal waste management systems (SGRU) defined in the Strategic Plan for Solid Urban Waste 2020 (PERSU 2020), are far from being achieved and the objectives for 2025 are unlikely to be met. On top of the reflection on this issue, the preparation of the PERSU 2030 is still underway, which should have been concluded before the end of 2021, but is still under public consultation. Also, the Strategic Plan for Non-Municipal Waste 2030 (PERNU 2030), as a new reference instrument for non-municipal waste policy, will determine objectives and targets for all waste not under municipal management and is still under public consultation.

Given the need to translate ambitious EU targets into national strategies and with a view to moving towards a more circular and carbon-neutral economy, a bio-waste strategy has been drawn up to address the obligation to ensure that, by the end of 2023, bio-waste is sorted and recycled at source, or collected separately and not mixed with other types of waste. Despite the good intention of this policy, its implementation is not being as fast as expected, both because of the difficulty that separation at source may represent, and the respective selective collection of bio-waste, but also with the currently known difficulty in selling compost on the market. Still on this aspect, we highlight the need to articulate and update the contracts for the collection of undifferentiated waste signed with the private sector, in view of the transition to collection models different from those originally provided for in the tenders and contracts signed.

Regarding selective collection, despite the increase in the number of collection equipment and infrastructures, namely eco-points and eco-centres, it can be seen that this has not had proportional reflections in the amounts collected selectively, maintaining the values of undifferentiated collection. It is therefore necessary to rethink selective collection models, as well as to reinforce awareness campaigns and other more effective strategies and instruments for changing consumer behaviour. Door-to-door collection (PaP) systems configure the best solutions to enhance selective collection, with models that facilitate sorting at source, but not always easy to implement in urban environments, just as *pay-as-you-throw* (PAYT) systems contribute to better separation rates, but may entail higher costs for the population.

Activity Analysis

As the leading operator in the waste sector in Portugal, the SUMA Group provides comprehensive solutions for the management of the complete waste life cycle. In addition to leadership in the collection of MSW and urban cleaning, SUMA brings together several specialised operators, including the leading group in the field of MSW treatment - EGF - and the Enviroil Group, which operates in the industrial waste market and has the main used oil regeneration and recycling unit in our country.

SUMA is pursuing its strategy of sustained growth and geographic implementation both inside and outside Portugal, through an ambitious internationalisation project that began in the markets of Central Europe, South America and Africa, with effective contracts in Angola, Brazil, Mozambique and Oman.

Consolidating the activity of the Group companies that provide MSW collection and urban cleaning services in Portugal, SUMA is present in 68 municipalities with contracts of over one year, covering a population of around 2.2 million inhabitants.

The Group is also market leader in the area of urban waste treatment and recovery, where EGF is a reference in our country, covering an estimated population of 6.5 million inhabitants in 180 municipalities served. When we combine both areas, at national level, SUMA Group provides services in 195 municipalities to over 7.14 million inhabitants.

SUMA developed its internationalisation project and extended its activity by transposing its *know-how* and organisational capacity, promoting strategic partnerships in setting up local companies, operating during 2021 in Angola - Luanda provinces -, 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 Sul, serving, among the companies operating abroad, about 5 million inhabitants.

The companies that make up the SUMA Group are present in 5 countries on 4 continents, operating in 212 municipalities and serving a population of approximately 12.2 million inhabitants.

During 2021, the SUMA Group generated consolidated revenues of EUR 324,038,545, an increase of 10.24% compared to the previous year.

Turnover by area (thousands of euros)	2019	2020	2021	Variation 20/21
Urban Services PT	50,032	54,387	55,322	1.72%
Industrial Waste PT	32,295	32,898	34,133	3.75%
MSW Treatment PT	169,670	193,791	219,104	13.06%
International	11,221	12,876	15,481	20.23%
Total	263,217	293,952	324,039	10.24%

We can see a growth trend in all the business areas, as in the previous year, with the positive variations of the companies in the international area and the MSW treatment area standing out. The increase in consolidated turnover of the companies operating abroad comes from the inclusion, as of October 2021, of companies from Brazil, with the acquisition of the entire capital of Geres Participações, which until then was not included in SUMA's consolidation figures because it was a minority shareholding.

The companies in the MSW treatment area contribute with an increase of 13.06% to the consolidated turnover, and this variation includes the extraordinary revision of the allowed revenues for 2019, 2020 and 2021, amounting to approximately 20 million euros and the correction of the tariff adjustment of the Real Regulated Accounts ("CRR") of 2020, amounting to approximately 12 million euros, which includes the cancellation of the estimate of the counterpart values of 2021.

In the national urban services area, the revenues to be consolidated increase by 1.72% in 2021, influenced by the increase in the number of contracts, mainly with new urban cleaning and environmental education contracts, as well as the adjustment of the tariffs applied in the new tenders awarded. If we exclude the non-recurring gains recorded in 2020, for the execution of various studies, opinions and technical reports, within the scope of the various activities developed in Angola, the increase in sales and services provided in the urban services area is close to 10% in 2021.

In 2021, revenues from companies operating in the industrial waste market in Portugal increased by 3.25% compared to 2020, demonstrating the good performance of this area in taking advantage of the opportunities in this market. The gains in this area come from the companies that provide services in the management of industrial waste, with collection, transport and treatment, including the recycling and regeneration of used oils, which offset the drop in turnover generated in the set of landfills of non-hazardous waste, influenced especially by the end of the reception of waste from abroad.

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

Turnover - Portugal (thousands of euros)	2019	2020	2021	Variation 20/21
SUMA	53,971	58,141	59,152	1.74%
SUMALAB	1,321	1,286	1,546	20.22%
SUMA Esposende	850	877	1,632	86.13%
NOVAFLEX	294	770	529	(31.30%)
REAL VERDE	939	1,598	900	(43.69%)
RIMA	3,327	4,167	3,523	(15.46%)
RESILEI	2,221	2,575	1,801	(30.05%)
TRIU	9,038	9,458	11,309	19.57%
ENVIROIL II	7,550	6,219	9,539	53.38%
CORREIA & CORREIA	11,397	10,528	11,379	8.08%
SRI	458	456	490	7.45%
SIGA	756	769	807	4.94%
TRIAZA	2,608	4,128	1,076	(73.93%)
EGF	1,576	1,436	1,496	4.18%
ALGAR *	20,959	29,529	26,195	(11.29%)
AMARSUL *	17,527	24,927	25,969	4.18%
ERSUC *	23,172	28,393	26,821	(5.54%)
RESIESTRELA	4,651	5,247	4,985	(4.99%)
RESINORTE *	16,543	23,388	23,041	(1.48%)
RESULIMA	5,080	6,051	5,931	(1.98%)
SULDOURO	8,931	10,800	10,506	(2.72%)
VALNOR	9,590	9,065	8,479	(6.46%)
VALORLIS	7,434	7,988	8,078	1.13%
VALORMINHO	1,216	2,270	2,146	(5.46%)
VALORSUL	54,246	58,108	63,036	8.48%

Note * - The companies ALGAR, AMARSUL, ERSUC and RESINORTE corrected, in the 2020 individual accounts, the turnover figures, updated in this table.

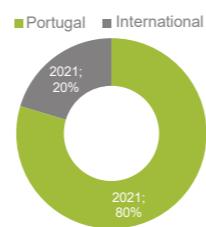
In companies operating abroad, we saw a drop in individual revenues in all geographies, with the effects of the crisis being felt mainly in Brazil and Mozambique. In Angola, the end of the main contract in 2020 had significant negative repercussions on invoicing, which is expected to recover with new contracts during 2022.

The individual companies' turnover abroad was as follows:

Turnover - International (thousands of euros)		2019	2020	2021	Variation 20/21
Angola	VISTA WASTE	63,198	60,768	2,742	(95.49%)
	SIGAMB	795	2,877	-	(100.00%)
Brazil	SUMA BRASIL	26,192	29,847	26,293	(11.91%)
	ECOSS AMBIENTAL	13,993	20,377	19,854	(2.57%)
Cape Verde	MAIS ITAPEVI	-	-	931	
	AGIR	1	-	-	-
Mozambique	ECOLIFE	2,393	1,457	1,230	(15.58%)
Poland	EKOSRODOWISKO	1	1	1	-
Oman	ECOVISION	10,424	10,077	10,013	(0.64%)

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	2019	2020	2021	Variation 20/21
Portugal	4,623,125	4,244,716	4,372,477	3.01%
International	1,172,818	1,634,084	1,126,999	(31.03%)
Total	5,795,943	5,878,800	5,499,475	(6.45%)



The SUMA Group presents a quantity of waste managed during 2021 that is 6.45% lower than the same period of the previous year, as a result of the drop in the companies operating abroad, with special relevance for the waste collected in Angola, given the termination of the main contract. The figures achieved in Portugal reflect the growth of activities in most companies operating in the national market.

Tonnes of waste	2019	2020	2021	Variation 20/21
MSW collection	1,751,700	1,859,011	1,389,750	(25.24%)
MSW Treatment	3,681,969	3,526,090	3,603,366	2.19%
Collection and treatment of industrial waste	362,275	493,699	506,359	2.56%
Total	5,795,943	5,878,800	5,499,475	(6.45%)

The assessment of the quantities of waste managed in the main activities carried out, during 2021, shows that the MSW treatment area stands out as the activity responsible for managing the largest quantity of waste in Portugal, with the MSW collection area generating the largest quantity of waste in companies abroad.



Collection of municipal solid waste and urban cleaning

SUMA's core business since its incorporation, the companies of the SUMA Group that carry out MSW collection and urban cleaning activities in Portugal, with service provision contracts lasting 1 year or more, served around 2.2 million inhabitants in 68 municipalities during 2021, corresponding to 37.78% of the national population covered by private services.

SUMA – Serviços Urbanos e Meio Ambiente, S.A.

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”)

SUMA Esposende was set up in 6 December 1999 to manage the service concession contract for the collection and transport of solid urban waste to its final destination, distribution, maintenance and replacement of containers and urban cleaning in the municipality of Esposende, which came about in August 2003, with the transfer of the 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 joining the SUMA group.

NOVAFLEX – Técnicas do Ambiente, S.A. (“NOVAFLEX”)

Set up 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, providing urban cleaning services under a two-year contract that will end in April 2023, and continued to execute short-term contracts in various municipalities, including multi-material collection services in Oliveira do Bairro and the mechanical sweeping of streets in Grândola. From October 2021, NOVAFLEX took over again the implementation of the contract for the collection of solid urban waste in the municipality of Figueira da Foz, awarded to the SUMA Group and transferred to NOVAFLEX, which will run until December 2026. For the operation of these services, the company has the support of companies in the SUMA Group, in a regime of subcontracting resources and services.

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

SUMA (Douro) – Serviços Urbanos e Meio Ambiente, Lda. (“SUMA Douro”) (“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 municipal solid 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, S.A. (“SUMA Porto”)

SUMA Porto was incorporated on 17 October 2008, for the development, management and operation, under the regime of provision, of the concession of collection of solid urban waste and public cleaning in the Municipality of Porto. This provision of services was awarded to SUMA, which set up this company in order to comply with 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.

NOVA BEIRA – Gestão de Resíduos, S.A. (“NOVA BEIRA”)

Established in 2002 with the participation of NOVAFLEX and becoming part of the SUMA group in 2007 with the acquisition of that company, since its establishment, NOVA BEIRA has been dedicated to the transport of municipal solid waste between transfer stations and the treatment centre, in the region of Guarda, an activity that was suspended at the end of 2013.

The commercial activity carried on by SUMA's Studies and Proposals department is fundamental to the pursuit of the Company's objectives. This department has a specialised team, which is being reorganised and adjusted to meet the efficiency and growth objectives defined for the Group.

In 2021, 352 business opportunities in the domestic market were analysed, with 235 proposals being presented with a total value of 64.32 million euros. At the end of the year, 39 proposals are pending decision, amounting to around 0.78 million euros, and a further 7 proposals are at the preliminary hearing stage, totalling around 20.3 million euros.

The following is an analysis of the proposals awarded in 2021, including proposals that were prepared and submitted in 2020 but were only awarded in 2021.

During 2021, services were awarded to the SUMA Group, in Portugal, with a portfolio value of 34.48 million euros. We highlight the following awards that contribute to this overall value:

- Tejo Ambiente - Provision of services for the collection and transport of municipal waste, washing and disinfection of containers.
- Municipality of Valpaços - Acquisition of services for the collection of municipal solid waste;

The provision of services lasting one year or more totalled around 79% of the total value of the contracts awarded in 2021.

SUMA has contracted services with various customers with a history of business relations with the Group, of which we highlight the following:

- ➔ Duration equal to or greater than one year, worth 27.24 million euros:
- Tejo Ambiente - Empresa Intermunicipal de Ambiente do Médio Tejo - Provision of services for the collection and transport of MSW, washing and disinfection of containers.
- Municipality of Valpaços - Acquisition of services for the collection of MSW.
- Municipality of Loulé - Public tender for the contracting of urban cleaning services in an area of Almancil and Quarteira, municipality of Loulé - LOT 2.
- Municipality of Celorico de Basto - MSW collection / washing / maintenance / replacement and supply of containers.
- Municipality of Almada - Provision of urban cleaning services in the Municipality of Almada.

- Municipality of Marinha Grande - Provision of services for the collection and transport of solid urban waste produced in the Municipality of Marinha Grande.
- Municipality of Belmonte - Provision of MSW collection and transport services in the Municipality of Belmonte.
- Municipality of Montemor-o-Velho - Procurement of services for the municipal waste management system of the Municipality of Montemor-o-Velho.
- Municipality of Paços de Ferreira - Operational lease of five new, unused vehicles for collection, transport and sweeping of solid urban waste - Lot 3.
- Municipality of Ourém - Provision of urban cleaning services, collection of solid waste and its transport to the final landfill (Alvega).
- Municipality of Loulé - Contracting of urban cleaning services in an area of West Quarteira and Almancil and Fonte Coberta, Municipality of Loulé - Lots 1 and 2.
- Municipality of Penacova - Procurement of operational leasing services of MSW collection vehicle with Driver (3 months per year).
- University of Coimbra - Collection and transport services to final destination of urban waste produced on the premises of the University of Coimbra and Social Action services of the University of Coimbra.
- Municipality of Montijo - Purchase of a MW collection and transport service, maintenance and washing of containers in the Parish Councils of the eastern part of the Municipality of Montijo.
- Municipality of Oeiras - Acquisition of washing and sanitation services for waste disposal equipment.
- Municipality of Vila do Conde - Contracting of 2 heavy vehicles for selective collection, under operational leasing regime - Lots 1 and 2.
- VALORSUL - Provision of collection services for glass, paper/cardboard and plastic/metal in the municipality of Amadora.
- SULDOURO - Consultation for the provision of service for the collection of packaging waste deposited at waste collection points.
- Municipality of Loulé - Hiring of services for the interior and exterior washing of undifferentiated municipal waste disposal equipment in the Municipality of Loulé – Lot 3.
- Municipality of Leiria - Procurement of awareness-raising services, delivery of equipment, design and production of communication materials for the promotion of the "RecicLAR" project and of waste collection and transport services in the Municipality of Leiria.
- Municipality of Vila do Conde - Hiring of a heavy vehicle for MSW collection, under an operational leasing regime.
- Parish of Falagueira-Venda Nova - Operational lease of a compact mechanical sweeper for the hygiene and urban cleaning service.
- Municipality of Oeiras - Acquisition of services to wash and sanitise waste disposal equipment (700 litres).
- Municipalised services of Castelo Branco - Collection and transport of solid waste.
- Municipality of Alter do Chão - Provision of services for the collection and transport of MSW and the washing and disinfection of containers in the municipality of Alter do Chão.
- LIPOR - Intermunicipal Waste Management Service of Greater Porto - Public Tender for the provision of waste transport services, operation and maintenance of the waste transfer system from the Varziela Eco-Centre - Vila do Conde.

- Merged Parishes of Azeitão, São Lourenço and São Simão - Procurement of urban cleaning services, using a hoover sweeper and respective operator.
- Municipality of Montijo – Acquisition of public space and equipment cleaning services.
- Parish Council of Anta and Guetim - Urban cleaning in the Merged Parishes of Anta and Guetim.
- Parish Council of Silvalde - Urban cleaning in the Parish of Silvalde.
- Municipality of Grândola - Operational leasing of a compact vehicle called a Mechanical Sweeper with driver and a stoker.
- Municipality of Grândola - Cleaning service for washing and sanitising MSW containers.
- Municipality of Campo Maior - Transport of scrap and green waste under the "Framework Agreement no. 5/2021 CIMAA" - Lot 1.
- IPO Coimbra - Portuguese Institute of Oncology of Coimbra - Urban waste collection and container service.
- Municipality of Paredes - Provision of services for washing, disinfection, degreasing and deodorising 800-litre rear cargo containers.
- Municipality of São João da Madeira - Communication and awareness campaign.
- Municipality of Penacova - Acquisition of undifferentiated municipal waste collection services for the Municipality of Penacova;
- Municipality of Arronches - Transport of scrap and green waste.
- ➔ Duration of less than one year, worth 6.87 million euros:
 - Tejo Ambiente - Empresa Intermunicipal de Ambiente do Médio Tejo EIM, S.A. - Provision of services for the collection and transport of municipal waste, washing and disinfection of containers.
 - Municipality of Leiria - Services of collection and transport to an appropriate final destination of urban waste, construction and demolition waste ("RCD"), of the responsibility of the municipality, and urban cleaning services in the Municipality of Leiria.
 - Municipality of Mafra - Provision of services for the collection and transport of municipal waste to a disposal site and for the maintenance and washing of containers.
 - Municipality of Benavente - Provision of urban hygiene and public health services in the urban areas of Samora Correia, including Porto Alto.
 - Parish of Espinho - Urban cleaning in the Parish of Espinho.
 - ERSUC - Selective collection services in eco-points.
 - Municipality of Oeiras - Provision of container washing and cleaning services.
 - Municipality of Oliveira do Bairro - Collection and transport of urban waste to its final destination.
 - Municipality of Peniche - Public tender for the acquisition of a cleaning service for beaches and coastal areas and urban cleaning in the city.
 - Municipality of Mira - Acquisition of urban waste collection and transport services in the municipality of Mira.
 - Municipality of Vila do Conde - Contracting of 2 heavy vehicles for waste collection - selective, in an operational leasing regime.
 - Basic Sanitation Municipal Services of Viana do Castelo - Provision of cleaning services in the areas around containers, public areas and washing of unloading equipment with lateral loading system.
 - Municipality of Celorico de Basto - Additional works - MSW collection/ washing/ maintenance/ replacement and supply of containers.
 - Municipality of Sintra - Procurement of services for washing and disinfection of roads and motorways, tunnels, stairways, fountains and drinking fountains in various parishes of the Municipality of Sintra, under the COVID-19 Contingency Plan, for 6 months.
 - ALGAR - Provision of eco-point collection services - High Season - Lot 2.
 - SIMAR - Intermunicipal Services for Water and Waste of the Municipalities of Loures and Odivelas - Direct award for the provision of rental services of 1 lateral loading vehicle for MSW collection.
 - Municipality of Mafra - Provision of urban cleaning services using a mechanical sweeper.
 - Municipality of Oliveira do Bairro - Provision of services for multi-material collection in the municipality of Oliveira do Bairro.
 - Sintra Municipal Services (SMAS) - Provision of selective collection services for "Cyclea" eco-points.
 - Maiambiente - Campaign for the preparation of a register of users without a connection to the public water supply network.
 - Municipality of Montemor-o-Velho - Acquisition of services for the municipal waste management system of the municipality of Montemor-o-Velho.
 - ALGAR - Provision of eco-point collection services - High Season - Lot 1.
 - Municipality of Celorico de Basto - Collection of MSW/ washing/ maintenance/ replacement and supply of containers.
 - Municipality of Oliveira do Bairro - Provision of services for multi-material collection in the municipality of Oliveira do Bairro.
 - Merged Parishes of Custóias, Leça do Balio and Guifões - Procurement of urban cleaning services in the geographical area of the Merged Parishes of Custóias, Leça do Balio and Guifões.
 - Municipality of Ponte de Lima - Acquisition of services for MSW collection.
 - Municipality of Seixal - Rental services of waste collection vehicles.
 - Parish Council of Mina de Água - Acquisition of public cleaning services in the Parish of Mina de Água.
 - Municipality of Marinha Grande - Provision of services for the collection and transport of solid urban waste produced in the Municipality of Marinha Grande.
 - Municipality of Setúbal - Provision of services to carry out an environmental communication and awareness campaign for the separation and collective collection of biodegradable municipal waste in the municipality of Setúbal.
 - Municipality of Vila do Conde - Rental of a heavy vehicle for MSW collection.
 - Municipality of Santarém - Lease of two vehicles for MSW collection without a driver.
 - Parish Council of Venteira - Weeding, supply and application of herbicide throughout the Parish of Venteira.
 - Municipality of Grândola - Operational lease of an urban waste collection vehicle with 1 driver.
 - Municipality of Montijo - Acquisition of service for the placement and collection of large containers.
 - Municipality of Moita - Distribution of containers and environmental awareness actions.
 - Municipality of Vendas Novas - Washing of MSW containers.
 - Municipality of Aljezur - Acquisition of MSW collection and transport services.
 - Municipality of Sesimbra - Acquisition of a service for the collection of waste (scrap and greens) deposited next to the urban waste containers, by vehicle with crane.

- Municipality of Santarém - Collection and transport of MSW in the municipality of Santarém.
- SIMAR - Intermunicipal Services for Water and Waste from the Municipalities of Loures and Odivelas - Mechanised waste container collection service, 6h/13h shift, under the scope of Covid 19.
- Municipality of Terras de Bouro - Collection and transport service of MSW in the municipality of Terras de Bouro.
- University of Lisbon - Acquisition of services for the adequate management of green waste resulting from the cleaning and maintenance activities of the Tropical Botanical Garden (JBT) and the Lisbon Botanical Garden (JBL) of the University of Lisbon.
- Municipality of Nisa - Provision of services for the transport of scrap and green waste.
- Municipality of Alijo - Provision of urban cleaning services in the town of Alijo.
- SIMAR - Intermunicipal Services for Water and Waste of the Municipalities of Loures and Odivelas - Provision of mechanised collection service for waste containers, on the shift from 13:00 to 20:00 - State of Emergency within the scope of the COVID 19 Pandemic.
- SIMAR - Intermunicipal Services for Water and Waste of the Municipalities of Loures and Odivelas - Provision of mechanised collection services for waste containers, during the 6:00 to 13:00 shift - State of Emergency within the scope of the COVID 19 Pandemic.
- Municipality of Amarante - Acquisition of services to support the implementation of environmental and scientific education actions.
- Parish Council of Mina de Água - Acquisition of services for public sanitation in the Parish of Mina de Água;
- Municipality of Estremoz - Provision of washing and sanitation services for MSW containers.
- Municipality of Montijo - Acquisition of services for the collection and transport of MW from containers in the parishes in the eastern part of the municipality of Montijo - Parish of Canha and Merged Parishes of Pegões.
- Municipality of Figueira da Foz - Acquisition of services to remove woody waste from the beaches in the southern part of the municipality, namely Cabedelo and Cabedelinho.
- Municipality of Crato - Provision of washing services for MSW containers.
- Municipality of Leiria - Collection and transport to the appropriate final destination of urban waste, urban cleaning, extra reinforcement, and Covid-19 disinfection at Pedrógão Beach during the 2021 bathing season.
- Municipality of Constância - Provision of collection and transport services to the final destination of MSW and washing and disinfection of containers in the municipality of Constância.
- Municipality of Arruda dos Vinhos - Provision of washing and disinfection services for MSW containers.
- Municipality of Nazaré - Washing and disinfection of MSW containers.
- Portuguese Air Force - Air Base no. 6 - Acquisition of collection, transport and treatment services for solid urban waste.
- Municipality of Vila de Conde - Collection of old junk and other waste contained in the surroundings of disposal equipment in the city.
- Municipality of Vila do Conde - Rental of a heavy vehicle for MSW collection.
- Merged Parishes of Santo António dos Cavaleiros and Frielas - Acquisition of street sweeping and mechanical sweeping services.
- Municipality of Silves - Provision of urban cleaning services in the municipality of Silves.
- Municipality of São João da Madeira - Provision of services - delivery of containers.
- EMAP - Empresa Municipal do Ambiente do Porto, E.M., S.A. - Disposal and treatment services of WEEE 17 09 04.

- Municipality of Nisa - Washing of MSW containers in the municipality of Nisa.
- Inframoura - Empresa de Infraestruturas de Vilamoura, E.M. - Washing of underground and semi-underground containers.
- Municipality of Penacova - Acquisition of undifferentiated municipal waste collection services for the Municipality of Penacova;
- Merged Parishes of Anta and Guetim - Acquisition of mechanical and chemical weeding services.
- Municipality of Sousel - Washing and disinfection of 314 MSW containers in the Municipality of Sousel, with two interventions.
- VALORLIS - Washing of eco-points - 1100L.
- Municipality of Campo Maior - MSW container washing service, with a total of 358 units.
- Municipality of Montijo - Carrying out an update of the georeferencing of the MW collection equipment.
- Municipality of Vila Nova de Poiares - Proposed supply of 2,500 units of reusable hermetic boxes for packaging meals.
- Municipality of Montijo - Collection of RCD bags.
- Municipality of Fronteira - Washing service for urban solid waste collection containers.
- Parish Council of Moscavide and Portela - Removal, transport and final destination of green waste existing in the Parish Council yard.
- SULDOURO - Training in crane operation, with issuing of SIGO certificate.

In addition to these awards, SUMA increased its customer portfolio by signing contracts with new customers, representing a portfolio of 0.42 million euros:

- Municipality of Albergaria-a-Velha - Purchase of services for the collection and transport of urban waste to its final destination.
- Ecolezíria - Empresa intermunicipal para o tratamento de resíduos sólidos, EIM. - Provision of washing and disinfection services for eco-points (surface and underground containers).
- Municipality of Vila Nova de Poiares - Procurement of training/awareness raising services and creation of an interactive online platform.
- Municipality of Mealhada - Acquisition of services for the scaling, cleaning, washing and disinfection of MSW collection containers.
- Municipality of Paredes de Coura - Provision of an operational leasing service for a driverless solid urban waste collection vehicle.
- Municipality of Paredes de Coura - Provision of washing and disinfection services for MSW containers in the municipality of Paredes de Coura.
- Municipality of Mora - Cleaning service of containers and moloks.

We also highlight contract renewals, which provide continuity to contractual relations:

- Municipality of Almada - Provision of washing and cleaning services for surface containers in the Municipality of Almada.
- Municipality of Condeixa-a-Nova - Provision of urban cleaning services and collection of used cooking oil in the Municipality of Condeixa-a-Nova.

- ALGAR - Provision of services for the collection and transport of urban waste packaging - small businesses and services.
- AMARSUL - Door-to-door selective collection in commerce
- Parish Council of Espinho - Urban cleaning in the Parish of Espinho.
- Municipality of Figueira da Foz - Hiring of maintenance and cleaning services for beaches in the Municipality of Figueira da Foz;
- Municipality of Ílhavo - 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 Eco-Centre in the Municipality of Ílhavo.
- SIMAR - Intermunicipal Services for Water and Waste of the Municipalities of Loures and Odivelas - Provision of washing service for 1100 litre containers.
- VALORSUL - Collection of paper/cardboard and packaging in Loures and Odivelas.
- Mota-Engil - Engenharia e Construção S.A. - Proposal for platform cleaning, mechanical cleaning of rails, chemical weeding and track drainage (Metro do Porto).
- University of Coimbra - Collection and transport to final destination of urban waste produced on the UC and SASUC premises and supply of the respective surface containers.
- VALORSUL - Regular provision of street sweeping services at VALORSUL premises.
- Mota-Engil - Engenharia e Construção S.A. - Regular provision of by-product transport services.
- Merged Parishes of Massamá and Monte Abraão - Public tender for the acquisition of cleaning, washing and waste removal services from the Weekly Street Market of Monte Abraão;
- Municipality of Vila do Conde - Provision of services for the collection of MSW, equipment washing and urban cleaning in the Municipality of Vila do Conde.
- Municipality of Ílhavo - Provision of cleaning services on the Barra and Costa Nova beaches, cleaning of waterside areas and cleaning of paths and leisure areas.
- Municipality of Terras do Bouro - Provision of services for the collection and transport of MSW to its final destination and sanitation of the collection points, in the municipality of Terras de Bouro.
- VALORSUL - Provision of services for the collection and transport of urban waste packaging - small businesses and services.

SUMA is committed to a strategy of proximity and partnership in its relations with the customer, promoting permanent contact with current and potential customers, presenting the best practices and adapting its offer to the particular needs of each one. The joint commitment of the Company's various divisions, pursue the objectives in terms of market share and maintaining leadership in the domestic market.

Treatment of municipal solid waste

The SUMA Group adds to its national leadership in the private urban waste collection and cleaning market a top position in the treatment and recovery of waste, with the integration of the EGF Group. The SUMA Group's MSW treatment area covers approximately 6.5 million inhabitants in Portugal, more than 60% of the Portuguese population, spread over 180 municipalities.

SUMA TRATAMENTO was the company used by the SUMA Group as a vehicle in the acquisition of EGF, under a privatisation process, through an international public tender, currently owning 99.9884% of the share capital of

EGF, the holding responsible for the management and coordination of the companies contracted by the Multi-Municipal Systems (MMS) for the treatment and recovery of municipal waste.

The EGF Group is composed of 11 companies, in which it holds a majority interest: VALORMINHO, RESULIMA, RESINORTE, SULDOURO, RESIESTRELA, ERSUC, VALORLIS, VALNOR, VALORSUL, AMARSUL and ALGAR. These companies, which are concessionaires of the MMS, operate in 174 municipalities covering an area of 48,089 km², i.e. 52% of the national territory. The population served represents 60% of the country's inhabitants, i.e. around 6.2 million people. Approximately 3.3 million tonnes of waste were treated and recovered in 2021.

EGF

EGF is a holding company responsible for managing and coordinating MMS concessionaires. 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, S.A. ("ALGAR") was established in 1995 and engages in 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 (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 owns the following infrastructures: thirteen eco-centres, a mechanical treatment facility, a mechanical and biological treatment plant, two sanitary landfills, two sorting centres, three composting sites, three biogas recovery facilities and eight transfer stations.

AMARSUL

Amarsul - Valorização e Tratamento de Resíduos Sólidos, S.A. ("AMARSUL") was established in 1997 and 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 renewed in 2002 and in 2014, which is now scheduled to end in 2034. It serves a population of 779,399 inhabitants in the municipalities of Alcochete, Almada, Barreiro, Moita, Montijo, Palmela, Seixal, Sesimbra and Setúbal. For this purpose, AMARSUL operates seven eco-centres, a mechanical treatment facility, two sanitary landfills, a sorting centre, a mechanical and biological treatment plant – composting site, a mechanical and biological treatment plant –, an anaerobic digestion facility, three biogas recovery facilities and a transfer station. The share capital of AMARSUL is 51% owned by EGF, with the remaining 49% being owned by the 9 municipalities in the area.

ERSUC

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

RESIESTRELA

Resiestrela - Valorização e Tratamento de Resíduos Sólidos, S.A. ("RESIESTRELA") was established in 2008 and is responsible for the management and operation of the Cova da Beira multi-municipal waste sorting, selective collection, recovery and 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. The company currently owns fourteen eco-centres, a sanitary landfill, a biogas recovery unit, a sorting centre, a composting plant and nine transfer stations, serving a population of 186,836 inhabitants within a geographic area of 6,132 km².

RESINORTE

Resinorte - Valorização e Tratamento de Resíduos Sólidos, S.A. ("RESINORTE") has been responsible for the concession of the multi-municipal waste sorting, collection, recovery and treatment system of the Central North region since 2015. Established in 2009, RESINORTE is 75.11% held by EGF, the remainder by the Association of Municipalities of the North Douro Valley and 22 of the 35 municipalities that use the system. It covers a geographic area of 8,090 km², serving a population of approximately one million inhabitants. The company currently owns four sanitary landfills, one organic waste recovery plant, eight transfer stations, four sorting centres, five biogas recovery plants and seventeen eco-centres.

RESULIMA

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

SULDOURO

Suldouro - Valorização e Tratamento de Resíduos Sólidos, S.A. ("SULDOURO") was established in 1996, with EGF holding a 60% stake, with the municipality of Vila Nova de Gaia owning 25% of the share capital and the municipality of Santa Maria da Feira owning the remaining 15%. The company guarantees the appropriate treatment and recovery of waste in two important municipalities in the South Douro region, owning five eco-centres, an organic waste recovery plant, a sanitary landfill, a sorting centre and two biogas recovery plants. Its area of intervention totals 384 km², serving around 438 thousand inhabitants.

VALNOR

Valnor - Valorização e Tratamento de Resíduos Sólidos, S.A. ("VALNOR"), a company established in 2001 and responsible for the collection, sorting, recovery and treatment of solid waste in the 25 municipalities under its area of influence (North Alentejo and Beira Interior), has as its core mission the preservation of the environment where it operates and the improvement of the services provided to the population, in what regards municipal solid waste. VALNOR 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, the remaining 53.33% being owned by EGF. The territory covered by the system has an approximate area of 11,980 km² and an estimated resident population of around 249,762 inhabitants. VALNOR currently owns sixteen eco-centres, two sanitary landfills, and an organic waste recovery plant, including a biogas recovery facility, a sorting centre, seven transfer stations and a WDF production plant.

VALORLIS

Established on 6 August 1996, Valorlis - Valorização e Tratamento de Resíduos Sólidos, S.A. ("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 infrastructures include four eco-centres, a sanitary landfill, a sorting centre, two biogas recovery plants, three transfer stations and an organic waste recovery plant.

VALORMINHO

Valorminho - Valorização e Tratamento de Resíduos Sólidos, S.A. ("VALORMINHO"), a company established in 1996, is the concessionaire of the multi-municipal solid waste sorting, selective collection, recovery and treatment system of Vale do Minho, which covers the municipalities of Caminha, Melgaço, Monção, Paredes de Coura, Valença and Vila Nova de Cerveira, which are a part of the shareholder structure, with a 49% stake, together with EGF, which holds 51% of the share capital. The system covers a total area of 950 km², serving around 73,000 inhabitants. Its infrastructures include two eco-centres, a sanitary landfill, a sorting centre, a transfer station, a biogas recovery plant and a mechanical treatment plant.

VALORSUL

Valorsul - Valorização e Tratamento de Resíduos Sólidos das Regiões de Lisboa and do Oeste, S.A. ("VALORSUL") was established in 2010 and results from the merger of Valorsul, S.A. and Resioeste, S.A. It 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. The company owns two sorting centres, seven eco-centres, an energy recovery plant, a slag treatment and recovery facility, an organic waste treatment and recovery station, two sanitary landfills, three biogas recovery stations, five transfer stations and the use of 50% of the VALORLIS organic treatment plant.

Ending the 2019-2021 regulatory period, 2021 was a year of resilience and recovery, marked by the completion of all review processes undertaken with the ERSAR, which took place over the last two years, and the preparation of the new regulatory period of 2022-2024, which was initiated with the submission and approval by the Grantor of the first stage of the investment plan for 2022-2024 and the production and submission to the ERSAR of the Regulated Account Forecast, which include the reference cost proposal. Once the strategic document for the sector, PERSU 2030, has been published, the companies will proceed with the production of the Action Plan, in order to ensure compliance with the provisions established therein (PAPERSU). This Plan will form the basis for production and submission to the Grantor of part II of the Investment Plan, which will include the necessary measures for ensuring the achievement of the targets set, as well as compliance with the obligations undertaken.

In 2021, and within the scope of the collective effort required of the country as a consequence of the pandemic, the Group was forced to adjust to the situation, having also fulfilled its investment plan, amounting to approximately €36M, which will increase the capacity and efficiency of the companies, such as to enable the achievement of the PERSU2020 and PERSU 2020+ targets.

The amounts of waste treated by the EGF Group increased again in 2021, compared with the previous year, having continued to surpass 3 million tonnes, as in the last three years. The COVID-19 pandemic resulted in a considerable decrease in the delivery of waste by the Municipalities served by the aforementioned companies in 2020, owing to the generalised decrease in waste production. However, the amounts received in 2021 are once again close to those received in 2019.

Selective waste collection by the EGF Group companies in 2021 involved a total of 597 thousand tonnes, including biowaste, three-stream waste and other selective streams. Three-stream waste collection totalled 355 thousand tonnes, which represents a year-on-year increase of 6%. The economic recovery experienced in 2021 led to increases of 6% in glass, 5% in paper/cardboard and 8% in packaging waste, compared with the previous year. The historical analysis of selective waste collection across the EGF Group revealed that the fluctuation in quantities was similar to that of unsorted waste. However, a higher increase in recyclable materials has been witnessed in recent years, influenced by the commitment of EGF companies to promoting the sorting of waste.

The production and export of energy from waste treatment and recovery has become essential to ensuring the environmental sustainability of EGF Group companies. In 2021, approximately 507 GWh of electricity were exported to the national electricity grid, which represented a recovery from the fall observed in 2020, surpassing the values recorded in 2019.

The EGF Group company certifications were also renewed in 2021, reflecting the commitment of the companies to Quality, Safety and the Environment.

In addition to the activities carried out by the EGF Group in the area of MSW treatment, SUMA is engaged in the management of contracts for the exploitation of municipal solid waste landfills. Two contracts of this type remain in force in 2021, managed by the following companies:

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

REAL VERDE was established in 2000 to manage the contract for the operation and maintenance of the Vale Douro Norte Inter-Municipal Landfill, an activity that the company continues to pursue up to 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 entered into in 2000 with the Association of Municipalities of Vale do Douro Norte (“AMVDN”). In 2012, the parties reached an agreement to assign the rights and obligations of the AMVDN to RESINORTE. Entered into in 2000 and with an initial duration of 10 years, the contract was renewed in 2010 and again in 2015, for periods of 5 years, until 31 July 2020. An alteration to the existing contract was signed on 1 August 2020, where prices were renegotiated and service provision extended to 31 July 2023.

The amount of waste deposited in the landfill managed by REAL VERDE totalled 120,482.20 tonnes, which represents a slight drop, of only 1%, compared with 2020.

SIGA – Sistema Integrado de Gestão Ambiental, S.A. (“SIGA”)

Established in September 2008 to operate in the waste sector in the Autonomous Region of the Azores (ARA), SIGA results from a partnership between SUMA and the Marques Group. SIGA engages in the management of the entire waste lifecycle, with a view to increasing regional self-sufficiency and meeting the region's environmental development requirements. The company's main activity in 2021 consisted of the performance of the contract for the “Operation of the São Miguel Island Ecopark I and II”, awarded by MUSAMI – Operações Municipais do Ambiente EIM, S.A. to the Consortium formed by SIGA and SUMA, which was started on 29 April 2019 and signed for a period of 36 months.

In 2021, a total of 92,788 tonnes of waste was received at the São Miguel Island Ecopark, which represents a year-on-year increase of 3%. This increase reflects the positive evolution in waste production resulting from economic recovery. SIGA ceased its operations following the end of the contract on 28 April 2022. With no active contracts at present, the Company is attentive to new opportunities in the Autonomous Region of the Azores.

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

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

AMBILITAL – Investimentos Ambientais no Alentejo, E.I.M. (“AMBILITAL”)

AMBILITAL was Established in 2001 to manage the integrated municipal solid waste collection, treatment and recovery system in 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”)

Established in 2001, CITRUP is 30% owned by SUMA. The purpose of this company is to operate the Maia landfill, which supports energy recovery plant LIPOR II and other related activities.

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

It was established in 2004, with SUMA holding a 24.5% interest. The company's core activity is the collection, treatment and recovery of municipal solid waste generated in the municipalities associated with the RESIURB – Association of Municipalities for the Treatment of Solid Waste.

Collection and treatment of industrial waste

For many years, SUMA's strategy has focused on a series of diversified, encompassing solutions. In this sense, the company invests in innovation and the development of solutions for most types of waste, thus extending the scope of the services provided with respect to the collection and treatment of industrial waste, as well as non-municipal waste and waste similar in nature and composition to municipal waste. SUMA operates in the collection and treatment of industrial waste market through a series of companies that provide a wide range of services, including global waste management, sorting and treatment; recycling and regeneration of used oils; and management of landfills for deposition of non-hazardous waste (NHW).

Following the integration of ENVIROIL in the SUMA Group and the adoption of a strategy focused on the development of activities related to the management of industrial waste, non-municipal waste and waste similar in nature and composition to municipal waste, a Group of companies specialised in this area of activity was established, led by ENVIROIL, which enabled the development and combination of skills in the field:

ENVIROIL, SGPS, Lda. ("ENVIROIL")

Established in 1997, ENVIROIL started its operations with a project for the recycling of waste oils and production of electricity. The company was integrated into the SUMA Group in 2009 and restructured in 2012, when its corporate name was changed to ENVIROIL, SGPS, Lda. And its corporate purpose altered to the management of the holdings of other companies, as an indirect form of economic activity. After 15 years of activity and consolidated know-how in the recovery of waste oils, the company transferred its industrial activity to a new company - ENVIROIL II - Reciclagem de Óleos Usados, Lda.

ENVIROIL II - Reciclagem de Óleos Usados, Lda. ("ENVIROIL II")

Established in 1997, ENVIROIL II started its operations in 2011, engaging in the recycling and regeneration of used oils, electricity production and the wholesale of liquid, solid and gaseous fuels and derived products, a series of activities previously performed by ENVIROIL. ENVIROIL II has two recycling and regeneration units for waste lubricating oils, namely the Torres Novas plant, where it carries out the activities of regeneration and recycling of waste pre-treated oils; and the Chamusca plant, intended for the regeneration of waste lubricating oils. The second manufacturing plant, in Chamusca, came into operation in 2015 and was the first waste oil regeneration plant built in Portugal, with a capacity to regenerate 20,000 tonnes of waste lubricating oils, around 70% to 75% of the waste oils currently produced in Portugal.

In 2021, ENVIROIL II received 25,612 tonnes of waste oils, which represents a year-on-year increase of 18.56%. This increase resulted from the economic recovery experienced in the country and the consequent increase in the generation of this type of waste, used as raw material for recycling and regeneration. Of the total waste received, 21,197 tonnes were sent to regeneration, which represents an increase of 11.22%, equivalent to an additional 2,120 tonnes, compared with 2020. This increase was even more significant in what concerns used oils sent to recycling, which went up by 74.88%, reaching 4,416 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 started operating in 1988, engaging in the collection of waste oils. From 2002, onwards, the company progressively diversified its activities, having become a global industrial waste management operator, licensed to treat a wide range of waste materials. Correia & Correia owns three industrial units for the pursuit of its activities. 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 plant, in Frielas, has capacity for the storage, sorting, treatment, recovery and disposal of waste and storage of category 1 animal by-products. Correia & Correia has been progressively diversifying its activities over the last decade, primarily with respect to industrial waste collection and transport services, temporary storage of waste for subsequent shipment (recovery or disposal), treatment of industrial waste and leasing of cleaning and painting equipment.

The economic recovery experienced in Portugal in 2021, allied to the commercial and operational capacity of Correia & Correia, led to an increase in the amount of waste managed, which went up by 17.1%, reaching 62,491 tonnes over the year. Correia & Correia 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. Correia & Correia has implemented an integrated management system based on the NP EN ISO 9001, NP EN ISO 14001 and NP ISO 45001 standards.

TRIU – Técnicas de Resíduos Industriais e Urbanos, S.A. ("TRIU")

TRIU operates in this sector since 1991, offering 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 2012, when the latter was restructured. The services currently provided by TRIU include the collection and transport of industrial waste, municipal waste and waste similar in nature and composition to municipal waste; packaging waste equipment leasing; container washing and sanitising; and selective waste collection. TRIU has the capacity to receive, sort and recover waste – paper/cardboard, plastics, wood, metals, glass, used tyres, 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 adequate treatment. In terms of equipment, TRIU has vehicles with special features to provide mechanised sweeping and cleaning services, mechanical cleaning services for streets, roads and highways, as well as storage spaces and industrial parks and parking.

In line with the national economic recovery pattern, TRIU suffered a decline in activity in early 2021, as a result of the Covid-19 pandemic, followed by a recovery in the second half of the year, with respect to the previous decreases. Nevertheless, global performance in 2021 failed to reach the levels recorded in the previous year. The Company managed 66,759 tonnes of waste in 2021, which represents a year-on-year decrease of 1.72%. Although the amounts of industrial waste collected and transported remain below previous levels, a growing trend can already be observed with respect to the amounts of waste received at TRIU's premises. TRIU operates in compliance with the NP EN ISO 9001 and NP EN ISO 14001 standards, with a view to achieving certification in this field.

SRI – Gestão de Resíduos, Lda. (“SRI”)

Established in July 2008, within the companies ENVIROIL and 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%.

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

RIMA – Resíduos Industriais e Meio Ambiente, S.A. (“RIMA”)

As the managing entity of the Lustosa non-hazardous industrial waste landfill, RIMA is primarily engaged in the deposition of waste generated by industrial estates and intensive production. Established for the purpose of building and managing a non-hazardous industrial waste landfill, RIMA completed this project in 2009 by putting into operation a landfill with capacity for 771,429m³ of NHW and an expected lifecycle of 16 years.

In 2021, the amounts of non-hazardous waste and waste similar in nature and composition to municipal waste received went down by 12.21%, owing to a decrease in non-hazardous waste, as waste from Italy ceased to be received.

TRIAZA – Tratamento de Resíduos Industriais de Azambuja, S.A.

TRIAZA was established in 2015 for the purpose of developing a project whose scope included the building and operation of a Non-Hazardous Waste Treatment Centre in the municipality of Azambuja, council of Azambuja. TRIAZA invested 1.8 million euros in the construction of an infrastructure at a decommissioned quarry, which offers an environmentally and economically sustainable solution to the industrial plants located in the council, by fostering a policy aimed at preventing uncontrolled waste deposition, while simultaneously promoting environmental and landscape recovery through the use of waste materials for rehabilitation purposes and the geo-mechanical stabilisation of excavated voids. In order to develop this project, the Company signed a lease agreement for the property and formalised the acquisition of an inert industrial materials treatment plant, which holds all the necessary authorisations and licenses 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 the respective filling.

In 2021, as the maximum capacity of the deposition site was progressively reached, TRIAZA decreased the amounts received over the year. The variation in the amounts deposited at the landfill is significant, representing a decrease of 68.35%, compared with 2020, when waste was still received from Italy and Malta, under the scope of the Transboundary Movement of Waste processes authorised by the Portuguese Environment Agency (APA). A total of 25,033 tonnes of waste were received in 2021, including waste received for path reinforcement works and waste covers.

RESILEI – Tratamento de Resíduos Industriais, S.A. (“RESILEI”)

RESILEI started its activities in 2003, with the construction, management and operation of a non-hazardous waste landfill in Leiria. RESILEI's integrated management system has been accredited since 2008, in accordance with the EN ISO 9001:2000, EN ISO 14001:2004 and OHSAS 18001:2007 standards concerning the acceptance, reception and confinement of non-hazardous industrial waste in landfills. Following the investment made in 2021, the building of the third and fourth cells of the sanitary landfill is expected to be completed in the first quarter of 2022, which will provide the Company with an installed capacity of 1,440,000 tonnes.

In 2021, RESILEI managed 36,134.62 tonnes of waste, which represented a year-on-year decrease of 26.34%.

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

In addition to the three active landfills described, SUMA has formed a partnership to develop a construction project pertaining to a non-hazardous waste landfill in Aveiro:

CITRAVE – Centro Integrado de Tratamento de Resíduos de Aveiro, S.A.

CITRAVE was established in 2009 for the purpose of building and operating a non-hazardous waste landfill in the council of Aveiro. Still at the project stage, the new site will allow the company to diversify its services, create synergies and offer adequate solutions, in order to meet market needs, according to the strategy outlined by the SUMA Group.

International area

The ambitious internationalisation project pursued by SUMA is based on the expansion of the Group's services, of recognised quality, to new regions, by applying SUMA's wide range of skills and high-quality standards, with the objective promoting the growth of the Group.

The Group's expansion strategy involves the establishment of local companies and the identification of adequate solutions, in partnership with local businesses. For this purpose, the Group focuses on existing synergies with its shareholders, in order to identify the best solutions and ensure high standards of service provision.

Angola**VISTA WASTE Management, Lda. (“VISTA Waste”)**

VISTA Waste was established under a consortium with the Mota-Engil group and local partners, in order to operate in the Angolan market. The company, which intends to become an industry leader in the waste sector in Angola, started operating in late 2008. SUMA, which holds 49% of the share capital, with the company being controlled by the majority shareholder, is responsible for production management, using the Group's know-how to continue undertaking waste collection and transport, urban cleaning, waste management and treatment, and environmental education.

The Provincial Government of Luanda terminated the contract with VISTA Waste, on a unilateral basis, due to which the integrated management of solid waste ceased in December 2020. In 2021, the company developed a diversification project for industrial waste collection, its core activity over the year, having sought to establish new partnerships with public and private customers, such as to benefit from the installed capacity, while continuing to engage in the assessment of proposals and focus on urban service tenders.

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

SIGAMB was established in Angola by the SUMA Group, in order to develop technical studies and provide consulting and training services in the environmental field. The company engages primarily in the provision of services to VISTA Waste, assisting the latter with contract performance. Having interrupted its operations in 2021, after the termination of the public contracts awarded to VISTA Waste, SIGAMB intends to resume service provision in 2022.

Mozambique

ECOLIFE, S.A. (“ECOLIFE”)

Established in 2021 in Mozambique to perform a service provision contract concerning the collection of municipal solid waste in the centre of Maputo, ECOLIFE serves a population of 130,000 inhabitants. Despite being minority-owned by SUMA, the company adopted the management model of the latter, for the purpose of becoming a leading market operator in the Mozambican integrated waste management sector.

In March 2020, the company started to perform a new contract concerning the provision of municipal solid waste collection and transport services in the municipal district of KaMpfumu, awarded by the Maputo municipal council, which will remain in effect until February 2025, representing a total value of 573 million meticais. Approximately 63 thousand tonnes of MSW were collected and transported under the terms of this contract in 2021. In 2021, the Company maintained the certification granted in 2020, according to the 9001:2015, 14001:2015 and 45001:2018 standards.

Brazil

SUMA Brasil - Serviços Urbanos e Meio Ambiente S.A. (“SUMA Brasil”)

In 2017, SUMA re-entered the Brazilian market with the acquisition of CONSITA, LTDA (“CONSITA”), a pioneering company in the environment field since 1990, owing to its focus on the privatisation of urban cleaning services in Belo Horizonte, the capital of the state of Minas Gerais, in Brazil. SUMA established a new company, ECB SUMA Participations, S/A (ECB SUMA), in partnership with Empresa Construtora Brasil (Mota-Engil Group), for the purpose of effecting this acquisition. Despite holding a minority interest, SUMA plays a leading role in the company's operating structure and ensures business management. In 2018, ECB SUMA changed its name to GERES Participações S/A (“GERES”), while CONSITA changed its name to SUMA Brasil in April 2020, assuming the brand image of SUMA. In November 2021, SUMA acquired the remaining 57.15% of the share capital of GERES, thus becoming the sole shareholder and indirectly holding the total share capital of SUMA Brasil.

In 2021, SUMA Brasil provided waste collection and urban cleaning services in the states of Minas Gerais, São Paulo, Paraná and Distrito Federal, serving approximately 4.6 million inhabitants. As of December 2021, SUMA Brasil has a portfolio of contracts in Avaré, Brasília, Conceição do Mato Dentro, Contagem, Itapevi, Itatiba, Santa Luzia, São Paulo, São Sebastião Paraíso and Sarandi. In order to develop the contract with the western area of the city of São Paulo, SUMA Brasil established ECOSS AMBIENTAL, a company with a specific purpose that

collaborates with two local partners. MAIS ITAPEVI was established for the purpose of performing a public-private concession contract in Itapevi, with a duration of 25 years.

SUMA Brasil suffered a decline in business in 2021, due to the termination of the contract with the Urban Cleaning Superintendency of Belo Horizonte, in 2020, and the completion of the emergency services provided in the city of Brasília, which accounted for more than 10% of the company's revenue and operating results. Despite these losses, revenue went up for most active contracts in 2021. Regarding the company's subsidiaries, the performance of ECOSS AMBIENTAL surpassed the expectations for 2021, whereas MAIS ITAPEVI started providing public services in November 2021, including urban cleaning and solid waste management.

SUMA Brasil has also established a company for the purpose of operating a sanitary landfill, CTR Santa Luzia – Tratamento e Disposição de Resíduos, LTDA., which is awaiting the required licences to start its activity.

SUMA also set up a Branch in Brazil – SUMA - Serviços Urbanos e Meio Ambiente, SA do Brasil –, as a local liaisoning company for service implementation purposes.

Oman

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

In 2014, SUMA set up a Branch in Oman, the SUMA Oman Branch, for the purposes of starting operations and participating in waste management tenders in the Sultanate. In 2014, this focus on the Middle East resulted in the award of a contract concerning the decommissioning of six waste disposal sites in the province of Al Dakhiliyah, in northern Oman, to be performed within six months.

In order to expand SUMA's business in this geographic region, the Branch continued to analyse opportunities and submit commercial proposals in 2021, having maintained its local liaisoning activities with respect to the environmental education consulting services promoted by SUMA.

ECO VISION, LLC (“ECOVISION”)

In order to participate in a tender concerning waste management operations in Al Sharqiyah Sul, 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 Oman territory, SUMA formed a consortium with Tanzifco and MCS, two companies engaged in local operations, and was awarded the contract in 2015. For the performance of this contract, SUMA established ECOVISION, a company governed by Omani law, in which SUMA is the majority shareholder, in order to ensure contract management. 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, in accordance with the EN ISO 9001:2015, EN ISO 14001:2015 and OHSAS 45001:2018 standards.

In 2021, ECOVISION maintained its regular activities, despite the limitations imposed by the Covid-19 pandemic. The amount of waste went up again in 2021, owing to an increase in the waste generated by the population and the country's economic activities.

Other countries

SUMA owns companies in other geographic regions, in order to survey the market and benefit from new business opportunities.

Some of these companies have already operated in the past, as is the case of AGIR - Ambiente e Gestão Integrada de Resíduos, Lda. ("AGIR"), a company established in Cape Verde in 2008, which started operating in 2012 within the scope of its first service contract, signed with the municipality of Praia, for the provision of door-to-door waste collection services at residences 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 geographic region.

In addition to this company, SUMA owns a company in Poland that operated for several years, EKOŚRODOWISKO Spółka z.o.o. ("EKOŚRODOWISKO"). This company is currently inactive, as it has 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 seeking to attract local investors, in an attempt to launch SUMA's operations in this area of the globe.

SUMA's internationalisation strategy focuses on expansion and business globalisation, as the Group wishes to create value, foster sustained growth and consolidate its position as a quality partner in all its operations.

Laboratory

With more than two decades of experience in laboratory analysis, SUMA offers a wide range of services, namely pertaining to water quality, environmental monitoring, waste, sampling and consulting. The Group's laboratory facilities are equipped to test over a hundred physical, chemical and microbiological parameters, which allow SUMA to meet current market needs.

SUMALAB, S.A. ("SUMALAB")

SUMALAB was established on 27 July 2000 for the purpose of performing a concession contract for the provision of waste collection and sweeping services in the council of Matosinhos, including laboratory analyses. The company was responsible for the performance of this contract for 17 years, from 2000 to 2017, when the contract ended and the corresponding services ceased to be provided. The company altered its name to SUMALAB in February 2019, for the purpose of promoting a change in its image and changing its core business to laboratory work, following the termination of the aforementioned concession contract.

As in previous years, the SUMALAB Laboratory continued to pursue its main areas of activity in 2021, namely quality control of water for human consumption, based on analytical methods, as well as quality control of swimming pool and bathing water, environmental monitoring of landfills, quality control of natural waters, analytical control of wastewater, and profiling of municipal solid waste, including the undifferentiated and selective fractions.

The activities of the Laboratory, which primarily involve the performance of specific and annual contracts, include the continuous improvement of all services provided. In order to expand the range of laboratory services offered, SUMALAB started implementing new analytical methods in the areas of microbiology and heavy metals in 2020, which were accredited by the IPAC in 2021, despite all the constraints caused by the COVID-19 pandemic.

Considered a priority, the maintenance of the EN 17 025 Accreditation for all existing parameters and samples is essential to the activities of the SUMALAB Laboratory. Despite the adversities brought by the pandemic, SUMA proceeded with the implementation, for accreditation purposes, of a significant number of tests in 2021, such as to allow the conduction of tests at the Microbiology Laboratory and the ICP-MS (Inductively Coupled Plasma Mass Spectrometry) Laboratory, which are duly accredited. A significant increase in the number of tests performed internally was experienced in 2021, compared with the previous years, owing to the start of operations in these two areas. The coming into effect of the new Technical Annex for Accreditation, on 7 September 2021, also contributed to this growth.

Owing to the new tests and assays offered, as well as the installed capacity, SUMALAB was able to attract a larger number of customers and increase its revenues in 2021, which resulted in a very positive commercial performance.

In 2021, the laboratory tested 30,439 samples, which represents a year-on-year increase of 24.8%. This activity entailed the determination of 267,528 parameters, of which 141,949 were tested internally and 125,579 were tested by subcontractors.

Environmental Education and Awareness

In 2021, SUMA continued to provide environmental education services within the scope of exclusive awareness contracts, which represented a turnover of nearly one half million euros. This amount, added to the turnover generated by support services provided within the scope of non-exclusive contracts, led to a total turnover of approximately one million euros.

The evolution and change in SUMA's internal environmental education paradigm, whereby the latter ceased to be perceived as a support service to become a business area, generated a turnover of approximately 1.5 million euros over the last three years, which, added to the aforementioned support provided to non-exclusive service contracts, led to a total of approximately 2.5 million euros. Since the start of its operations, the Environmental Education area has already attracted 20 exclusive contracts, officialised contractual contacts with approximately 238,000 individuals, established direct, pro-active contacts with more than 120,000 targets, completed about 30,000 hours of dedicated environmental training, covered 24 municipalities, and designed 13 exclusive campaigns.

In 2021, nine new exclusive environmental awareness contracts were signed, to be added to the contracts signed in previous years, whose performance continued to be ensured by the internal team, despite the different geographic areas and tasks involved. Contracts were signed with Municipalities such as Amarante, Leiria, Moita, Póvoa do Varzim, São João da Madeira, Setúbal and Vila Nova de Poiares, as well as Systems such as LIPOR, MAIAMBIENTE and RESIALENTEJO.

Regarding the tasks involved, the services contracted consisted primarily of the separate collection of biodegradable municipal waste, including food and green fractions; door-to-door and proximity services; and multi-material, door-to-door selective collection systems. Additionally, the team engaged in the production of a record of dwellings not connected to the public water supply network, awareness-raising actions within the scope of sustainable consumption and minimisation of food waste, forest conservation, fire prevention in rural areas, and protection of biodiversity and the indigenous fauna and flora.

The internal team, which includes approximately 20 technicians specialised in several fields, spared no effort to complete a large number of actions, namely through door-to-door contact, call centre contact, forums, field sessions, webinars, talks and recreational activities, amongst others, having also engaged in the design of complex promotional materials, including interactive platforms, themed videos, manuals for teachers, themed cards, etc.; and in the production of procedural guides for each project, including scripts, activity guidelines, press releases, and partnership/reinforcement communications, amongst others.

As the pandemic continued to be experienced, the aforementioned procedural guides were reformulated to ensure effectiveness and risk mitigation for the operatives and targets involved, based on a model of safe delivery, where direct actions involving local citizens were reduced to the essential – in order to reduce direct exposure times – and complemented by dedicated telephone contact, contact via networks (such as WhatsApp) and scheduled online sessions.

A few efficacy measures associated with the interventions carried out are noteworthy: rates of compliance with residential door-to-door collection, which reached peak values of 100% (average of 90%); maximum per capita organic waste collection, post-campaign, of 98 kg/inhabitant/year (average per capita consumption of 58 kg/inhabitant/year); reports of “no non-compliant load” for food waste collected (according to an assessment reported by customers and the respective management systems); per capita three-stream waste growth, post-campaign, of 195% (average of 97%); exceedance of local three-stream waste targets, post-campaign, recording 327% (average of 166%); and a return on investment of 229%, obtained by the campaign’s media value (only taking into account the analysis of 1 campaign).

Within the scope of the department’s commercial area, specific awareness services were also awarded by private companies, in the year under review, for the organisation of awareness sessions aimed at employees, concerning recyclable waste recovery. Additionally, commercial digital sheets dedicated to MUW were produced/ distributed and recreational activities focused on environmental issues were organised, in order to advertising these services to potential customers.

Regarding the optimisation of the waste collection and/or cleaning services provided by SUMA – where a percentage of revenues are invested in environmental education services –, the Group continued to organise direct awareness actions, despite the challenging conjuncture (namely the pandemic, municipal elections and changes

in executive staff, amongst others). Approximately 30 campaigns were carried out in 15 municipalities (Alcobaça, Batalha, Coimbra, Figueira da Foz, Guarda, Ílhavo, Mira, Montemor-o-Velho, Ourém, Santa Maria da Feira, São João da Madeira, Tomar - Tejo Ambiente, Torres Novas, Vale de Cambra and Vila Nova de Gaia).

The organisation of remote sessions and initiatives in open/outdoor areas, as well as the provision of digital materials, with wide coverage, allowed SUMA to overcome the restrictions imposed by public health measures – related to the pandemic currently experienced –, in order to ensure greater service sustainability, by improving timings and fostering the sustainable use of the Group’s human and logistic resources, and enable the development of innovative formats. In this sense, remote awareness actions aimed at schools and employees were designed/conducted, including synchronous sessions with pupils and municipal employees; as well as recreational actions in outdoor areas, using customised monitors/mascots; mixed recreational actions and synchronous sessions, using both of the aforementioned strategies; placement of promotional materials in unexpected locations, namely affixing of informative stickers on glass panes at school entrances and placement of semi-permanent decors in eco-lanes and trails; use of themed billboards in bathing and other areas; and production of digital materials, namely videos, banners and themed posts for social media and local advertising.

Within this scope, the campaigns organised focused on reduced generation of waste at the source, including campaigns such as “Ponta do Iceberg”, “Sou Fresco” and “Dose QB”; packaging waste sorting, including campaigns such as “Dou valor”; cleaning of canine excrements and urban maintenance and cleaning, including campaigns such as “Pedigree” and “Fedor e Companhia”; correct disposal of special waste (large items, garden waste and coal waste), including campaigns such as “Ponto e Vírgula” and “Caça aos Monstros”; maintenance and cleaning of bathing areas, including campaigns such as “Praia com Etiqueta” and “Esquecidos e Achados”; and correct MUW co-management, in general terms, including campaigns such as “Faço Paragem”, “Código Verde” and “ZOOURBANIDADE”.

In 2022, SUMA intends to focus on the continued development of more than 20 regional environmental education plans, aimed at optimising the Group’s waste management and urban cleaning services, through the design and development of dedicated, diversified campaigns by the internal awareness team.

Regarding the provision of exclusive environmental education and awareness services, SUMA intends to start and/or continue the performance of 16 contracts, signed with 13 municipalities across the entire Portuguese territory; and to contact more than 50,000 targets. Additionally, the Group expects to be awarded about 6 new contracts concerning the dedicated or local collection of MUW and/or multi-material waste, as well as other issues, namely sustainability, sustainable management of forests and water resources, and reduction of food waste, reflecting the intense commercial activity in this area, the availability of European funds and the recognition of SUMA’s ability to motivate the populations to adopt adequate environmental and civic behaviours.

Human Resources

SUMA is committed to fostering the professional development and motivation of employees, in addition to focusing on training, safety, quality and the improvement of working conditions, recognising the key role played by employees in ensuring the Group's success.

In 2021, the series of companies that comprise the SUMA universe relied on approximately 10,000 employees, working for more than 30 companies, with continued to operate during this financial year. The companies that consolidate within the SUMA Group account for 8,032 employees, which are joined by 7 employees loaned by Portuguese municipalities.

In 2021, SUMA's Human Resources Management ("HRM") Department continued to centralise the management of this area for several SUMA group companies. In this sense, the information herein provided concerns 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.

This group of SUMA Group companies employed an average 2,145 workers in 2021, with average age of 42 years, of which 84% are male. Most workers have academic qualifications at the level of the 3rd key stage of basic education (28.43%), and most are of Portuguese nationality. A total of 84% of the workers are allocated to the operational area, with the remaining 16% performing functions in the administrative structure and workshops. The values of these indicators are very similar to those recorded in the previous year, despite the increase in the number of employees.

Absenteeism stood at 6.39%, a lower ratio than that recorded in 2020, with most absences being due to sick leave. Annual turnover for this group of companies in 2021 reached 38%, owing to the increasing difficulty in retaining employees allocated to certain functions.

In terms of disciplinary management, 17 disciplinary proceedings were conducted in 2021, i.e. 5 cases fewer than in 2020, of which one ended in dismissal with just cause.

In line with the trend observed in previous years, Recruitment and Selection ("R&S") activities continued to be performed centrally, namely the recruitment of heavy equipment operators, waste operators and mechanics, profiles typically associated with the operations. However, the recruitment process for these profiles is increasingly demanding, particularly in what concerns heavy equipment operators and workshop personnel (mechanics, metalworkers, etc.).

In 2021, a total of 88 recruitment processes was carried out, of which 82 referred to operational profiles, which include waste operators, heavy equipment operators and workshop/ warehouse operatives.

Regarding social responsibility, SUMA engaged in several contacts with entities involved in the integration of disabled persons in 2021. However, it was concluded that the candidates in question are not suited to the functions required in our area of operation.

In 2021, SUMA organised a flu vaccination campaign, aimed at all Group employees. A total of 851 employees signed up to this campaign and the vaccines were administered in December, in line with the recommendations of the Directorate-General for Health. In order to ensure employee wellbeing, SUMA maintained curative medicine consultations and extended their scope, by resorting to teleconsultation, in order to include all employees who provide services outside the Lisbon District.

Due to the pandemic, which continued to be experienced during the entire year of 2021, the Group maintained its contingency plan and reduced the size of teams, such as to ensure distancing, in an effort to safeguard the health and wellbeing of its employees. Remote working was maintained; hand sanitiser and personal protective equipment were made available at workplaces. Several tests were also carried out in order to detect possible cases of Covid-19, which helped prevent transmission between employees.

An IT tool was made available in 2021, which allows employees to record absences, namely holidays and medical appointments, amongst others, in addition to allowing supervisors to manage the absences in question, by means of an approval workflow that facilitates team and Organisation management.

To summarise, 2021 was a challenging year with respect to human resources, owing to the pandemic experienced across the country. Nevertheless, SUMA continued to ensure the provision of services to its customers, while protecting the health of its employees.

Equipment and Supplies

Regarding equipment and supplies, SUMA continued to focus on its fleet modernisation process and the development and implementation of customised solutions, internal and suited to specific customer needs, in order to increase efficiency, improve reliability and reduce costs, for the ultimate purpose of increasing the Organisation's competitiveness in the market.

With a larger fleet and a steady inflow of new contractual commitments, SUMA continued to renew its fleet, having put 45 new equipment items into service, which allowed the Group to improve the efficiency and reliability of its fleet and reduce operating costs. Renovation concerned primarily the following types of equipment: waste collection and compacting vehicles, container washing vehicles, vacuum sweeping vehicles, 3500 kg tilting vans, 3500 kg vans equipped with lifting systems and light commercial vans.

In 2021, SUMA sought to maximise the profitability of the *Stratio* system, a predictive maintenance system that enables vehicle monitoring through the collection of data from sensors, including readings, as well as results analysis and detection of errors, which, through artificial intelligence models, alert the teams to potential malfunctions or problems. The purpose of this system is to anticipate or minimise malfunctions, such as to significantly reduce the need for corrective maintenance, with its inherent costs and downtime.

A pilot project involving door-to-door waste collection in a parish in Leiria was started in 2021, where collection data are managed by a MOBA monitoring system. An *Operand* console and an RFID container identification system were installed in the vehicle allocated to this service. This software leads to better contract management by allowing the identification of all containers collected and the respective locations and customers.

Training sessions on equipment operation continued to be organised in 2021, involving close monitoring of the drivers/operators, who were taught good practice in the operation of the various pieces of heavy equipment, both in the operation of the chassis and the operation of superstructures, with special focus on the safety, conservation and consumption of the equipment. Training sessions in eco-driving, tachographs and crane operation were also organised. The method, which has been consolidated, is very well received by the operations area and results in added value for the Company.

The beginning of 2021 was marked by the entry into operation of the new SAP HANA platform, following the smooth transition from ERP SAP R/3, which evidenced the benefits and improvements brought by this tool. In order to improve the material outgoings required for Work Orders, a pilot project was started at the Ourém centre, where a barcode scanner is used to automate outgoings in the ERP SAP. This solution will be developed in partnership with Mota-Engil Serviços Partilhados, such as to allow the remaining Group companies to benefit from its advantages.

In order to proceed with the renovation of internal supply pumps and simplify their use, a project was outlined in collaboration with business partner Repsol, which entails the identification/ authorisation of vehicles through an identifier (AVR) placed on the vehicles, as well as the replacement of supply management software and pumps. This project is set to start in the second quarter of 2022.

Training

Training activities in 2021 continued to be affected by the pandemic, which forced the Company to keep many of the measures implemented in 2020 in place, with a few periods of relief. Nevertheless, in a year where the existing circumstances were no longer new, alternative training methods continued to be used, namely e-learning and videoconferencing, a last-resort approach which, in recent times, has become the solution that allows organisations to reach a greater number of individuals and locations. In any case, all employees engaged in a joint effort to adapt the training methodologies and proceed with ongoing activities.

In terms of the response of the Training Department, safety and behavioural campaigns were planned across all sectors, both onsite and through e-learning: First Aid, Communication and Teamwork, Risk Perception, and Lawnmowing Operation. 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. In this sense, 1,388 training sessions were organised in 2021, which involved the participation of 15,563 trainees and a total 83,966 hours of training.

Contrary to other years, no training objectives were defined for Tutors in 2021. The pandemic and constant changes in the mitigation measures implemented considerably affected the pursuit of training objectives. In this sense, SUMA deemed it unfair to set goals in such an uncertain context, where the respective achievement would be possibly compromised. In any case, Tutors were given autonomy to maintain their routines and fill in the corresponding records whenever possible.

Following the opportunities for improvement identified for 2021, the Moodle platform was implemented through the Training Portal, which has been developed internally in recent months, such as to fulfil the need to continue providing training to employees at a time where the pandemic has forced the Group to cancel most of the activities carried out, including training.

As stipulated with effect from 2018, training data are presented based on the 3 existing formats: FOR INT – Classic Training, TWP – Training at the Workplace, and POJT – Practical On-the-Job Training. Given the circumstances, Internal Training in e-learning format was also considered in 2021.

Data related to the planning and execution of training are presented in the following table, 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.

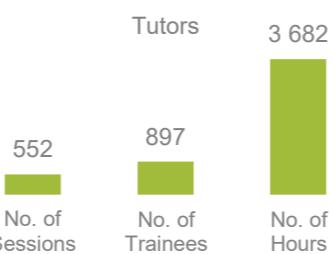
Action Code	Planned Training Sessions	Actual Training Sessions	Planned Trainees	Actual Trainees	Planned Number of Hours	Actual Number of Hours
Internal	77	122	649	547	1,985	4,739
Internal e-Learning	58	3	731	11	5,107	44
TWP	243	968	11,646	15,218	57,853	78,591
POJT	1,010	1,211	2,537	1,713	19,021	39,833
Total	1,388	2,304	15,563	17,489	83,966	123,207

Regarding the training sessions managed by the Training Department, general objectives were defined for the three training formats adopted by the Company: FOR INT, TWP and POJT. As shown in the previous table, the objectives outlined in terms of the number of sessions, number of trainees and number of hours were not only achieved, but largely surpassed.

With regard to internal training, campaigns were developed on the topics of First Aid and Risk Perception, as well as the following training courses:

Course	Actual No. of Sessions	Actual No. of Participating Trainees
Safety and risk perception	20	107
Corporate training	8	36
Safe chainsaw and electric trimmer operation	2	16
Driver aptitude certificate	16	21
ISO 45001:2018 migration	1	19
Road safety in collection operations	4	19
Firefighting	2	5
Landfill equipment operation	1	11
Driving licence for heavy vehicles	12	12
Crane truck operation	3	10
Total	69	256

As previously mentioned, no Training objectives were set for Tutors in 2021. However, owing to the autonomy given to Tutors with respect to the organisation of training activities, which represent a key part of their functions, Tutors provided an average 4 hours of training per employee, in the Equipment Safety and Operation, Behaviour and Jump-in areas. The results of the training sessions organised by the Tutors in 2021 are presented in the graph on the right.

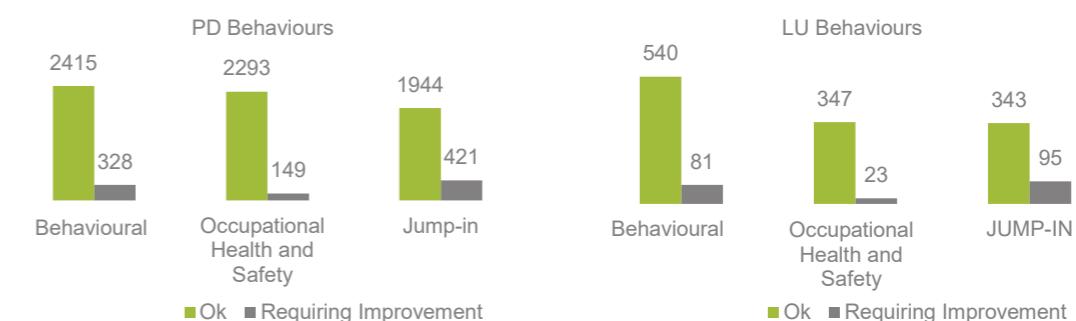


Regarding the assessment of the impact of training activities on the organisation, with respect to internal training, no data are available for analysis, as training evaluation questionnaires were not applied, in what concerns classroom training, due to the measures implemented to mitigate the risks associated with Covid-19.

Regarding the assessment of efficacy of individual training actions and taking into account the objectives outlined for each training campaign evaluated, the effectiveness indicators defined and the results achieved are shown in the following table. The effectiveness of the actions carried out by the Tutors is merely indicative, since no objectives were set in this case, as previously mentioned.

Name	Assessment of Effectiveness	Effectiveness Indicator	Result	Outcome
10 MDS	Decrease in the accident severity rate (SR) of 1%	Average OA SR vs. 2020	Effective	17% improvement in accident rates
Behavioural	Decrease in behaviours requiring improvement of 1%	Percentage of items "requiring improvement" in behavioural grids vs. 2020	Effective	Improvement of 4%
Equipment Safety and Operation	Decrease in behaviours requiring improvement of 1%	Percentage of items "requiring improvement" in the grids vs. 2020	Not effective	The indicator worsened by 3%
Jump-in	60% of employees admitted remain in the Organisation for a period longer than 6 months	Percentage of employees admitted in 2020 with contract duration > 6 months	Effective	77% of employees admitted remained in the company for more than 6 months
Training Agreement	Confirmation of achievement over the training period	Change of category (%) > 80%	Effective	87.5% of the proposed employees changed category
Driving Licence and DAC	100% of trainees must be successful	Obtaining a Driving Licence and DAC	Effective	100% success in obtaining a driving licence and DAC
Safety and Risk Perception	Decrease in behaviours requiring improvement of 1%	Percentage of items "requiring improvement" in the grids vs. 2020	Effective	Improvement of 1%
Lawnmowing Operation	Decrease in OAs related to this activity of 2%	Number of OAs related to the activity	Not performed	N.A.
First Aid	N.A.	N.A.	N.A.	N.A.
Communication and Teamwork	N.A.	N.A.	N.A.	N.A.

No changes in the observation grids were required in 2021, 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 observation of their work teams. The following graphs show the results obtained for the observation grids defined, which take into account all observations in the three areas considered: "Occupational Health and Safety" (OHS), "Behavioural" (KTL) and "Jump-in", for collection and equipment services (PD), and manual cleaning and related services (LU).



As in previous years, accident analysis is a key element in the production of the training plan, representing one of the main indicators considered. In this sense, the resulting data are considered in the production of the Annual Training Plan, in addition to guiding the implementation of Tutorials focused on the services, tasks, employees and/or operations identified as a priority in terms of risk. These data are also used to define, build and implement specific training campaigns and/or training sessions, used as corrective and preventive models, in order to guide daily work and, consequently, reduce the occurrence of occupational accidents across the organisation.

Quality, Environment and Safety

Quality and Certification

The Covid-19 pandemic continued to affect business in 2021, as the anomalous situation experienced radically changed the management of the various SUMA processes, including the Quality, Environment and Safety Management System. Despite the restrictions imposed by the pandemic, audit processes were adjusted and a mixed model, involving remote and face-to-face tasks, was agreed with the certifying authority (APCER).

The integrated audit of the Quality Management System (NP EN ISO 9001:2015) and the Environmental Management System (NP EN ISO 14001:2015), as well as the first monitoring and migration of the Occupational Health and Safety Management System (NP EN ISO 45001:2019), were carried out by the APCER in May 2021.

The APCER considered that the organisation has implemented an adequate integrated management system, focused on the three reference areas and suited to ensuring compliance with the applicable legal, statutory and regulatory requirements, thus allowing the Group to achieve the intended results, according to the reference standards required for certification. Moreover, the certifying authority deemed that the system in question, which has been in place for several years, is developed and robust, with respect to requirements. In this sense, the necessary conditions are met for SUMA to maintain the certifications of the Integrated Quality and Environment Management Systems, and migration of the Occupational Health and Safety Management System, which has been implemented for the purposes of ensuring 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 at the head office building; and performance and operational management of the activities carried out at the Aveiro service centre.

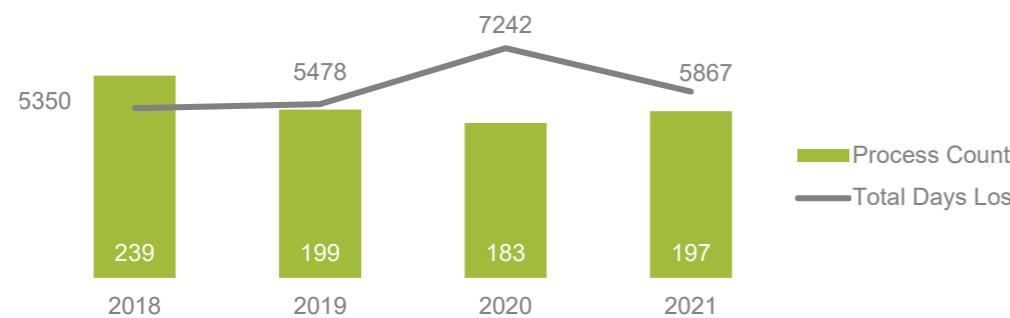
Environment

In the Environment area, further interventions were carried out at the facilities, including technical visits and internal audits, which sought to identify critical situations and opportunities for improvement. These interventions allowed the correction of critical errors by the various individuals/entities involved, as well as the implementation of corrective and preventive measures. Given the associated legal component, this work requires detailed inspection and a longer assessment time.

Safety

In terms of Safety, the department continued to intensify its internal visits and audits of services and facilities, with a view to identifying critical points and correcting them, and defining, together with the various operational actors, corrective and preventive measures aimed at reducing accidents and promoting good working practices.

In practical terms, positive results were achieved with regard to the accident rate, despite the slight increase in the number of accidents compared with the previous year, as the respective severity decreased considerably.



Additionally, it is worth mentioning the successful management of the SARS-COV-2 virus pandemic by the Quality, Safety and Environment Department, namely the implementation of various measures aimed at containing the spread of COVID-19, and the review and adjustment of the contingency plan, which has been in force since March 2020, to the various stages of the pandemic. SUMA continued to be responsible for purchasing and distributing specific PPE for viral containment, particularly masks, gloves and Tyvek suits, as well as disinfectants for materials, equipment and people, such as alcohol gel, disinfectant wipes and dispensers, amongst others.

In direct connection with the intervention of the TQSES (Training, Quality, Safety and Environment Services) Department, several other initiatives and tasks were carried out in 2021, namely the following:

- Updating of internal documentation, as well as standardisation and simplification of the various corporate processes, with regard to the Integrated Quality, Safety and Environment System, both administratively and operationally, in order to improve service effectiveness and efficiency.
- Drafting of commercial bids, particularly 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.
- Customer satisfaction assessment, involving the sending of personalised questionnaires to SUMA customers, in order to gauge their overall satisfaction with the services provided by SUMA.
- Organisation of awareness and information campaigns in the Safety and Environment areas, aimed at all employees in the Organisation, particularly focused on the need to lower water and energy consumption; direct operations towards better working practices, such as to reduce and optimise resources; and prevent accidents, through the communication of the various indicators across 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 direct provision to the Tutors of data that reinforce the subjects covered.
- Dynamization of the internal communication channel, *SMSbyMail*, such as to allow the direct communication to all Tutors of information concerning operational matters, Covid-19, 10 MDS and other information deemed relevant to the Organisation.

Information Systems

SUMA invests continually in Information Systems, deemed a pillar of the Company's integrated communication and data processing and storage system. In 2021, SUMA focused on the adoption of adequate means and methods to prevent possible cybersecurity threats. These include the logical separation between user and management networks and the installation of firewalls, which allow for better control of internal traffic and prevent access by unknown devices.

In 2021, the Company significantly increased the processing and shared storage capacity of its IT systems by setting up a virtual environment for the Company's servers. This increased capacity has become essential to face increasingly demanding needs in this area. This project will be completed in the first quarter of 2022.

In order to meet the needs associated with the increased use of the internal network and Internet access, namely the higher traffic levels generated by the intensive use of remote meeting tools, SUMA started a process aimed at increasing bandwidth at the most critical locations, which will also be completed in the first quarter of 2022.

In 2021, SUMA continued to provide high-quality support to the internal users of the Group's Information Systems. SUMA's response capacity to support needs in 2021 was clearly evidenced by the level of user satisfaction revealed by an internal performance survey conducted for assessment purposes – average of 4.59 points, on a 1-5 scale, with 78 participants.

Owing to the proliferation and increasingly sophisticated threats to the information systems of organizations across the globe, the efforts to implement additional cybersecurity measures will be stepped up in 2022.

Planning and Control

The year 2021 was marked by a series of changes in the SUMA Planning and Control team, as experienced professionals joined the commercial and operating areas. A new team member joined the Company subsequently for the purpose of contributing to the continuous improvement of the Company's operational processes.

The tasks carried out in 2021 with respect to the Geographic Information System (GIS), an application developed at SUMA, can be itemised as follows: 11% corresponding to support to the studies and proposals department, preparation of measurements and drafting of work plans, to be annexed to the proposals, on national and international levels; and 89% corresponding to provision of support to operations.

Regarding the support provided to the studies and proposals department, tasks were performed within the scope of the Tejo Ambiente and Musami (Azores) tenders, as well as tenders in Angola. Regarding national operations, the efforts undertaken to support the operational centres that serve Tejo Ambiente, Mafra, Santa Maria da Feira and Alcobaça are of particular note amongst the wide range of support services provided. In the specific cases of Tejo Ambiente and Alcobaça, the tasks performed consisted of on-site follow-up, collection circuit monitoring and the conduction of a study on percentual container filling, such as to optimise the collection rounds. This optimisation was completed and implemented in the field. A study was conducted in Mafra and several route alteration proposals produced, with a view to optimising the existing resources and obtaining service data for use with the application developed internally and the respective site, in order to support operations and provide information to customers. Bespoke application development continued to be pursued in 2021, being of particular note the applications developed for Alcobaça, Torres Novas and, from the last quarter of the year, Tejo Ambiente, which will become available, together with the respective site, at the end of the first quarter of 2022, covering all services provided by the operational centre in question.

Monthly monitoring of budget control and the control of operations at all Service Centres are deemed a priority by the Planning and Control area, as these activities are essential to the achievement of the Company's objectives. SUMA also provides all assistance required to service centres, with respect to the production of budgets and forecasts for the closing of the year, as well as the production of the various Management reports.

Regarding operational monitoring, the Company continued to use the CIS – Contract Information Sheet, which allows the comparison of forecast with actual data, as well as the fulfilment of economic, production, quality, safety and training objectives.

The Planning and Control team continued to engage in the training and clarification of the doubts and questions of the various users of the production database ("BD Produção"), having increased the amount of data collected and improved database reliability, in addition to promoting the use of BD Mobile, available on users' mobile phones, which provides information almost immediately and streamlines the recording processes carried out by production managers.

Institutional Image and Communication

As the world learned to adjust and deal with the health crisis in 2021, the SUMA Institutional Image and Communication Department remained focused on continuity processes, having also sought to adjust its activities, such as to highlight the relationship between urban cleaning and health and the importance of waste collection and cleaning operations in the field.

This strategy, which guided the activities undertaken by the department, led to several initiatives, namely the publication of specific articles on the Company's Facebook and witness accounts on LinkedIn, as well as the creation of contents for the monthly digital newsletter, InfoSUMA, which is distributed to all SUMA employees with professional email addresses and entered into a database of commercially relevant customers, partners and contacts.

Regarding the Didatic version of the online newsletter, which includes activity proposals for the children, youngsters and families, SUMA continued to publish contents aimed at these audiences on a monthly basis.

However, the most visible element of SUMA's public image is the Group's renewed online presence, consisting of three websites (Organisation, Services and Information), interrelated in an organic manner, on www.suma.pt, which afford greater modernity and dynamics to the topics that reflect the Company's daily activities, in its various geographic regions and areas of intervention. In order to enhance the image of the organisation and renew the fleet and activity archives, several video and photo sessions were organised, focused on various field and office activities. The new records, which included photo galleries from the SUMA website, were converted into small films that illustrate the services provided by the Company; image mappers containing specific information on features and innovations; and before and after pictures for the various interventions (used to assess the value of urban cleaning services). These materials were also used in the production of a new institutional video.

In order to support the commercial area, while simultaneously fulfilling the Company's vision/mission, focused on process dematerialisation and decreased use of resources, such as paper, two digital service catalogues were also created, including an interactive catalogue, available on the Company website, in the "Information" area.

In addition to the SUMA website, a site was also developed for SUMA Brasil, www.sumabrasil.com.br, using a similar format to that previously used for ECOVISION.

In June, for the fourth consecutive year, SUMA was named "Trust Brand - 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 SUMA's communication materials (stationery, electronic signatures, website, covers) to incorporate the most recent brand.

During the entire cycle of work, the SUMA Group's Institutional Image and Communication area continued to work on its annual projects, namely the design of institutional materials (Annual Report and cover designs); the development/updating and six-monthly production of stationery; the development and sharing of awareness messages concerning digital signatures; the monthly development and internal sharing of press clippings; the development of messages of congratulations and Happy Holidays, as well as communication materials concerning the maintenance of close relationships with the media and good practices, for promotion through the press and the

radio; the production of press releases for various campaigns and occasions; the publication of relevant articles pertaining to the activities of SUMA and related topics on the intranet, the SUMA website and social media; the development of empathic communications; and the creation of posts for SUMA's Facebook and LinkedIn pages, YouTube channel and other channels aimed at external and internal customers and other stakeholders.

In 2021, the Institutional Image and Communication Department also provided support to other areas within the organisation, thus fulfilling its role of supporting the structure, namely through the production of herbicide application and lawnmowing sheets; the design and production of panels for the service centre and eco-centre of Mafra; the production of several stickers for equipment used in container operations; the creation/adaptation and production of identification cards (ESA and SUMALAB), business cards and condolence cards; the design of icons for PLC applications in Figueira da Foz, Sintra and Mafra; the creation and publishing (Facebook and LinkedIn) of recruitment posts (HRD); and the finishing of graphic designs and monitoring of the production of pens for the Training area, amongst other initiatives.

The year ended with the launch of the Happy Holidays card, focused on SUMA's mission to improve the quality of life of the populations served, in Portugal and abroad.

With regard to clippings, SUMA-related news in 2021 totalled approximately €517,000 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 categories SUMA, ESA and Subsidiaries (excluding EGF), which, despite representing a decrease compared with the previous year, is justifiable due to the special circumstances experienced in 2021 – the lack of financial investment by SUMA in this area; the lack of opportunities to hold in-person events; the increasing number of awareness campaigns organised exclusively in the name of customers, with no reference to SUMA, which prevented the Group from benefitting from the associated added value; and the greater focus of the public opinion and, consequently, of the media, on more pressing issues, related to the continued pandemic, which relegated the topics communicated in SUMA's press releases to a secondary plane of importance.

Economic/Financial Analysis

The increase in activity in 2021 was reflected in the growth of revenues, with SUMA reporting a consolidated turnover of 324,038,545 Euros in this financial year, up 10.24% on the previous year. If we exclude the execution, in 2020, of non-recurring services related to studies, opinions and technical reports, within the scope of the activities of our investees in Angola, of approximately 5 million euros, the increase in turnover is even more significant in 2021, encompassing practically all the activities of the companies that make up SUMA.

The increase in the number of contracts, mainly with new urban cleaning and environmental education contracts in Portugal, the increase in industrial waste management influenced by the recovery of industrial activity, as well as the adjustment of the tariffs applied according to market developments, can be mentioned as contributions to revenue growth. Also noteworthy is the inclusion, as of October 2021, of the companies in Brazil, which with the acquisition of the entire capital of Gerês Participações will be fully consolidated, and also the incorporation in the EGF Group of the extraordinary revision of the allowed revenues of 2019, 2020 and 2021, and the correction of the tariff adjustment of the CRR of 2020, which includes the cancellation of the estimate of the 2021 counter value funds.

Turnover by activity (thousand euros)	2019	2020	2021	Variation 20/21
Collection of municipal solid waste	41,190	40,614	49,030	20.72%
Urban cleaning	13,982	14,708	17,073	16.08%
Treatment and recovery of the MSW	176,107	201,032	223,965	11.41%
Collection and treatment of industrial waste	22,762	21,694	26,558	22.42%
Laboratory	714	765	945	23.52%
Environmental education	248	350	490	40.03%
Other	8,215	14,789	5,977	(59.59%)
Total	263,217	293,952	324,039	10.24%

Earnings before interest, taxes, depreciation and amortisation ("EBITDA") reached 86,066,807 euros, which represents a growth of 22.35% compared to the same period of the previous year, with the EBITDA margin standing at 23.93%, demonstrating SUMA's good economic performance.

In 2021, SUMA reports a consolidated operating profit of 41,396,463 Euros, more than doubling the previous year's profit and increasing the operating profitability of sales to 12.78%.

The subsidiaries, associates and investees continue to make a positive contribution to SUMA's results and included 2,175,260 Euros under the item of gains from associates in 2021, although this figure has decreased substantially, greatly influenced by the decline in the results of the companies in Angola.

In 2021, SUMA achieved consolidated net earnings attributable to equity holders of 12,897,243 Euros, with a net return on sales of 3.98%.

The very positive performance of SUMA and its investees is reflected in the net profit recorded in 2021. These gains are due to the capacity to generate value in the SUMA Group, achieving its objectives and overcoming the effects of the crisis.

The assessment of the main financial indicators, based on the consolidated accounts closing date of 2021, is based on the improvement of the main ratios, which demonstrate SUMA's financial capacity to meet its obligations to third parties and to ensure its financial sustainability.

The financial autonomy ratio increased again by 3.56 percentage points ("pp"), compared to the previous year, standing at 29.00%. The level of overall indebtedness is reduced in 2021, standing at 69.59% in this financial year, which represents a drop of 3.59 pp in relation to the same period in the previous year, despite the need for financing for the heavy investments required to comply with the contracts signed and to adapt the operation to meet the targets defined for the waste sector. The general liquidity ratio stands at 82.69% and increases by 2.74 pp compared to the year 2020.

Return on equity ("ROE") reaches 5.78%, losing 1.25 pp, as a consequence of the decrease in net income attributable to equity holders.

The shareholder structure of SUMA remained unchanged, with Mota-Engil - Ambiente e Serviços, SGPS and URBASER, S.A. holding stakes of 61.5% and 38.5%, respectively. The subscribed capital of SUMA stands at 12.5 million Euros and equity varies according to adjustments in financial assets resulting from application of the equity method of accounting in the investees and the incorporation of net income for 2021.

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

Miscellaneous Notes

The fight against Covid-19, achieved with great social effort and with the mass vaccination of the population, was decisive for the recovery of activities and the re-launching of the economy. However, the appearance of new variants and the proliferation of new waves create uncertainty as to whether this scourge will be definitively overcome. In this context, the accelerated recovery, starting in the second quarter of 2021, caused exponential growth in inflation and also the rupture of distribution chains, removing sustainability from the evolution of the economy.

In this context, the companies of the SUMA universe adjusted their services to the needs arising from contractual obligations and were able to provide an efficient and adequate response to the needs of the market. Despite the increase in prices and energy costs, the companies managed their resources effectively and, on the whole, performed well, guaranteeing an economic return on their operation.

For the protection of its workers and for the development of its activity, all companies of the SUMA Group have adopted prevention measures, following the best practices, in accordance with the guidelines of the Directorate General of Health and the World Health Organization.

Events after the balance sheet date

The recent geopolitical events in Ukraine, which culminated in the military invasion on 24 February 2022 and the current war situation, have led to a set of responses by the European Union and the United States, in the form of economic sanctions, which will affect global markets, logistics and supply chains, the price and form of energy supply, with the consequent prospect of an increase in the inflation rate and interest rate, and the expectation of global economic recovery in 2022 is conditioned by recent events. This falls under the heading of a non-adjustable subsequent event.

These events will certainly bring about a significant increase in prices that could have impacts on the 2022 results, since the forecast points to an increase in inflation, in energy prices and, consequently, in the price of all the goods and services needed to operate the SUMA companies.

SUMA's Management is closely and diligently monitoring the current situation of uncertainty for the economic activity associated with the war and will monitor its strategy in light of the impacts arising from the current situation.

In February 2022 SUMALAB anticipated the payment of the bank loan contracted with BCP, in the amount of 378,572 Euros, relating to a financing line under the Support-Covid lines.

In April 2022, Suldouro, S.A.'s draft ERSAR decision regarding the reference costs for 2022 was known, which confirms the additional adjustment to the OPEX associated with the door-to-door project for the period 2019-2021, estimated in the amount of 1.4 million Euros, which was not incorporated in SUMA's accounts in 2021.

Also in April 2022, a final decision of POSEUR was communicated to Valorsul, S.A., concluding that the value of grants initially considered was reduced in the amount of 839 thousand Euros, a reduction that was not incorporated in the accounts of Valorsul, S.A. and, consequently, in the accounts of SUMA.

No other subsequent events with a significant impact on the financial statements as 31 December 2021 are known at this date.

Outlook

Global economic activity in 2022 will be heavily conditioned by the war triggered by Russia's invasion of Ukraine, the outcome of which is unpredictable. At the same time, the COVID-19 pandemic has not yet been contained and the impacts on the economy and society will continue to be felt, contributing to the volatility of economic growth.

According to the IMF's latest assessments, the war in Ukraine will have a strong impact on the economy, exacerbating energy and commodity price hikes, which further add to the inflationary pressures that already existed because of the post-pandemic upturn and disruptions in global supply chains. The sanctions on Russia will also have a significant impact on the world economy and financial markets, with large-scale repercussions, especially in countries with a major trading relationship with Russia or Ukraine. This conflict is also generating a rapid exodus of the population from Ukraine and a refugee crisis that is mainly moving to neighbouring countries in Europe. The rising cost of essential goods and energy increases inequalities and puts the most vulnerable at risk, and it is essential that governments put in place policies to address the rising cost of living. Europe is under great pressure from all these factors and it is becoming crucial that measures are taken to help stabilise the energy market and foster economic recovery, paying particular attention to the dangers of stagflation.

The growth of the Portuguese economy will tend to be higher than the eurozone average in 2022, but it is conditioned by the evolution of the current situation, which hinders the expected performance of consumption and the trade balance. National inflation estimates are also lower than the eurozone average, but the latest known projections raise inflation figures for the European Union (EU) as a whole, while reducing the growth margin due to the effects of the war in Ukraine. All scenarios outlined point to an expected sharp reduction in economic expansion.

With an approved Recovery and Resilience Plan (RRP) to be applied in Portugal, with an implementation period until 2026 and which includes EU transfers of 13.2 billion euros in non-refundable funds, the implementation of a set of reforms and investments is expected to restore sustained economic growth after the pandemic and strengthen the goal of convergence with Europe.

Portugal is still failing to come close to the targets indicated in the plans for the waste sector and difficult times are ahead if it is to converge more quickly.

The PERSU 2030 should respond to a number of issues of strategic relevance, such as improving the efficiency of systems or changes in waste collection but go further in defining processes and solutions for the entire waste cycle, promoting the responsibility of all stakeholders as well as the convergence of competitors in this market, ensuring the viability and sustainability of the sector. Changes will not be possible without heavy investment, and the Country's recovery plans must contemplate the reinforcement of funds, which are essential to set ambitious plans and targets in motion.

With the experience of more than two and a half decades of recognised success and an organisational policy founded on the best management and environmental practices, SUMA has earned a status of reference in Portugal, as well as in the international markets in which it operates.

Setting ambitious goals of growth and expansion, SUMA focuses on innovation and commitment to standards of excellence, promoting business sustainability and creating added value for customers, shareholders, workers and the waste sector. Focused on **leadership** of the domestic market while seeking to consolidate its business in international markets, SUMA will face an adverse situation that it will have to overcome with resilience and determination, putting into practice all its know-how at the service of the environment.

Closing Remarks

SUMA's Board of Directors wishes to express its gratitude to all those who cooperated in the development of our business activities during 2021, contributing towards its sound performance and the achievement of the goals proposed.

We would like to thank the Shareholders and other members of the Governing Bodies for their trust and for all the willingness and support shown, which promote the good performance of the Group.

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

Special thanks go to our Employees, who demonstrate determination, dedication and competence in the performance of their duties, essential for the success of SUMA.

Lisbon, 22 June 2022.

The Board of Directors



Chairman
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 Commercial Officer (CCO)
Eng. Nuno Jorge Sêco da Costa



CONSOLIDATED FINANCIAL STATEMENT



SUMA- SERVIÇOS URBANOS E MEIO AMBIENTE, S.A. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2021 AND 2020

(Amounts stated in Euros)

	ASSETS	Notes	2021	2020
NON-CURRENT ASSETS:				
Tangible fixed assets	8	62,158,066	47,516,202	
Investment properties	9	1,885,138	2,166,324	
Goodwill	10	10,675,699	9,724,252	
Intangible assets	11	392,364,650	393,220,329	
Financial interests - equity method	12	39,452,384	32,314,482	
Other financial investments	13	283,447	-	
Other receivables	17	18,439,195	10,995,790	
Trade debtors	17	1,794,708	2,296,183	
Other financial assets	4	2,123,332	1,897,495	
Deferred tax assets	14	43,024,076	40,794,659	
Total non-current assets		572,200,695	540,925,716	
CURRENT ASSETS:				
Inventories	16	3,836,129	3,706,625	
Trade debtors	17	79,504,835	68,925,775	
State and other public bodies	18	4,955,537	5,577,978	
Other receivables	17	34,583,819	34,890,160	
Deferrals	19	7,899,664	5,092,201	
Cash and bank deposits		66,223,983	81,620,321	
Total current assets		197,003,967	199,813,060	
Total assets		769,204,662	740,738,776	
EQUITY AND LIABILITIES				
EQUITY:				
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	72,376,799	59,135,784	
Retained earnings	21	24,400,927	26,572,872	
Other changes in equity	21	16,419,255	3,317,560	
Total equity		129,606,982	105,436,216	
Net income for the year		12,897,243	13,241,015	
Equity attributable to company shareholders		142,504,225	118,677,231	
Non-controlling interests	22	80,567,791	69,755,650	
Total equity		223,072,016	188,432,881	
LIABILITIES:				
NON-CURRENT LIABILITIES:				
Provisions	23	10,815,432	10,249,968	
Borrowings	24	216,299,853	211,454,580	
Deferred tax liabilities	15	51,410,109	50,469,161	
Other payables	25	11,277,595	15,176,184	
Trade creditors	25	208,342	-	
Deferrals	19	17,881,632	15,044,785	
Total non-current liabilities		307,892,963	302,394,678	
CURRENT LIABILITIES:				
Trade creditors	25	40,828,379	34,641,762	
State and other public bodies	18	42,973,689	31,443,378	
Borrowings	24	96,890,527	115,641,627	
Other payables	25	50,354,331	62,102,772	
Deferrals	19	7,192,757	6,081,678	
Total current liabilities		238,239,683	249,911,217	
Total liabilities		546,132,646	552,305,895	
Total equity and liabilities		769,204,662	740,738,776	

The accompanying notes form an integral part of the consolidated balance sheet as of 31 December 2021.

THE CERTIFIED ACCOUNTANT



THE BOARD OF DIRECTORS



SUMA- SERVIÇOS URBANOS E MEIO AMBIENTE, S.A. AND ITS SUBSIDIARIESCONSOLIDATED STATEMENTS OF INCOME BY NATUREFOR THE YEARS ENDED 31 December 2021 AND 2020

(Amounts stated in Euros)

	INCOME AND EXPENSES	Notes	2021	2020
Sales and services provided	27	324,038,545	293,952,002	
Operating grants		677,028	9,587	
Goodwill	12	2,175,260	6,787,128	
Own work capitalised		36,151	-	
Changes in production inventories	16	(499,480)	107,601	
Cost of goods sold and materials consumed	16	(21,840,075)	(17,495,856)	
External supplies and services	28	(113,293,689)	(108,571,278)	
Payroll expenses	29	(107,852,002)	(97,543,556)	
Impairment of inventories		-	(119,345)	
Impairment of receivables	17	(487,454)	(2,021,872)	
Provisions ((Constituted)/reversed)	23	(664,433)	(1,087,462)	
Other income	30	41,735,262	70,699,763	
Other expenses	31	(37,958,306)	(74,371,006)	
Earnings before interest, taxes, depreciation and amortisation		86,066,807	70,345,706	
Depreciation and amortization expenses	8, 9, 10, 11 and 32	(46,635,842)	(47,252,777)	
Investment grants	21	1,965,498	1,982,701	
Operating income (before financing costs and taxes)		41,396,463	25,075,630	
Interest and similar income earned	33	2,565,357	2,125,827	
Interest and similar costs incurred	34	(15,085,659)	(13,003,915)	
Earnings before taxes		28,876,161	14,197,542	
Income tax for the year	15	(5,276,279)	(1,357,791)	
Net income for the year		23,599,882	12,839,751	
Net income for the year attributable to:				
Company shareholders		12,897,243	13,241,015	
Non-controlling interests	22	10,702,639	(401,264)	
Earnings per share	36	51,59	52,96	

The accompanying notes form an integral part of the consolidated income statement by nature
for the year ended 31 December 2021.

THE CERTIFIED ACCOUNTANT



THE BOARD OF DIRECTORS



 
Cecília Pires Nuno José Sá da Costa

SUMA - SERVIÇOS URBANOS E MEIO AMBIENTE, S.A. E SUAS SUBSIDIÁRIAS

DEMONSTRAÇÕES DAS ALTERAÇÕES NO CAPITAL PRÓPRIO

DOS EXERCÍCIOS FINDOS EM 31 DE DEZEMBRO DE 2021 E 2020

(Montantes expressos em Euros)

Equity attributable to shareholders in the Company											
	Notes	Subscribed capital	Share premiums	Legal reserve	Other reserves	Retained earnings	Other changes in equity	Net income for the year	Total	Non-controlling interests (Note 20)	Total equity
Balance as of 1 January 2020											
Application of net income for the year ended 31 December 2019	21	12,500,000	1,410,000	2,500,000	59,135,784	23,497,371	3,927,444	7,425,253	110,395,852	62,158,374	172,554,226
Net income for the year ended 31 December 2019						7,425,253					
Effect of adjustments to associates resulting from											
the application of the equity method	21	-	-	-	-	-	(9,050,330)	-	(9,050,330)	-	(9,050,330)
Undistributed profits	15 and 27	-	-	-	-	(4,349,752)	4,349,752	-	-	-	-
Grants	20	-	-	-	-	-	5,415,144	-	5,415,144	5,943,757	11,358,901
Distribution of dividends	8 and 24	-	-	-	-	-	-	-	(511,718)	(511,718)	
Other changes	21	-	-	-	-	(1,324,450)	-	(1,324,450)	2,566,501	1,242,051	
Balance at 31 December 2020		12,500,000	1,410,000	2,500,000	59,135,784	26,572,872	3,317,560	13,241,015	118,677,231	69,755,650	188,432,881
Net income for the year ended 31 December 2021											
Application of net income for the year ended 31 December 2020	21	-	-	-	-	-	-	12,897,243	12,897,243	10,702,639	23,599,882
Goodwill generated in the revaluation of the Geres acquisition								(13,241,015)			
Effect of adjustments to associates resulting from											
the application of the equity method	21	-	-	-	-	-	7,450,983	-	7,450,983	-	7,450,983
Undistributed profits						(2,171,945)	2,171,945				
Grants						-	1,970,043	-	1,970,043	3,430,681	5,400,724
Distribution of dividends						-	-	-	(1,219,609)	(1,219,609)	
Other changes						-	670,105	-	670,105	(1,011,570)	(1,431,466)
Balance as of 31 December 2021		12,500,000	1,410,000	2,500,000	72,376,799	24,400,927	16,419,255	12,897,243	142,504,225	80,567,791	223,072,016

The accompanying notes form an integral part of the statement of changes in equity for the year ended 31 December 2021.

THE CERTIFIED ACCOUNTANT

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Castelvetro Nino Jorg Seo di Loh

SUMA- SERVIÇOS URBANOS E MEIO AMBIENTE, S.A. AND ITS SUBSIDIARIESCONSOLIDATED STATEMENTS OF CASH FLOWSFOR THE YEARS ENDED 31 December 2021 AND 2020

(Amounts stated in Euros)

	Notes	2021	2020
OPERATING ACTIVITIES:			
Receipts from trade debtors		367,570,797	313,768,625
Payments to trade creditors		(149,733,012)	(154,111,514)
Goodwill		(83,408,302)	(79,157,701)
Cash flow generated from operations		134,429,483	80,499,410
Payment of income tax		(5,951,261)	(2,796,556)
Other payments		(51,492,310)	(31,109,519)
Flows from operating activities (1)		<u>76,985,912</u>	<u>46,593,335</u>
INVESTMENT ACTIVITIES:			
Payments concerning:			
Tangible fixed assets		(4,523,544)	(2,141,715)
Intangible assets		(52,539,079)	(66,614,298)
Acquisition of minority interests		(22,841)	-
Loans granted to related parties		(1,076,044)	-
Financial holdings		(2,680,000)	-
Other financial assets		(99,161)	(424)
		<u>(60,940,669)</u>	<u>(68,756,437)</u>
Receivables from:			
Tangible fixed assets		684,662	46,381
Intangible assets		3,304,624	783,391
Loans granted to related parties		12,380	-
Financial holdings		1,500,000	2,650,000
Investment grants	21	11,665,741	21,448,848
Interest and similar income		288,901	260,376
Dividends	12	2,498,975	3,054,970
Other financial assets		15,532	-
		<u>19,970,815</u>	<u>28,243,966</u>
Cash flow from investment activities (2)		<u>(40,969,854)</u>	<u>(40,512,471)</u>
FINANCING ACTIVITIES:			
Receivables from:			
Borrowings from credit institutions		64,700,773	93,521,512
Capital increases and other equity instruments		981,125	-
Other financing transactions		2,606,285	1,812,285
		<u>68,288,183</u>	<u>95,333,797</u>
Payments concerning:			
Borrowings from credit institutions		(104,121,126)	(91,080,690)
Interest and similar costs		(15,488,808)	(7,463,230)
Dividends	21 and 22	(998,861)	(2,848,208)
Reductions of capital and other equity instruments		(50,000)	-
Other financing transactions		(492,068)	(2,204,729)
		<u>(121,150,863)</u>	<u>(103,596,857)</u>
Flows from financing activities (3)		<u>(52,862,680)</u>	<u>(8,263,060)</u>
Change in cash and cash equivalents (4)=(1)+(2)+(3)		(16,846,622)	(2,182,196)
Restitution/(constitution) of collateral	4	6,445,441	7,942,324
Effect of exchange differences		522,549	(962,765)
Change in the consolidation perimeter		927,735	-
Cash and cash equivalents at the beginning of the year	4	71,519,323	66,721,960
Cash and cash equivalents at the end of the year	4	62,568,426	71,519,323
Captive bank deposit	4	3,655,557	10,100,998
Cash and cash equivalents at the end of the year	4	66,223,983	81,620,321

The accompanying notes form an integral part of the consolidated statement of cash flows
for the year ended 31 December 2021.

THE CERTIFIED ACCOUNTANT

THE BOARD OF DIRECTORS



A large industrial recycling facility. The image is split vertically. The left side shows a complex structure of blue-painted metal beams, conveyor belts, and pipes. The right side is a darker, blue-tinted view of the same facility, showing large stacks of sorted waste materials on pallets. The facility appears to be a waste processing plant, possibly for paper or plastic recycling.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. INTRODUCTORY NOTE

The SUMA Group ("Group" or "SUMA Group") is comprised of SUMA - Serviços Urbanos e Meio Ambiente, SA ("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 municipal 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, urban 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 reprivatisation of up to 100% of the share capital of EGF held by the sub-holding of the Águas de Portugal ("ADP") Group. This reprivatisation 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 the 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 April 2022, the Concessionaires delivered to the regulator the actual regulated accounts for the year 2021, 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 2021 by the regulator should not result in significant differences compared to the amounts determined by the subsidiaries.

During the year ended 31 December 2021, the Group, with the purpose of continuing the expansion of its activity at an international level, formed SUMA Brasil Sucursal and acquired the remaining stake in the entity Geres Participações S/A ("GERES"), now holding 100% of its capital, and controlling this entity and the following entities held by it: SUMA Brazil, CTR and Mais Itapevi.

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 22 June 2022, 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 position and performance and cash flows.

1.1 Impact of the COVID-19 Pandemic

On 30 January 2020, the World Health Organization declared a Public Health Emergency of International Concern with respect to COVID-19 and, on 11 March 2020, considered COVID-19 as a pandemic.

Following this declaration, a series of measures were approved and published aimed at citizens, companies and public and private entities with respect to epidemiological infection by COVID-19, which have resulted in the imposition of some additional restrictions on economic activity in the country, even with the measures to encourage and protect families and businesses that the countries themselves have adopted.

As is evidenced by the consolidated financial statements, these restrictions have had little impact on the Group's consolidated balance sheet and results for the financial year 2021, as was suspected at the beginning of the pandemic.

In terms of the impact of the COVID-19 pandemic on the key Management estimates, this is as follows:

Impairment losses on current assets

The Group maintains impairment losses on some current assets, with the Management regularly assessing the criteria used in their measurement.

As a result of the declaration of the pandemic and the consequent effects in terms of economic activity, the Management did not identify the need to increase impairment losses on receivables.

Impairment losses on non-current assets

As of 31 December 2021, total non-current consolidated assets subject to impairment testing pursuant to NCRF 12 amounted to 572 million Euros. Under the aforementioned standard, impairment testing should be carried out whenever strong evidence is found that the non-current assets may be in a situation of impairment.

For the waste sector, the declaration of the pandemic by the World Health Organisation only resulted in the shutdown of the MBT, plus the economic and social effects of the pandemic itself and did not result in the shutdown of any of the Group's main activities, as a result of which the effects of the pandemic did not have any impact on the impairment testing of non-current assets carried out as of 31 December 2021.

Deferred tax assets on tax losses

The Group recognises deferred taxes in accordance with NCRF 25, recording deferred tax assets on tax losses whenever it is possible to determine their recoverability in accordance with the law.

In 2021, 12.9 million Euros of tax losses were ascertained, and the accumulated value at that date was 91 million Euros (Note 15).

In June 2020, a raft of amendments to tax law were approved under the Economic and Social Stabilisation Plan, namely concerning the collection period and percentage deduction of tax losses generated in 2020 and 2021 and suspension of the periods of the losses reported as of 31 December 2020.

As of 31 December 2021, the Group recognised 17.8 million Euros (Note 15) of deferred tax assets on tax losses, which, in the Management's opinion, are recoverable based on the new legislative framework, notwithstanding that described in the estimate of impairment losses on non-current assets.

Mitigation measures for the effect of the COVID-19 pandemic

Since the beginning of the COVID-19 pandemic, the Group has taken some measures to mitigate its effects, namely obtaining credit lines approved under COVID support amounting to 9 million Euros and moratoria associated with loans and leasing in progress.

Given the possible impact of COVID-19 on environmental targets and the respective impact on the TGR-NR, as well as on the results of the concessionary subsidiaries, the fact that the quantities risk cannot be assumed by the respective concessionaires will have to be analysed.

The Group also obtained a deferral in the payment of instalments to the State, with regard to withholdings of Income Tax and Corporation Tax.

1.2 Impacts of Decisions made by the ERSAR (Water and Waste Services Regulation Authority)

Taking into account the impact on the Company's activity resulting from ERSAR's decisions on permitted income and regulated tariffs for the 2016-2018 and 2019-2021 regulatory periods, these were the subject of a special administrative action with an application for a declaration of invalidity filed in the Courts by the Company.

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 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 the current year and the final decision was received at the end of December, with the respective adjustments for the years 2019 and 2020 being accounted for in the year 2020, totalling 22 million Euros. With regard to the adjustment accounted for in the year 2021, it includes the following effects (notes 17 and 19):

- Correction of the tariff adjustment for 2020, in the amount of 13.9 million Euros, determined in accordance with the provisions of article 37 of the RTR. This amount includes the adjustment associated with COVID-19, namely revenues not obtained and accrued expenses incurred in 2020, amounting to 9 million Euros.
- Tariff adjustment for 2021 which includes the "extraordinary" adjustment of operating costs approved by ERSAR for 2021, in an attempt to correct the main cause of economic and financial imbalance in view of the insufficient costs approved in the 2019-2021 CRP, amounting to 11 million Euros and the REEP of about 7 million Euros
- In consolidated terms, the REEP for 2019 and 2020 of about 13 million Euros was also recorded in 2021.

2. ACCOUNTING STANDARDS FOR PREPARING THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting standards

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.

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 consolidated financial statements.

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 accompanying consolidated financial statements were prepared under the going concern principle, based on the accounting books and 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 principles

Consolidation 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 income statement 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 over which the Group has significant influence, and which is neither a subsidiary nor a jointly controlled undertaking. Significant influence means the power to participate in decisions relating to the financial and operational policies of the associate, without this resulting in joint control or control by the Group.

Financial investments in associates are recorded using the equity method. According to the equity method, financial holdings in associated companies are recorded initially at acquisition cost and subsequently adjusted in accordance with corresponding changes in the Group's share in the equity of the associates after acquisition. The results of the Group include the part that corresponds to it in 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 year.

An assessment of investments in associates 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 income statement.

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.

Where the initial accounting of an acquisition has not been completed at the end of the reporting period in which it occurred, the Group reports provisional amounts for those incomplete items. Such provisional amounts may be adjusted for a period of 12 months from the date of purchase.

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:

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

(a) 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 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.

Conversion of financial statements of foreign companies

Companies operating overseas and having organisational, economic and financial autonomy, are treated as foreign companies.

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 year. 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	Closing exchange rate		Average exchange rate	
	2021	2020	2021	2020
American dollar	1.1326	1.2271	1.1816	1.1470
Kwanza	635.7510	797.1291	734.9674	665.8563
Zloti	4.5969	4.5597	4.5720	4.4680
Cape Verdean Escudo	110.2650	110.2650	110.2650	110.2650
Mozambican Metical	71.5800	91.0500	76.3542	79.7817
Omani Rial	0.4357	0.4721	0.4545	0.4414
Brazilian Real	6.3101	6.3735	6.3786	5.9988
Macanese Pataca	9.0983	9.7996	9.4612	9.1634
Hong Kong Dollar	8.8333	9.5142	9.1856	8.8966

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 various goods 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 constructions	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 up to 20 years.

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 where their terms transfer substantially all risks and rewards associated with ownership of the asset to the lessee. All other leases are classified as operational. 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 recognised as an expense on a straight-line basis over the lease period.

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. Improvements or betterments to investment properties that are expected to 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 recognised prospectively in the income statement.

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 the 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 - where the operator receives from the grantor the right to charge a fee based on 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 an 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 depreciation 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 loss will be treated as a decrease in that revaluation.

The reversal of impairment losses recognised in prior years is recorded where there is evidence that previously recognised impairment losses no longer exist or have decreased. The reversal of an impairment loss is recognised in the consolidated income statement. The impairment loss is reversed up to the amount that would 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 in the for the respective difference.

Changes in the year 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, deferred taxes are also recorded in equity.

Current income tax is calculated based on taxable profit for the year. Taxable income differs from accounting income, as it excludes various expenses and income that will only be taxable or deductible in subsequent years, as well as expenses and income that are never taxable or deductible based on the prevailing tax laws.

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) Cash and bank deposits

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 year 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 income statement for the period in which they are generated.

As 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 years 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 year, in a manner consistent with and proportional to the depreciation of the assets, for the acquisition of which they are intended.

Operating subsidies

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 assets

Provisions

Provisions are recognised only where the Group has a present obligation (legal or implicit) resulting from a past event, it is probable that the settlement of this obligation will result in an outflow of resources and the amount of the obligation may reasonably be estimated.

The amount of provisions recognised consists of the present value of the best estimate at the reporting date of the resources required to settle the obligation. 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 loans received

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

Borrowing costs related to the acquisition or construction of infrastructure are capitalised as part of the cost of the asset. Capitalisation of these financial charges begins when expenditure on the asset is incurred and continues while activities necessary to prepare the asset for its intended use or sale are in progress. Such capitalisation ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are completed. Additionally, capitalisation is suspended during extended periods when the development of the aforementioned activities is interrupted. Any income generated by loans obtained in advance related to a specific investment is deducted from financial costs 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 year 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. Accruals

In accordance with the accrual basis, expenses and income are recognised in the period to which they relate, regardless of when the transactions are invoiced. Expenditures and income whose actual value 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 (the 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 amortisation of concession assets associated with the regulated activity;
- ii) Return on the average accounting value of the assets associated with the regulated activity, according to the rates defined by the regulator;
- iii) The operational costs associated with the 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 the 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 year 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 for 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 2021 and 2020 may be broken down as follows:

	2021	2020
Cash	151,503	7,299,637
Immediately drawable bank deposits	33,294,990	49,231,531
Other cash at bank	29,121,933	14,988,155
Cash and cash equivalents	<u>62,568,426</u>	<u>71,519,324</u>
 Captive deposits	 3,655,557	 10,100,998
	<u>66,223,983</u>	<u>81,620,321</u>

As of 31 December 2021 and 2020, the item "Captive deposits" in the amounts of 3,655,557 Euros and 10,100,998 Euros, respectively, was not available for use by the Group, of which, 2,225,876 Euros and 7,526,909 Euros, respectively, correspond to a counter-guarantee provided to various credit institutions in the form of captive bank deposits, to guarantee full and timely 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. Additionally, as of 31 December 2021, no amount was accrued to the Caixa Geral Depósitos guarantee arising from factoring contracts, and as of 31 December 2020 this amount was 2,253,944 Euros (Note 24).

The "Cash" amount as of 31 December 2021 refers to cheques received on 31 December 2021 and deposited in the first days of January 2022.

5. CHANGES IN ACCOUNTING POLICIES, ACCOUNTING ESTIMATES AND ERRORS

During the year ended 31 December 2021, there were no changes in accounting policies in relation to those used in the preparation of the consolidated financial statements for the year ended 31 December 2020, nor were material errors or significant changes in accounting estimates for prior years recognised.

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6. SUBSIDIARIES, ASSOCIATED COMPANIES AND INVESTEES

Subsidiaries

The Company and the following subsidiaries, in which the majority of voting rights is held or controlled (control), were included in the consolidation, using the full consolidation method, as of 31 December 2021 and 2020:

Company name	Registered office	Percentage interest 2021	Percentage interest 2020	Main activity	Date of establishment	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, SA ("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 waste oils	-	Nov/09
Through Enviroil		78.35	78.35			
Ekosrodowisko Spółka z.o.o. ("Ekosrodowisko")	Poland (Bytom)	100.00	100.00	Collection of municipal solid waste	-	Dec/05
Through MES		100.00	100.00			
Enviroil, SGPS, Lda. ("Enviroil")	Torres Novas	78.35	78.35	Recycling of waste oils and electricity production	-	Nov/09
Through SUMA		78.35	78.35			
Investambiente - Recolha de Resíduos e Gestão de Sistemas de Saneamento Básico, SA ("Investambiente")	Lisbon	52.00	52.00	Collection of other non-hazardous waste	Jan/00	-
Through Novaflex		52.00	52.00			
Mota-Engil Srodowisko, Sp. z.o.o. ("MES")	Poland (Krakow)	100.00	100.00	Collection of municipal solid waste	-	Oct/09
Through SUMA		100.00	100.00			
Nova Beira - Gestão de Resíduos, SA ("New Beira")	Lisbon	100.00	100.00	Treatment and disposal of other non-hazardous waste	-	Dec/07
Through Novaflex		33.00	33.00			
Through Investambiente		67.00	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, SA ("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	Collection of hazardous 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, SA ("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, SA ("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			
Suma (Matosinhos) - Serviços Urbanos e Meio Ambiente, SA ("Suma Matosinhos")	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 municipal solid waste	Nov/08	-
Through SUMA		100.00	100.00			
Triu - Técnicas de Resíduos Industriais e Urbanos, SA ("Triu")	Prior Velho	78.35	78.35	Collection of municipal solid waste	-	Sep/08
Through Enviroil II		78.35	78.35			
Sigamb	Angola (Luanda)	99.90	99.90	Waste collection	Feb/14	-
Through Novaflex		99.90	99.90			
Suma Macau	Macau	99.00	99.00	Waste collection	Dec/13	-
Through Suma		99.00	99.00			
Enviroil II	Torres Novas	70.52	70.52	Recycling of waste oils, production of electricity and sale of fuels	Apr/11	-
Through Enviroil		70.52	70.52			

Company name	Registered office	Percentage interest 2021	Percentage interest 2020	Main activity	Date of establishment	Date of acquisition
Suma Moçambique, Lda. ("Suma Moçambique")	Mozambique Maputo	99.00	99.00		Jun/11	-
Through Suma		99.00	99.00			
AGIR - Ambiente e Gestão, Lda. ("Agir")	Cape Verde	50.00	50.00	Collection and treatment of solid waste	Dec/07	-
Through Suma		50.00	50.00			
SUMA Tratamento	Lisbon	80.00	80.00	Collection and treatment of solid waste	Oct/14	-
Through Suma		79.98	79.98			
Through Novaflex		0.01	0.01			
Through Suma Esposende		0.01	0.01			
Triaza - Tratamento de Resíduos Industriais de Azambuja, SA ("Triaza")	Lisbon	100.00	100.00	Construction and operation landfill	Aug/15	-
Through Suma		100.00	100.00			
Ecovision	Oman	51.00	51.00	Collection of waste and urban cleaning	Jul/15	-
Through Suma		51.00	51.00			
EGF	Lisbon	99.99	99.99	Treatment and recovery of waste	-	jul/15
Through Suma Tratamento		99.99	99.99			
Valorminho	Valenca	51.00	51.00	Treatment and recovery of waste	-	jul/15
Through EGF		51.00	51.00			
Resulima	Vila Fria	51.00	51.00	Treatment and recovery of waste	-	jul/15
Through EGF		51.00	51.00			
Resinorte	Celorico de Bastos	75.11	75.11	Treatment and recovery of waste	-	jul/15
Through EGF		75.11	75.11			
Suldouro	Vila Nova de Gaia	60.00	60.00	Treatment and recovery of waste	-	jul/15
Through EGF		60.00	60.00			
Resiestrela	Fundão	62.95	62.95	Treatment and recovery of waste	-	jul/15
Through EGF		62.95	62.95			
ERSUC - Resíduos Sólidos do Centro, SA ("Ersuc")	Coimbra	57.44	57.44	Treatment and recovery of waste	-	jul/15
Through EGF		51.46	51.46			
Through Suma		5.98	5.98			
Valorlis	Leiria	51.00	51.00	Treatment and recovery of waste	-	jul/15
Through EGF		51.00	51.00			
Valnor	Avis	53.33	53.33	Treatment and recovery of waste	-	jul/15
Through EGF		53.33	53.33			
Valorsul	São João da Talha	52.93	52.93	Treatment and recovery of waste	-	jul/15
Through EGF		52.93	52.93			
Amarsul	Palmela	51.00	51.00	Treatment and recovery of waste	-	jul/15
Through EGF		51.00	51.00			
Algar	Almancil	56.00	56.00	Treatment and recovery of waste	-	jul/15
Through EGF		56.00	56.00			
SBE Waste Management Limited (b)	Hong Kong	90.00	90.00	Treatment and recovery of waste	Apr/16	-
Through Suma		90.00	90.00			
Suma Brasil Sucursal	Belo Horizonte	100.00	0.00	Collection and treatment of solid waste	May/19	-
Geres Participações (c)	Belo	100.00	42.85	Collection and treatment of solid waste	Dec/14	-
Suma Brasil (c)	Belo	100.00	42.85	Collection and treatment of solid waste	-	Dec/14
Through Geres						
CTR (c)	Santa Luzia	99.00	42.42	Collection and treatment of solid waste	-	Dec/14
Through Geres						
Mais Itapevi (c)	Itapevi	70.00	0.00	Collection and treatment of solid waste	Mar/21	-
Through Geres						

(a) As of 31 December 2021 and 2020, 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 shareholding of Geres Participações, SA in November 2021, these subsidiaries are now included in the consolidation by the full consolidation method.

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 companies were converted to Euros using the average exchange rate prevailing in the financial years. The difference resulting from the conversion is recorded in equity under "Other changes in equity".

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Investments in associates

As of 31 December 2021 and 2020, the Group held the following investments in associates:

Company name	Registered office	Percentage interest	Activity
AMBIBATALHA - Gestão de Resíduos, SA ("Ambibatalha")	Batalha	20.00	Collection and treatment of solid waste
Ambibatal - Investimentos Ambientais no Alentejo, EIM ("Ambibatal")	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
Geres Participações, SA	Belo Horizonte	42.85	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

Investments in associates are recorded according to the equity method (Note 3.2). For this purpose, the financial statements of the companies were used with the same reporting date as those 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 converted to Euros using the average exchange rate prevailing in the financial years. The difference resulting from the conversion is recorded in equity under "Other changes in equity".

Gerês Participações, SA, according to the introductory note, was considered as an associate until October 2021, and became a subsidiary in November 2021.

7. CHANGES IN THE CONSOLIDATION PERIMETER

During the year ended 31 December 2021, the following changes occurred in the Group's consolidation perimeter:

- In November 2021, 57.15% of Gerês Participações SA shares were acquired, and the Group now holds 100% of the company's capital and therefore controls the entity and its subsidiaries;
- In November 2021 SUMA Brasil Sucursal was established.

8. TANGIBLE FIXED ASSETS

During the years ended 31 December 2021 and 2020, the movements in tangible fixed assets, as well as in the related accumulated depreciation and impairment losses, were as follows:

	2021							
	Land and natural resources	Buildings and other structures	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Total
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	150,615,066
Change in the consolidation perimeter (Note 7)	6,408,949	18,006	3,737,672	6,893,220	14,311	103,035	231,579	17,406,772
Acquisitions	8,415	21,755	570,489	4,196,004	131,341	88,114	3,850,240	8,866,358
Disposals	-	(84,252)	(1,812,882)	(1,674,830)	(10,075)	(48,190)	-	(3,630,229)
Transfers	-	-	406,399	1,775,581	-	-	(2,181,980)	-
Write-offs	-	-	(138,054)	(272,648)	(670)	(5,550)	-	(416,922)
Currency revaluation	(743)	137,968	592,817	132,036	17,730	-	879,807	-
Closing balance	12,893,579	21,693,289	56,361,442	65,491,313	3,224,675	6,749,605	7,306,948	173,720,851
Depreciation and losses due to accumulated impairment								
Opening balance	835,612	14,645,425	41,066,334	37,369,660	2,869,839	6,028,631	283,362	103,098,864
Change in the consolidation perimeter (Note 7)	-	2,176	1,417,104	2,746,399	1,293	41,712	-	4,208,684
Depreciation for the year (Note 30)	47,502	12,288,010	2,139,443	3,649,109	125,886	299,268	-	7,489,217
Disposals	-	(51,535)	(1,764,262)	(1,520,165)	(7,955)	(44,751)	-	(3,388,668)
Write-offs	-	-	(121,652)	(275,448)	(670)	(5,550)	-	(403,320)
Currency revaluation	-	74,608	371,823	94,325	17,328	44	552,109	-
Closing balance	883,114	15,898,684	43,240,769	3,003,222	6,319,354	283,362	111,563,755	-
Net Assets	12,010,465	5,794,605	13,252,653	23,427,553	218,953	430,251	7,023,588	62,158,066

	Land and natural resources	Buildings and other structures	Basic equipment	Transport equipment	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Total
Gross Assets:								
Opening balance	6,483,496	21,762,991	54,432,747	56,487,356	3,382,318	8,066,661	3,609,288	154,224,857
Acquisitions	-	-	355,847	2,397,227	109,933	393,622	2,846,540	6,148,855
Disposals	-	(151,125)	(720,845)	(5,021,511)	(151,120)	(250,551)	(1,029,951)	(6,321,192)
Transfers	-	132,084	155,997	721,476	1,860	18,535	-	-
Write-offs	-	(18,782)	(560,703)	(9,641)	(230,292)	(1,813,582)	(6,224)	(2,439,224)
Currency revaluation	(6,538)	(172,043)	(657,680)	(132,755)	(16,672)	-	(12,543)	(998,231)
Closing balance	6,476,958	21,599,812	53,005,001	54,441,951	3,072,038	6,612,196	5,407,110	150,615,066
Depreciation and losses due to accumulated impairment								
Opening balance	748,843	13,639,619	39,306,217	39,074,340	3,187,351	7,612,217	283,362	103,854,249
Depreciation for the year (Note 30)	86,769	1,249,630	3,324,675	3,407,424	105,828	289,118	-	8,454,647
Disposals	-	(149,597)	(645,777)	(5,013,633)	(174,327)	(251,052)	-	(6,234,695)
Write-offs	-	(18,782)	(557,140)	(6,641)	(230,292)	(1,612,652)	-	(2,428,507)
Currency revaluation	-	(75,945)	(363,644)	(88,530)	(18,721)	-	-	(546,840)
Closing balance	835,612	14,645,425	41,066,334	37,369,660	2,869,839	6,028,631	283,362	103,098,864
Net Assets	5,641,346	6,954,387	11,938,667	17,072,291	202,198	583,564	5,123,748	47,516,202

During the year ended 31 December 2021 and 2020, the main purchases of tangible fixed assets are related to the acquisition of 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 year ended 31 December 2021 is largely influenced by the change in the consolidation perimeter in November 2021, with the acquisition of the remaining shareholding in Gerês Participações, SA (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 essentially to the sale of several types of used vehicles that had been 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 a plot of land held by the subsidiary SUMA brasil in the amount of 6,408,949 Euros is recognized in SUMA's consolidated accounts. The Group's management expects it to be exploited as a landfill site, and there are agreements signed with an investor on that basis, which have underlying clauses with preceding conditions, namely obtaining licensing.

9. INVESTMENT PROPERTIES

As of 31 December 2021, investment properties include land located in Cascais, Maceira, 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, 176,779 Euros, 14,863 Euros, 35,491 Euros and 35,491 Euros, respectively.

During the year ended 31 December 2021, the company sold the land in Lousada for 420,000.00 Euros.

As of 31 December 2020, investment properties include land located in Cascais, Maceira, Escandarão, Várzea and Lousada. 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, 176,779 Euros, 14,863 Euros, 35,491 Euros and 280,403 Euros, respectively.

During the year ended 31 December 2020, the company acquired sold the land, with an area of 8,180 m², in Samora Correia, for the sum of 350,000.00 Euros, net of charges.

In addition, as of 31 December 2021 and 2020, this item included a unit of a property leased to third parties in Lisbon amounting to 11,004 Euros and 11,788 Euros, respectively.

In the years ended 31 December 2021 and 2020, the movement under this item was as follows:

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(Amounts expressed in Euros)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2021

(Amounts expressed in Euros)

	2021	2020
Opening balance	2,166,324	2,498,937
Disposals	(280,403)	(331,829)
Depreciation for the year (Note 32)	(783)	(783)
Closing balance	1,885,138	2,166,324

The investment properties have a market value below their book value, amounting to approximately 1,817,025.00 Euros, according to the property valuations carried out by an independent entity.

10. GOODWILL

The detail of goodwill refers to the purchase difference recorded in previous years, in the acquisition of subsidiary and associated companies. As of 31 December 2021 and 2020, the detail of goodwill is as follows:

Entity or cash-generating unit	Acquisition year	Amount carried forward 2020	Increases	Amortisations for the year (Note 32)	Amount carried forward 2021
STL	2003	67,048	-	(67,048)	-
Ecolatlantica	2006	89,771	-	(6,559)	83,212
Resilei	2007	100,834	-	(21,007)	79,827
Triu	2008	2,468,722	-	(280,599)	2,188,123
Enviroil	2009	6,997,877	-	(509,830)	6,488,047
Geres	2021	-	1,883,580	(47,089)	1,836,490
		9,724,252	1,883,580	(932,133)	10,675,699

During the year ended 31 December 2021, the Group acquired the remaining 57.15% of the stake in Geres Participações, SA, now holding all of its capital, which generated a Goodwill whose useful life, as it is not defined, was set at 10 years.

During the years ended 31 December 2021 and 2020, the movement in goodwill was as follows:

	2021	2020
Opening balance	9,724,252	10,653,994
Increases	1,883,580	-
Amortisation	(932,133)	(929,742)
Closing balance	10,675,699	9,724,252

In the year ended 31 December 2021, the Group 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 same discount rate of 4.46% was used, but no perpetuity growth rate and considering cash flow forecasts until 2041, given that the landfill has a finite useful life.

As of 31 December 2020, the Group did not carry out an assessment of the recoverable value of its financial holdings, which include goodwill, since, given the positive performance of the subsidiaries, there were no signs of impairment.

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

11. INTANGIBLE ASSETS

During the years ended 31 December 2021 and 2020, the movements in intangible assets, as well as in the respective depreciation and accumulated impairment losses, were as follows:

	Contractual rights	Regulatory assets	Development expenditure	Computer programmes	Intangible assets in progress	Other intangible assets	Total
Gross Assets:							
Opening balance	1,167,489,458	270,201	557,533	874,307	50,899,205	18,051,470	1,238,142,174
Change in the consolidation perimeter (Note 7)	-	-	-	21,459	-	-	21,459
Regulatory assets	-	-	-	-	-	-	-
Acquisitions	12,128,421	-	-	265	24,114,493	1,534,167	37,777,346
Disposals	(2,818,641)	-	-	-	-	-	(2,818,641)
Write-offs	(12,167,947)	-	-	(13,171)	-	-	(12,167,947)
Other movements (a)	-	-	-	884	-	-	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	1,260,942,104
Accumulated amortisation and impairment losses:							
Opening balance	832,277,477	71,074	556,438	848,931	-	11,167,926	844,921,845
Change in consolidation perimeter (Note 7)	-	-	-	11,977	-	-	11,977
Depreciation for the year (Note 32)	33,330,388	14,221	1,095	116,152	-	4,751,853	38,213,708
Disposals	(3,015,603)	-	-	-	-	-	(3,015,603)
Write-offs	-	-	-	(13,171)	-	-	(13,171)
Reductions	-	-	-	830	-	-	(11,541,322)
Currency revaluation	-	-	-	20	-	-	20
Closing balance	851,050,110	85,295	557,532	964,719	-	15,919,779	868,577,454
Net Assets	364,774,847	184,906	1	812,788	21,582,672	5,008,458	392,364,650
	Contractual rights	Regulatory assets	Development expenditure	Computer programmes	Intangible assets in progress	Other intangible assets	Total
Gross assets:							
Opening balance	1,132,644,725	270,201	557,533	928,777	27,794,580	14,018,340	1,176,214,156
Acquisitions	35,272,458	-	-	18,109	32,661,455	2,947,575	70,899,597
Disposals	(1,405,816)	-	-	(37,831)	-	-	(1,443,647)
Write-offs	(7,434,017)	-	-	(33,220)	-	-	(7,467,238)
Other movements (a)	-	-	-	(1,527)	-	-	(1,527)
Transfers	8,412,108	-	-	-	(9,556,829)	1,085,555	(59,167)
Closing balance	1,167,489,458	270,201	557,533	874,307	50,899,205	18,051,470	1,238,142,174
Accumulated amortisation and impairment losses:							
Opening balance	807,270,526	56,853	464,073	882,573	-	7,222,768	815,896,792
Depreciation for the year (Note 32)	33,777,138	14,221	92,365	38,722	-	3,945,159	37,867,604
Disposals	(1,887,424)	-	-	-	-	-	(1,887,424)
Write-offs	-	-	-	(71,052)	-	-	(71,052)
Reductions	(6,882,763)	-	-	(1,312)	-	-	(6,884,075)
Closing balance	832,277,477	71,074	556,438	848,931	-	11,167,926	844,921,845
Net Assets	335,211,980	199,127	1,095	25,376	50,899,205	6,883,544	393,220,329

The main investments made during the year ended 31 December 2021 were as follows:

Algar: construction of the ASB Urban Waste Treatment and Sorting Centre. Acquisition of equipment for the new Urban Waste Treatment and Sorting Centre. Acquisition of other equipment and vehicles;

Amarsul: acquisition of vehicles, reinforcement of the container network and acquisition of other equipment for composting and biogas;

Ersuc: completion of the construction of the cell at the Aveiro landfill (Technical confinement unit of the Aveiro Integrated Solid Urban Waste Treatment and Recovery Centre), replacement of multi-material presses for sorting and start of the investment to adapt the mechanical and biological treatment units of Aveiro and Coimbra for the treatment of Selective Collection bio-waste.

Resiestrela: acquisition of 3 optical separators, acquisition of vehicles for waste transportation and door-to-door collection, and purchase of waste collection points and other auxiliary equipment;

Resinorte: completion of the rehabilitation works and increase in the processing capacity of the mechanical and biological treatment units of Riba D'Ave, acquisition of Waste Collection Points for Selective Collection, vehicles for waste transfer and acquisition of equipment for the Landfill;

Resulima: completion of the mechanical and biological treatment unit and completion of the automated sorting centre;

Suldouro: improvements of the Sermonde Sorting and start of the Sermonde landfill closure works. Acquisition of other equipment for the landfill and mechanical and biological treatment unit;

Valnor: acquisition of semi-trailers with moving floor, vehicles for transport and collection of waste, and waste collection points for recyclables;

Valorlis: increase in the mechanical and biological treatment unit's organic recovery capacity to treat bio-waste, acquisition of domestic composters, replacement of vehicles and equipment;

Valorminho: acquisition of waste collection points and containers and other equipment to improve the infrastructure;

Valorsul: construction of the Torres Vedras Transfer Station, improvement of the water circuit pipes of the Urban Solid Waste Treatment Plant and acquisition of other equipment for selective collection and organic treatment.

As of 31 December 2021, the methods and main assumptions used in the preparation of the impairment test for the financial stake in SUMA Tratamento/EGF were based on the provisional regulated accounts partially 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 3.75%. Based on the impairment testing carried out, no impairment losses were recorded on the aforementioned financial stake. The process for final approval of the CRP for the 2022-2024 regulatory period is underway, with a decision expected by the end of 2022. However, the regulator established a transitional tariff for the year 2022, as well as approved TRAs to be applied and the 1st phase of the Investment Plan for the regulatory period 2022-2024.

Regarding the EGF Group, we point out 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 SUBSIDIARIES 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 the CRR 2020 to 2022.

In light of this decision, in 2021, EGF dropped the administrative actions that existed for the 2016-2018 and 2019-2021 regulatory periods.

As of 31 December 2021, based on the impairment testing carried out, no impairment losses were recorded on the aforementioned intangible assets.

12. FINANCIAL HOLDINGS – EQUITY METHOD

As of 31 December 2021 and 2020, the Group held the following financial holdings in associated companies:

2021								
Investments in associates:	Registered office	% held	Assets	Equity	Turnover	Net income	Value of the holding	Additional paid-in capital
								Total equity investment
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
Ambilital	Santiago	49.00%	22,212,736	17,089,180	4,843,271	251,270	8,373,698	-
Citrup	do Cacém	49.00%	16,862	(6,316)	30,755	(9,008)	-	-
Ecolefíria (c)	Almeirim	24.50%	-	-	-	317,481	-	317,481
Ambibatalha	Batalha	20.00%	51,590	19,543	-	(178,734)	3,909	3,909
Ecolife (b)	Maputo	30.00%	1,642,226	984,588	1,229,629	174,227	295,376	295,376
Ecoss ambiental	Brazil	34.00%	7,691,451	898,119	3,484,312	232,457	305,381	305,381
			146,939,264	78,647,597	8,845,251	6,932,410	38,202,190	944,834
								39,452,384

2020								
Investments in associates:	Registered office	% held	Assets	Equity	Turnover	Net income	Value of the holding	Additional paid-in capital
								Total equity investment
Vista Waste (a) and (b)	Luanda	49.00%	116,567,503	47,226,849	60,768,000	14,089,924	22,678,187	944,834
Ambilital	Santiago	49.00%	17,845,425	14,068,621	4,254,887	335,501	6,893,624	-
Citrup	do Cacém	30.00%	46,229	2,773	88,987	(18,371)	832	832
Ecolefíria (c)	Almeirim	24.50%	-	-	-	317,481	-	317,481
AMBIBATALHA	Batalha	20.00%	229,704	198,777	-	(2,378)	39,755	39,755
Ecolife (b)	Maputo	30.00%	1,323,680	627,939	1,456,635	106,524	188,382	188,382
ECB SUMA (b)	Belo Horizonte	42.85%	12,012,077	2,920,391	-	(498,892)	1,251,388	1,251,388
			148,024,617	65,045,349	66,568,509	14,012,309	31,369,649	944,834
								32,314,482

- (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% in Geres Participações, SA, now holding control and consolidating.

Ecoss is an investee of Geres Participações, SA

- (c) Financial information not available.

During the years ended 31 December 2021 and 2020, the Group did not identify any signs of impairment in relation to the financial holdings held.

Investments in associates are recorded according to the equity method (Note 3.2). For this purpose, the financial statements of the companies were used with the same reporting date as those of the Group.

During the year ended 31 December 2021 and 2020, the movement in "Financial investments - equity method" was as follows:

2021		
Value of holding	Additional paid-in capital	Total
31,369,648	944,834	32,314,482
226,325	-	226,325
(720,863)	-	(720,863)
(1,995,697)	-	(1,995,697)
9,628,137	-	9,628,137
38,507,551	944,834	39,452,384

2020		
Value of holding	Additional paid-in capital	Total
38,010,759	944,834	38,955,593
(4,377,909)	-	(4,377,909)
(2,263,202)	-	(2,263,202)
31,369,648	944,834	32,314,482

During the course of the years ended 31 December 2021 and 2020, of the dividends allocated, 1,995,388 Euros and 4,377,909 Euros, respectively, were received and the differences from the amounts approved for distribution were recorded under accounts receivable of the respective investees.

The movements relating to the application of the equity method are as follows:

2021			
Gains/(losses) allocated to associated companies	Other changes in equity	Provisions for losses in financial holdings (Note 23)	Financial holdings
3,248,763	5,144,956	-	8,393,719
123,122	1,492,470	-	1,615,592
(2,726)	-	1,895	(832)
(35,847)	-	-	(35,847)
52,268	54,727	-	106,995
(1,289,356)	758,831	-	(530,525)
79,035	-	-	79,035
2,175,260	7,450,983	1,895	9,628,137

Vista Waste
Ambilital
Citrup
Ambibatalha
Ecolife
Geres
Ecoss ambiental

	2020		
	Gains/(losses) allocated to associated companies	Other changes In equity	Financial holdings
Vista Waste	6,829,261	(9,274,471)	(2,445,211)
Ambilital	164,395	846,592	1,010,987
Citrup	(5,511)	-	(5,511)
Ambibatalha	(476)	-	(476)
Ecolife	13,235	(37,408)	(24,174)
ECB Suma	(213,776)	(585,042)	(798,818)
	<u>6,787,128</u>	<u>(9,050,330)</u>	<u>(2,263,202)</u>

The item "Other changes in equity" corresponds essentially to the recording of the exchange rate effect of the application of the equity method of associates in foreign currency and to the recording of Government grants they received. Additionally, following the classification of Angola as an economy with hyperinflation, the financial statements of the associated company VISTA Waste were adjusted accordingly, the respective impacts being recorded under the item "Other changes in equity".

13. OTHER FINANCIAL INVESTMENTS

As of 31 December 2021 and 2020, the composition of the "Other financial investments" heading was as follows:

	2021
Opening balance	224,151
Increases/decreases	59,295
Closing balance	<u>283,447</u>

The item relates to the "Workers' Compensation Fund", which in 2020 was classified under "Other receivables" in the financial statements (Note 17) in the amount of 224,151 Euros, and in 2021 a specific item of other financial investments was created in the balance sheet for this purpose. As the amounts relating to 2020 are immaterial in the context of the financial statements, the 2020 classification has not been restated in the balance sheet.

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 2021 and 2020, presented the following assumptions:

	2021	2020
Mortality table	TV 88/90	TV 88/90
Disability table	EKV 79	EKV 79
Annual discount rate	4.20%	4.50%
Fund Yield Rate	-0.82%	-0.82%

At 31 December 2021 and 2020, the retirement benefit liabilities are as follows:

	2021	2020
Opening balance	312,217	316,583
Interest costs	1,903	6,214
Actuarial Losses/(Gains) resulting from changes in assumptions	24,373	53,881
Estimated benefits	(80,814)	(80,814)
Discount rate change	1,840	16,353
Closing balance	<u>259,519</u>	<u>312,217</u>

For the year ended 31 December 2021 and 2020, the evolution of the assets of the fund and the summary of the fund was as follows:

	2021	2020
Opening balance	240,702	259,136
Adjustment opening balance	(4,079)	4,079
Effective return	1,432	5,013
Gain/(loss) of income	2,273	(6,829)
Company contributions	38,429	59,317
Benefits paid	(62,417)	(80,014)
Closing balance	<u>216,340</u>	<u>240,702</u>

	2021	2020
Current value of past liabilities	259,519	312,217
Current value of the assets in the fund	216,340	240,703
(Deficit)/Surplus in the fund	<u>(43,179)</u>	<u>(71,514)</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 year exceeding 1,500,000 Euros are subject to a state surcharge, pursuant to Article 87-A of the 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 greater than 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 income before depreciation, net financing costs and taxes.

Under Article 88 of the 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 2018 to 2021 may still be subject to review.

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 of 31 December 2021 and 2020.

Under current law, losses are carried forward for a period of 12 years for the tax periods 2020 and 2021, previously 5 years (12 years for those incurred in 2014 and 2016) after their occurrence and deductible from taxable income generated during that period, limited to the amount of the deduction in each year, which may not exceed 70% of the respective taxable profit and may rise to 80% whenever this difference results from the deduction of tax losses calculated in the taxation periods 2020 and 2021.

The counting of the reporting period for tax losses is suspended during the 2020 and 2021 tax periods, resulting in an increase of 2 years in the reporting period for tax losses calculated in 2014 and following years.

As of 31 December 2021, the Group had tax losses carried forward amounting to 90,196,488 Euros generated during the period 2014 to 2021.

Year in which they were generated	2021	
	Amount	Deadline for use
2014	259,955	2028
2015	756,796	2030
2016	12,562,641	2024
2017	3,108,272	2025
2018	13,269,526	2026
2019	22,264,299	2032
2020	25,181,691	2033
2021	12,793,308	2034
	90,196,488	

Additionally, as of 31 December 2021 and 2019, the group had tax losses carried forward from companies located outside Portuguese territory in the amount of approximately 6,478,714 Euros, of which 5,334,792 Euros refers to Brazil and 1,143,922 Euros refers to Poland.

As of 31 December 2020, the Group had tax losses carried forward from companies based in Poland in the amount of approximately 494,173 Euros.

As of 31 December 2021, only deferred tax assets were recognised up to the amount of tax losses that Management expects to be recoverable.

Deferred tax movements:

At 31 December 2021 and 2020, according to the temporary differences that generated them, deferred tax assets and liabilities were as follows:

	Deferred tax assets		Deferred tax liabilities	
	2021	2020	2021	2020
Provisions for other risks and charges	400,733	420,481	5,039,066	4,638,005
Financial restatement of trade accounts	127,787	125,483	-	-
Tangible fixed assets	21,772	33,430	151,532	151,532
Impairment losses on inventories	105,285	105,285	-	-
Impairment losses on trade accounts receivable	371,150	642,534	-	-
Investment grants	-	-	11,586,741	10,613,363
Grants recognised in advance	-	-	2,063,953	2,131,145
Tax losses carried forward	19,631,825	14,842,821	-	-
Regulatory liabilities	1,840,050	3,051,423	-	-
Transition adjustment - (POC/IFRS) (a)	-	-	17,573,793	18,902,903
Transition adjustment - grants	1,067,083	1,208,445	-	-
Intangible assets	14,180,415	15,708,210	9,746,377	10,132,222
Tariff deviation	5,073,171	-	4,863,945	3,899,991
Deferral of margins generated internally	25,874	25,874	-	-
Other	162,906	3,942,618	384,702	-
Regulatory balance	16,025	688,055	-	-
	43,024,076	40,794,659	51,410,109	50,469,161

(a) These temporary differences result from the transitional adjustments determined in 2009, by the Concessionaire Subsidiaries, as 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.

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The movement in deferred tax assets and liabilities for the years ended 31 December 2021 and 2020 was as follows:

	2021				
	Opening balance	Change in the consolidation perimeter (Note 7)	Income statement	Equity	Closing balance
Deferred tax assets					
Provisions for risks and charges	437,666	-	(36,933)	-	400,733
Financial restatement of trade accounts	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 losses carried forward	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 - Grants	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 grants	10,613,363	-	(679,583)	1,652,962	11,586,741
Grants recognised in advance	2,131,145	-	(67,192)	-	2,063,953
Provision	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
2020					
	Opening balance	Income statement	Equity	Closing balance	
Deferred tax assets					
Provisions for risks and charges	543,091	(122,610)	-	420,481	
Financial restatement of trade accounts	105,650	19,832	-	125,483	
Tangible fixed assets	33,430	-	-	33,430	
Impairment losses on inventories	74,852	30,433	-	105,285	
Impairment losses on trade accounts receivable	207,814	434,720	-	642,534	
Tax losses carried forward	9,136,198	5,706,623	-	14,842,821	
Regulatory liabilities	4,061,570	(1,010,148)	-	3,051,423	
Transition adjustment - Grants	1,341,592	(133,147)	-	1,208,443	
Intangible assets	17,984,651	(2,276,440)	-	15,708,210	
Deferral of margins generated internally	51,882	(26,008)	-	25,874	
Other	3,001,740	940,878	-	3,942,618	
Regulatory balance	1,086,085	(398,030)	-	688,055	
	37,628,555	3,166,104	-	40,794,659	
Deferred tax liabilities					
Transition adjustment - (POC/IFRS) (a)	20,188,027	(1,285,124)	-	18,902,903	
Tangible fixed assets	695,919	(544,386)	-	151,532	
Investment grants	7,731,310	(124,301)	3,006,354	10,613,363	
Grants recognised in advance	2,681,837	(356,412)	(194,280)	2,131,145	
Provision	5,071,395	(433,390)	-	4,638,004	
Tariff deviation	144,384	3,755,607	-	3,899,991	
Fair value of intangible assets	9,790,601	341,621	-	10,132,222	
	46,303,472	1,353,614	2,812,075	50,469,161	

In December 2017, the answer to the request for binding information submitted to the Tax Administration by the subsidiary EGF as a representative of 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

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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 2021 and 2020, 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 tax rate:

	2021	2020
Earnings before taxes	28,876,161	14,197,542
Statutory tax rate	25.50%	25.50%
Expected taxation	7,363,421	3,620,373
Permanent differences (i)	(1,855,711)	830,878
Temporary difference	-	39,219
Tax losses for which deferred tax was not recognised	17,872	(124,127)
Impacts resulting from PIV	(894,630)	911,039
Tax benefits	(20,912)	(89,732)
Constitution/(use) of tax loss carryforwards	210,954	(3,449,569)
Reversal of the provision of AMARSUL	-	(758,518)
State surcharge	64,592	41,763
Autonomous taxation (ii)	576,348	444,078
(Excess)/deficit of tax estimate	(185,655)	(107,614)
	5,276,279	1,357,791
Current tax (Note 15)	6,653,467	3,277,894
(Excess)/deficit of tax estimate	29,602	(107,614)
Non-recoverable special payment on account	1,346	-
Deferred tax generated in the year	(1,408,137)	(1,812,490)
	5,276,279	1,357,791
Effective tax rate	18%	10%

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(i) As of 31 December 2021 and 2020, has the following composition:

	2021	2020
Undocumented expenditure and other charges	532,883	205,121
Bad debts	800,609	232,701
Non-deductible liabilities	(76,301)	(447,271)
Capital gains with/without intention to reinvest	(67,437)	56,285
Corrections relating to previous years	256,259	643,158
Fines and other penalties	23,073	12,596
Impairment/Amortisation of Goodwill	959,326	961,429
Accounting gains	(4,486)	(258,374)
(Gains)/ losses allocated to associates (Note 12)	(2,175,260)	(6,787,128)
Net employment creation	(793,570)	(930,134)
Depreciation not accepted as expense	2,808	39,000
Other net	(6,735,205)	9,530,961
	(7,277,300)	3,258,345
Statutory tax rate	25.50%	25.50%
Permanent differences	(1,855,711)	830,878

16. INVENTORIES AND COST OF GOODS SOLD AND MATERIALS CONSUMED

As of 31 December 2021 and 2020, inventories have the following composition:

	2021			2020		
	Gross value	Impairment losses	Net value	Gross value	Impairment losses	Net value
Goods						
Finished products	1,374,837	-	1,374,837	1,878,269	-	1,878,269
Raw materials and consumables	2,863,919	(412,883)	2,451,036	2,240,706	(412,883)	1,827,823
Miscellaneous materials	10,256	-	10,256	419	-	419
	4,249,012	(412,883)	3,836,129	4,119,508	(412,883)	3,706,625

The cost of goods sold and materials consumed recognised in the years ended 31 December 2021 and 2020 may be broken down as follows:

	2020			2019		
	Goods	Raw materials and consumables	Total	Goods	Raw materials and consumables	Total
Opening balance	114	2,241,125	2,241,239	114	2,241,125	2,241,239
Purchases	-	22,436,779	22,436,779	6,597,380	10,942,067	17,539,447
Adjustments	-	36,232	36,232	(6,169)	(17,622)	(23,791)
Closing balance	-	(2,874,175)	(2,874,175)	(114)	(2,241,125)	(2,221,239)
	114	21,839,679	21,840,075	6,591,211	11,924,445	17,515,656

In the years ended 31 December 2021 and 2020, the cost of goods sold and materials consumed with related parties amounted to 7,259,830 Euros and 10,460 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 Valnor through the sale of that waste to the companies Sociedade Ponto Verde, Novo Verde and Electrâo.

The variation in production inventories for the years ended 31 December 2021 and 2020 may be broken down as follows:

	2021	2020
Opening balance	(1,878,269)	(1,766,975)
Inventory adjustments	3,952	(3,693)
Closing balance	1,374,837	1,878,269
Variation of production inventories	(499,480)	107,601

Impairment losses:

As of 31 December 2021 and 2020, the movement in impairment losses on inventories was as follows:

	2021	2020
Opening balance	412,883	293,538
Increase in impairment losses	-	119,345
Closing balance	412,883	412,883

17. TRADE ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

As of 31 December 2021 and 2020, the captions "Trade accounts receivable" and "Other receivables" had the following composition:

	2021				
	Gross value	Accumulated impairment	Financial restatement of trade accounts receivable	Reportable income	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
Trade debtors, 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)
	150,280,112	(13,454,699)	(507,906)	(1,994,950)	134,322,557

	2020				
	Gross value	Accumulated impairment	Financial restatement of trade accounts receivable	Reportable income	Net value
Trade accounts receivable, non-current:					
General	2,346,383	(50,200)	-	-	2,296,183
Other receivables, non-current:					
Tariff deviation	3,737,556	-	-	-	3,737,556
Deferral of tariff (a) (Note 24)	5,726,733	-	-	-	5,726,733
Other debtors	(187,271)	-	-	-	(187,271)
Other debtors - Related parties (Note 26)	1,718,771	-	-	-	1,718,771
	10,995,790	-	-	-	10,995,790
	13,342,173	(50,200)	-	-	13,291,973
Trade debtors, current account:					
General	53,922,034	(13,000,059)	(495,114)	(4,253,496)	36,173,365
Related parties (Note 26)	32,936,992	(184,582)	-	-	32,752,410
	86,859,026	(13,184,641)	(495,114)	(4,253,496)	68,925,775
Other receivables, current account:					
Other general debtors	5,915,837	-	-	(1,447,924)	4,467,913
Other general debtors - Related parties (Note 26)	2,783,240	-	-	-	2,783,240
Grants receivable	5,099,881	-	-	-	5,099,881
Advances arising from the assignment of receivables	12,970	-	-	-	12,970
Investment payments on account	43,916	-	-	-	43,916
Deferral of tariff (a) (Note 24)	1,759,799	-	-	-	1,759,799
Tariff deviation	13,034,993	-	-	-	13,034,993
Accrued receivables - Related parties (Note 26)	261	-	-	-	261
Debtors by accrued income - Others	6,				

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 2021 and 2020 financial years. During 2021, the Group recognised the amount of 11,584,163 Euros related to investment grants (Note 16), and as of 31 December 2021, it has made requests for grants in the amount of 5,904,570 Euros, which are yet to be received. During the year ended 31 December 2021, an amount of 11,665,741 Euros related to investment grants was received. During the year ended 31 December 2020, an amount of 21,448,848 Euros was received. As of 31 December 2020, 5,999,881 Euros of subsidies had been requested.

During the years ended 31 December 2021 and 2020, impairment losses on receivables changed as follows:

	2021	2020
Opening balance	13,234,841	11,646,073
Change in the consolidation perimeter	449,228	-
Increases	1,173,199	3,847,665
Reversals	(685,745)	(1,825,793)
Uses	(716,824)	(433,104)
Closing balance	<u>13,454,699</u>	<u>13,234,841</u>

As of 31 December 2021, an impairment loss of an approximate amount of 6,000,000 Euros was reported relating to the value of the financial contribution owed by Sociedade Ponto Verde - Sociedade Gestora de Resíduos de Embalagens, SA ("SPV") to the concessions of the subsidiaries of the EGF Sub-group, due to an increase in costs incurred with the collection and sorting of certain waste delivered for recycling, as that entity does not acknowledge its position as debtor. In the opinion of the Group, there are legal and/or constructive liabilities assumed by that entity, both vis-à-vis the Group and the public bodies responsible for the Environment, which bind SPV to the payment of those amounts, which is why the concessionaires, on 14 June 2017, filed a consolidated joinder in order to collect those amounts. However, given the failure to acknowledge the debt by SPV and the fact that the collection of those amounts is not certain, the Group decided to set up an impairment loss to cover those amounts.

In 2020, the increase in impairments was mainly due to the subsidiaries of the EGF Subgroup related 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.

During the years ended 31 December 2021 and 2020, the following movements were made in the balances of the item financial restatement of trade accounts receivable:

	2021	2020
Opening balance	495,114	413,002
Increases/(reductions) (Note 31)	12,793	82,112
Closing balance	<u>507,906</u>	<u>495,114</u>

During the years ended 31 December 2021 and 2020, the following movements were made in the balances of the item reportable income from trade accounts receivable and other accounts receivable:

	2021	2020
Opening balance	5,701,420	5,672,739
Increases/(decreases)	(433,795)	34,566
Recognition in income (Note 28)	(3,272,676)	(5,885)
Closing balance	<u>1,994,950</u>	<u>5,701,420</u>

The recognition in results essentially corresponds to interest on arrears and services rendered, in the amount of 3,224,753.73 Euros, resulting from a favourable decision by the Sintra Administrative and Fiscal Court regarding the dispute between the Group and Cascais City Hall.

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 income statement at the time they are paid by the customers (Note 3.18). Additionally, this item also includes the recognition of services deferred up to that point.

18. STATE AND OTHER PUBLIC BODIES

As of 31 December 2021 and 2020, the item "State and other public bodies" has the following composition:

	2021	2020
	Debtor balances	Creditor balances
	Debtor balances	Creditor balances
Corporation Tax (IRC):		
Payments on account	-	(3,227,567)
Special payment on account	-	(8,977)
Estimated tax (Note 15)	-	6,600,949
Withholding	-	(258,766)
Other	-	(752,775)
Personal Income Tax		
Value Added Tax ("VAT")	4,360,220	5,315,026
VAT – refunds requested	503,213	190,167
Social Security contributions	-	1,988,861
Waste Management Fee (a)	-	37,402,919
Other taxes (a)	92,104	462,963
	<u>4,955,537</u>	<u>42,973,689</u>
	<u>5,577,978</u>	<u>31,443,378</u>

a) Waste management fee corresponds to amounts billed to customers of companies in the EGF subgroup, which will be returned to the Portuguese Environment Agency ("APA"), and whose value increased from €11/ton to €22/ton in the second half of 2021, which partly justifies the increase in this liability compared to 2020.

19. DEFERRED ASSETS AND LIABILITIES

As of 31 December 2021 and 2020, "Deferred" assets and liabilities have the following composition:

Nature	2021	2020		
	Assets	Liabilities	Assets	Liabilities
Non-current:				
2021 tariff deviation - annual	-	17,881,632	-	-
2020 tariff deviation - annual	-	-	-	21,496,962
2020 tariff deviation - Bar 2016-2018	-	-	-	1,250,396
2020 tariff deviation - reference cost adjustment	-	-	-	(7,702,573)
	<u>-</u>	<u>17,881,632</u>	<u>-</u>	<u>15,044,785</u>

Current:

Regulatory balance	208,613	-	-	-
Tariffs - new tariff regulations (a)	-	-	-	2,815,972
2017 tariff deviation	-	64,395	-	64,394
2018 tariff deviation	-	321,565	-	321,566
2019 tariff deviation - annual	-	680,031	-	2,269,109
2019 tariff deviation - Bar 2016-2018	-	-	-	637,506
2019 tariff deviation - reference cost adjustment	-	-	-	(1,456,656)
2020 tariff deviation - annual	-	4,106,083	-	-
Deferral of tariff - new tariff regulations (a)	-	1,000,983	-	-
Insurance policies paid in advance	3,291,839	-	2,002,518	793
Other	<u>4,399,212</u>	<u>1,019,700</u>	<u>3,089,683</u>	<u>1,428,994</u>
	<u>7,899,664</u>	<u>7,192,757</u>	<u>5,092,201</u>	<u>6,081,678</u>

(a) This amount concerns the difference between the value of the tariff decided by the ERSAR and the amount of the tariff billed in 2016, with the agreement of the Municipalities at the subsidiary Valorsul.

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

As of 31 December 2021 and 2020, capital was composed of two hundred and fifty thousand fully paid-up shares (Note 36) 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., SA ("MEAS")	61.5%	7,687,500
Urbaser (entity based in Spain and member of the ACS Group)	38.5%	4,812,500
		12,500,000

21. OTHER EQUITY ITEMS

The relevant information regarding the equity captions, as of 31 December 2021 and 2020, is as follows:

Share premiums: The amount recorded under this item results from the goodwill obtained in the capital increase that occurred in the year ended 31 December 2004. In accordance with prevailing legislation, the use of the amount included under this item follows the legal reserve regime, i.e. it may not be distributed to shareholders, but 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 law, at least 5% of annual net income, if positive, must be allocated to the legal reserve until it represents 20% of 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 companies held in foreign currency and the effects on associated companies 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:

	2021	2020
Opening balance	3,317,560	3,927,444
Equity accounting (Note 12)	7,450,983	(9,050,330)
Net deferred tax grants (a)	1,970,043	5,415,144
Goodwill from Gerês acquisition	838,620	-
Reclassification of undistributed profits	2,171,945	4,349,752
Other changes	670,105	(1,324,450)
Closing balance	16,419,255	3,317,560

(a) Government Grants

As of 31 December 2021 and 2020, investment grants obtained by the Group were recorded in equity and may be broken down as follows:

	2021				
	Opening balance	Formation	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
	47,627,304	11,584,163	(4,542,621)	26,877	54,695,723

	2020				
	Opening balance	Formation	Recognition	Reclassification	Closing balance
Triu	3,286	-	(1,897)	427	1,816
Correia & Correia	67,344	-	(11,644)	2,620	58,320
Enviroil II	428,498	1,372,288	(451,378)	(207,205)	1,142,203
EGF	32,613,670	18,356,004	(4,544,708)	-	46,424,966
	33,112,798	19,728,292	(5,009,628)	(204,158)	47,627,304

	2021		2020	
	Grants	Deferred tax liabilities	Grants	Deferred tax liabilities
Company shareholders:				
Grants	7,041,542		7,179,250	
Deferred tax liabilities	(1,640,817)		(862,949)	
	5,400,725		(1,764,106)	
Non-controlling interests			3,430,681	
			5,943,757	
			5,400,725	
			11,358,901	

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 year ended 31 December 2020, amounting to 13,241,014.92 Euros, to unappropriated retained earnings.

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

Appropriation of profits from 2019: By decision of the General Meeting held on 03 June 2020, it was decided to allocate net income for the year ended 31 December 2019, amounting to 7,425,253.37 Euros, to unappropriated retained earnings.

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

Proposed Appropriation of Profits from 2021:

Pursuant to Article 376 (b) of the Companies Code and taking into account the consolidated financial statements for the year, it is proposed that net income for the year 2021, amounting to 12,897,243 Euros, should be allocated to Free reserves.

Net income for the year 2021 already includes the distribution of profits to employees, amounting to 200,000.00 Euros.

22. NON-CONTROLLING INTERESTS

As of 31 December 2021 and 2020, the item non-controlling interests has the following composition:

	Balance sheet		Income statement	
	2021	2020	2021	2020
Agir	(15,867)	(12,813)	(3,055)	(4,626)
Enviroil	5,364,548	5,128,183	938,791	610,620
Subsidiaries of Novaflex	46,657	133,335	(15,579)	638
Resilei	1,406,581	1,643,704	326,581	563,704
Rima	123,757	109,845	48,821	36,747
Siga	48,977	45,860	3,117	14,770
Suma Macau	(10,637)	(10,593)	743	(942)
Ecovision	(1,082,419)	(1,537,711)	559,455	(392,075)
Brazil	83,562	-	41,036	-
SBE	(628)	(390)	(201)	(3,125)
SUMA Tratamento	(708,408)	(2,137,857)	870,156	(978,256)
Subsidiaries of SUMA Tratamento	75,311,667	66,394,086	7,932,773	(248,720)
	80,567,791	69,755,650	10,702,639	(401,264)

Changes in minority interests in the years ended 31 December 2021 and 2020 were as follows:

	2021	2020
Opening balance	69,755,649	62,158,374
Net income for the year	10,702,639	(401,264)
Other changes:		
Allocation of dividends	(1,219,609)	(511,718)
Grants	3,430,681	5,943,757
Other	(2,101,570)	2,566,501
	109,502	7,998,540
	10,812,141	7,597,275
Closing balance	80,567,791	69,755,649

During the years ended 31 December 2021 and 2020, dividends were paid to non-controlling interests in the amounts of 1,219,609 Euros and 511,718 Euros, respectively.

23. PROVISIONS

The changes in provisions during the year ended 31 December 2021 and 2020 was as follows:

	2021						
	Opening balance	Change in the consolidation perimeter	Increases	Reversals	Uses	Other	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 liabilities 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
2020							
	Opening balance	Reclassifications	Increases	Reversals	Uses	Other	Closing balance
Current litigation	790,746	-	-	(53,580)	-	-	737,166
Provisions for environmental matters	6,179,710	-	1,139,474	-	-	-	7,319,184
Other liabilities and charges	3,606,500	(767,601)	695,683	(694,115)	(646,849)	-	2,193,618
	10,576,957	(767,601)	1,835,157	(747,695)	(646,849)	-	10,249,968

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 2021, there were reversals amounting to 74,582 Euros under current litigation.

24. BORROWINGS

At 31 December 2021 and 2020, borrowings may be broken down as follows:

	2021		2020	
	Non-current	Current	Non-current	Current
Loans	173,238,710	83,042,479	170,055,685	109,738,648
Finance leases	43,061,143	13,848,048	41,398,895	5,902,979
	216,299,853	96,890,527	211,454,580	115,641,627

24.1. Loans

Loans as of 31 December 2021 and 2020 may be broken down as follows:

	2021		2020	
	Non-current	Current	Non-current	Current
Bond loan	11,375,000	1,625,000	-	-
Bank loans	159,363,710	37,631,327	165,055,685	37,272,678
Commercial paper loan	2,500,000	13,500,000	5,000,000	23,000,000
Bank overdrafts	-	8,343,923	-	34,757,041
Guaranteed current accounts	-	16,860,047	-	3,100,000
Factoring	-	5,000,000	-	11,444,566
Other loans received	-	82,182	-	164,363
	173,238,710	83,042,479	170,055,685	109,738,648

In accordance with the financing agreements concluded, bank loans have the following repayment plans:

	2021	2020
2021	-	37,272,678
2022	37,631,327	37,272,678
2023 and later	<u>159,363,710</u>	<u>127,783,007</u>
	<u>196,995,037</u>	<u>202,328,363</u>

As of 31 December 2021 and 2020, bank loans bear interest at rates ranging from 2.75% to 3.75%.

During the year ended 31 December 2014, the Company 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 loan was intended to support SUMA Tratamento (a subsidiary) in the acquisition of EGF and has been amortised every six months since May 2016. Additionally, the Company assumed associated financial commitments (Covenants), namely, the net financial debt/EBITDA, the debt service coverage ratio, as well as issuing comfort letters. The debt owed to this Syndicate is net of the financial charges paid at the date of conclusion of the contract.

It should also be mentioned that, as SUMA failed to comply with the covenant relating to the debt service coverage ratio, in December 2021, 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. The remaining covenants are in compliance as of 31 December 2021.

As a result of the financing agreement for the acquisition of 95% of EGF by SUMA Tratamento, signed on 5 November 2014, the aforementioned Company assumed certain liabilities and covenants, which are being complied with. As part of that financing, the covenant to be fulfilled corresponds to the "Debt service coverage ratio" as determined from the consolidated financial statements. In the event of any default, the financial institution may request the early repayment of the loan and/or a change to the previously agreed terms of the loan, should the situation fail to be remedied.

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 parameters of 2.5 and 4.5, respectively and also the "Net remunerated debt ratio/BAR" at the level of the individual statements of the Companies, 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.

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.

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 2021 and 2020, 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 compliance with these loans, the Company issued 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 4 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 Triathlon.

The bank overdraft granted by BPI is pool funding, maturing in April 2022, which may be automatically renewed for successive periods of six and twelve months. In 2021, the Company had used this credit line in the amount of 1,209,309.73 Euros, and in 2020 it had not used it. 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 with CGD and Millennium BCP, the Group assumed Covenants associated with negative pledge and Net Debt/EBITDA, respectively.

As of 31 December 2021 and 2020, the Group had credit limits approved and unused amounting to approximately 45.5 million Euros and 34 million Euros, respectively (Note 37).

24.2. Leases

Finance leases:

As of 31 December 2021 and 2020, the Group had the following assets under a finance leasing arrangement:

	2021			2020		
	Gross assets	Accumulated depreciation	Net assets	Gross assets	Accumulated depreciation	Net assets
Right of Use of Infrastructures	37,680,603	7,467,296	30,213,307	34,729,291	4,725,285	30,004,006
Buildings and other structures	1,829,203	1,037,456	791,747	1,829,203	952,331	876,872
Basic equipment	1,810,487	785,751	1,024,736	1,744,002	602,162	1,141,840
Transport equipment	27,361,127	8,743,384	18,617,743	22,912,419	6,812,532	16,099,887
Other tangible assets	396,943	226,672	170,271	488,193	163,301	324,892
	<u>69,078,363</u>	<u>18,260,559</u>	<u>50,817,804</u>	<u>61,703,108</u>	<u>13,255,611</u>	<u>48,447,497</u>

The Group is lessee under finance lease agreements essentially related to the acquisition of transport vehicles, various items of washing equipment and cranes.

As of 31 December 2021 and 2020, the Group's liabilities for maturing finance lease payments, including principal and interest, amounted to 57,494,283 Euros and 47,902,624 Euros, respectively and fall due in the coming years as follows:

	2021			2020		
	Principal	Interest	Total	Principal	Interest	Total
Up to 1 year	13,848,047	245,520	14,093,567	5,902,979	165,241	6,068,220
Between 1 and 5 years	43,061,144	339,572	43,400,716	41,398,895	435,509	41,834,404
	<u>56,909,191</u>	<u>585,092</u>	<u>57,494,283</u>	<u>47,301,874</u>	<u>600,750</u>	<u>47,902,624</u>

Operating leases:

The group is a lessee in operating leases essentially related to the acquisition of light vehicles.

The operating lease contracts in force do not have contingent rents. The rents of operating lease contracts fall due as follows:

	2021	2020
Up to 1 year	251,221	182,949
Between 1 and 5 years	192,046	184,698
	443,267	367,647

25. TRADE CREDITORS AND OTHER PAYABLES

As of 31 December 2021 and 2020, the item "Trade creditors" consists of:

	2021	2020
Trade creditors, non-current account:		
General	184,478	-
Related parties (Note 26)	23,864	-
	208,342	-
Trade creditors, current account:		
General	31,840,687	27,152,787
Related parties (Note 26)	8,252,946	6,869,657
Receipt and checking of invoices	734,746	619,318
	40,828,379	34,641,762

As of 31 December 2021 and 2020, the item "Other payables" consists of:

	2021	2020
Other payables, non-current:		
Regulatory liabilities (a)	2,798,211	6,613,637
Investment trade creditors	-	297,541
Other creditors	239,384	25,006
Shareholders (Note 26)	8,240,000	8,240,000
	11,277,595	15,176,184
Other payables, current:		
Investment trade creditors	15,564,344	26,127,080
Related parties (Note 26)	135,648	-
Advances from customers	-	731
Shareholders (Note 26)	1,018,716	432,656
Creditors by accrued expenses:		
Accrued payroll	14,291,333	11,781,365
External supplies and services	1,030,941	938,721
Interest payable on financing	531,093	312,003
Balance sheet allowances/staff bonuses (Note 21)	200,000	200,000
Related parties (Note 26)	2,037	204,816
Other	4,135,711	5,866,900
Regulatory liabilities (a)	3,979,525	6,880,875
Other general creditors	4,259,231	4,344,536
Related parties (Note 26)	5,205,752	5,013,089
	50,354,331	62,102,772

(a) During the years ended 31 December 2021 and 2020, the movements in this item were as follows:

	2021	2020
Opening balance	13,494,512	22,096,570
Use	(6,716,777)	(8,602,058)
Closing balance	6,777,735	13,494,512

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, and all its shareholders, directors/managers and key management personnel and companies controlled by them or with significant influence, as well as companies belonging to the Mota-Engil and Urbaser Groups, are also considered related parties.

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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 decision-making process, the Company only considers the Board of Directors as "key management personnel". During the years ended 31 December 2021 and 2020, the Board of Directors received remuneration of 417,195.92 Euros and 372,252.89 Euros, respectively (Note 29).

Transactions with related parties

During the years ended 31 December 2021 and 2020, the following transactions were carried out with related parties:

Related parties	Acquisition of right of use of infrastructures	Purchase of tangible fixed assets	Cost of goods sold and materials consumed (Note 16)	External supplies and services (Note 28)	Payroll expenses (Note 29)	Other expenses (Note 31)	Interest and similar costs 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	116	32,215	-	-	4,957	-	-
Agrimota	-	-	-	810	-	-	-	1,076,904	-	-
Ambicelhão EM	-	-	-	-	-	-	-	64,663	-	-
Agueda EM	-	-	-	-	-	-	-	49,691	-	-
Ascensão (GI)	-	-	-	-	-	-	-	665	-	-
Ascendi Operadora DI	-	-	-	-	-	-	-	-	-	-
Ascendi Operadora IBLA	-	-	-	-	-	-	-	2,082	-	-
Ascendi O&M, SA	-	-	176	-	-	-	-	-	-	-
APIN -E.I.A. PINHAL INTER.EIM, SA	-	-	1,554	-	90	-	-	75,1531	-	-
Biosmart, SA	-	-	60,000	-	-	-	-	5,107	-	-
Carlos Augusto P. Santos & Fil., Lda	230,224	-	12,000	-	-	-	-	5,155	-	-
Ecológica	-	-	53	-	-	-	-	344,121	-	-
Engemar, SA	-	-	2,625	-	-	-	-	3,879	-	-
Ecopant, SA	-	-	-	-	-	-	-	1,234	-	-
Eco Eburneia	-	-	-	-	-	-	-	31,277	-	-
Ecooss Ambiental	-	-	-	47,973	15,749	-	-	-	-	-
EMARP - Emp. Mun. Áq. Res. Portimão EM	-	-	21,418	-	164	-	-	1,371,715	-	-
Eurosol - Invest. Turísticos, Lda	-	-	-	-	-	-	-	14	-	-
FAGAR - Faro, Gestão Áqua Resíduos EM	-	-	-	-	-	-	-	1,319,272	-	-
Civil Plass of Faro S.é and S. Pedro	-	-	-	-	-	-	-	10,217	-	-
Gea Participações, SA	-	-	-	-	-	-	-	-	-	691,761
Hidrovia, SA	-	-	12,050	-	-	-	-	-	-	-
Iberofibras	-	-	-	-	-	-	-	2,562	-	-
Infralobo - Emp. Inf. Vale do Lobo EM	-	-	-	-	-	-	-	-	-	-
Inframoura - Emp. Inf. Vilamoura, EM	-	-	2,003	-	39	-	-	66,073	-	-
Infraquinta - Emp. Inf. Quinta do Lago EM	-	-	15,599	-	-	-	-	305,972	-	-
Indaqua Matosinhos	-	-	-	-	-	-	-	106,597	-	-
Indoqua Vila do Conde	-	-	4,202	-	-	-	-	17,709	-	-
Largo do Rio Tejo, SA	-	-	191	-	-	-	-	5,123	-	-
Liscont Operadores Continentais, SA	-	-	-	-	-	-	-	33,833	-	-
Luz On-Line, SA	-	-	1,299	-	-	-	-	-	-	-
Lena Eng. e construção, SA	-	9,273	-	-	-	-	-	-	9,273	-
Lena Agregados, SA	-	-	6,053	-	-	-	-	-	-	-
Lusoponente - Concessão Travessia Tejo, SA	-	-	141	-	-	-	-	78,752	-	-
Marvila	538,850	7,846	-	1,600,906	-	-	-	34,557	24,982	-
Marvila II	-	-	-	-	-	-	-	2,261	-	-
Marvila - Diagnósticos Eléctricos ACE	432,547	-	-	197,330	-	-	-	-	-	-
Marvila II Condutas, Lda	-	-	-	173,633	-	-	-	-	-	-
Marifilar	-	-	-	-	90	-	-	1,600	-	-
Metro Santos Sodré ACE	-	-	-	-	-	-	-	137	-	-
Mota-Engil - África	-	-	-	-	-	-	-	-	-	20,960
Mota-Engil - SGPS	-	-	19,580	-	80	-	-	-	-	-
Mota-Engil - Sist. de Transporte e Serviços	-	-	311,574	-	460	-	-	93,397	1,177	132,171
Mota-Engil, Serviços Partilhados, SA	-	-	450,255	-	-	-	-	-	-	-
Mota-Engil Global Serviços Partilhados	-	-	718,251	-	15	-	-	68,688	18,483	-
ME Capital	-	-	284,020	-	444	-	-	-	-	-
Mota-Engil - Global Serviços Partilhados	-	-	125,717	-	-	-	-	-	-	-
Mota-Engil - Engenharia e Construção	-	-	3,531,938	-	2,753	-	-	75,816	1,311	-
Mota-Engil - Polónia	-	-	8,400	-	-	-	-	-	-	-
Mota-Engil - Dominicana	-	-	-	75	-	-	-	-	-	-
Mota-Engil - Portugal	-	-	1,452,000	-	-	-	-	-	-	-
Mota-Engil Imob. e Turismo	-	-	13,869	-	80	-	-	13,586	-	-
Mota-Engil Real Estate SGPS, SA	-	-	218,452	-	-	-	-	-	-	-
Mota-Engil Railway Engineering	-	-	-	-	-	-	-	140,797	-	-
Mts-Metro Transportes Sul, SA	-	-	-	-	-	-	-	1,384	-	-
MTRN - Manutenção de Rodovias	-	-	-	-	-	-	-	315	-	-
Municipalities of the Algarve	-	-	48,056	-	838	-	-	7,738,403	-	-
Municipalities of the North Bank of the Tagus	-	-	41,340	-	232	-	-	13,310,579	1,155	-
Municipalities of the Central Coast	-	-	140,726	-	56	-	6,273	10,293	35,700	-
Municipalities of Covilhã e Beira	-	-	124,213	-	2	-	-	2,222,873	2,850	-
Municipalities of Central North	-	-	-	-	-	-	-	4,534,657	-	-
Municipalities of Vale do Lima and Baixo Cávado	-	-	-	-	-	-	-	991,806	-	-
Municipalities of the South of the Douro	-	-	-	-	-	-	-	3,200,287	-	-
Municipalities of North Alentejo	-	-	17,056	-	-	-	-	5,498,103	8,517	63,451
Municipalities of Upper Minho e Madoura	-	-	4,025	-	102	-	-	3,616,950	-	-
Municipalities of Viseu e do Minho	-	-	-	-	-	-	-	800,114	-	-
Municipalities of Lisbon and the West Regions	6,439,735	1,183,413	-	1,985	-	-	-	16,201,476	5,257	3,078
S. S. Bioenergias, SA	-	-	-	-	-	-	-	40,937	-	-
SMAS Almada	-	-	-	388	-	-	-	-	46,281	-
Freguesia Vila do Bispo e Raposeira	-	-	-	-	-	-	-	-	234	-
Serviços Municipais Câmara Municipal Torres Vedras	-	-	(786)	-	-	-	-	-	1,307,381	-
Serv. Int.Aquas e Resíduos Municipios Loures e Odivelas	820,095	-	360,489	-	20,603	-	-	5,019,639	1,223	-
Serviços Municipais Câmara Municipal Concelho Nazaré	-	-	2,400	-	-	-	-	320,000	-	3,162
Sespor Aveiro	-	-	-	-	-	-	-	-	212	-
Solarap	-	-	-	-	-	-	-	-	24,831	-
Sunviadiso	-	-	-	-	-	-	-	-	24,048	-
Taviravrede EM	-	-	73,790	-	53	-	-	682,834	-	-
Transflex	-	-	-	-	-	-	-	-	35	-
Treiver	-	-	-	-	-	-	-	-	1,533	-
Urbaser	-	-	1,003,258	-	-	-	-	-	-	30,855
Urbanus (Branch)	-	-	300,000	-	-	-	-	-	-	-
Viseiras	-	-	-	-	-	-	-	-	4,288	-
Vista Waste	-	-	-	-	-	-	-	-	-	-
Serv. Mun. Caldas Rainha Municipal Council Water and Sanitation	-	-	-	-	-	-	-	77,3871	-	-
	1,702,095	17,119	7,250,830	17,579,959	48,164	78,141	8,273	87,954,454	171,733	914,492

The various municipalities identified above are considered related parties because they have a stake in several concessionaires.

The terms or conditions practised between the Group and related parties are substantially identical to those that would normally be contracted, accepted and practised between independent entities in comparable operations.

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Balances with related parties

As of 31 December 2021 and 2020, the Group had the following balances with related parties:

Related parties	2021							
	Trade debtors, current account (Note 17)	Receivables (Note 17)	Other receivables (Note 17)	Deferred assets	Assured income (Note 17)	Trade creditors, current account (Note 25)	Shareholders (Note 25)	Assured expenses (Note 25)
Aqualevel	9,207	-	-	-	996	-	-	-
Aquas de São João e M, SA	1,513	-	-	-	16,571	-	-	-
Agronatura	-	-	-	-	116,463	-	-	-
AMBIENTAL Environment and Services, Ltda.	-	-	-	-	2,634	-	-	-
Amibigre	-	-	-	-	2,306	-	-	-
AMIRITALIA	35,771	-	-	-	-	-	-	-
Ascens II	9,266	-	-	-	-	-	-	-
Autarquia Concessora BLA	493	-	-	-	-	-	-	-
Bisman, SA	2,681	-	-	-	73,800	563,706	-	-
Carlos Augusto P Gomes & Filhos	2,141	-	-	-	205,185	-	-	-
Claro Ebume, SRL	1,434	-	-	-	-	-	-	-
Claro Ebume, SA	90,890	-	-	-	-	-	-	-
ECOLECRA	45,219	-	-	-	-	-	-	-
Ecofle	-	44,471	-	-	-	-	-	-
ECOSS Ambiental	-	-	583,800	-	-	-	-	-
EFACEC Energia-Maç e Eq Eléctricos	-	-	-	-	-	-	-	-
Empresa Construtora Brasil, SA	20,354	-	-	-	-	-	-	-
Empreva, SA	2,942	-	-	-	481	-	-	-
Empreva	132	-	-	-	-	-	-	-
Giba - Gestão e Inovação	7,661	-	-	-	-	-	-	-
Lena Eng E Construções, SA	6,581	-	-	-	-	-	-	-
Iberbarca, SA	1,553	-	-	-	-	-	-	-
Iberbarca, SA	-	-	-	-	2,810	-	-	-
FAGAR - Fábrica Gestão Água Resíduos EM	345,194	-	-	-	126	-	-	-
Infratele - Emp. Infr. Vale do Tejo EM	17,819	-	-	-	-	-	-	-
Interbuss - Emp. Infr. Vale do Tejo EM	64,167	-	-	-	110	-	-	-
Interbuss - Emp. Infr. Vale do Tejo EM	3,389	-	-	-	3,740	-	-	-
Interbuss - Emp. Infr. Vale do Tejo EM	292,822	-	-	-	-	-	-	-
APN EIA, PINHAL INTERIOR, SA	200,805	-	-	-	117	-	-	-
APN EIA, PINHAL INTERIOR, SA	142	-	-	-	-	-	-	-
Civil Panel - Emp. Infr. Vale do Tejo EM	2,199	-	-	-	-	-	-	-
Freguesia Vila do Bispo e Raposeira	16	-	-	-	-	-	-	-
Lusoponte Concess. Travessia Tejo SA	7,261	-	-	-	15	-	-	-
Manisa II - Conduitas, SA	2,441	-	-	-	-	-	-	-
Indústria V. Conde	1,059	-	-	-	83	-	-	-
Largo do Paço	-	-	-	-	17,539	-	-	-
Lisport	4,038	-	-	-	378	-	-	-
Manisa II - Conduitas, SA	-	-	-	-	-	-	-	-
Manisa II - Conduitas, Ida	64,490	-	-	-	1,625,722	2,037	1,358	-
Manisa II - Diagnósticos Eléctricos ACE	9,720	-	-	-	-	-	-	-
Metro Santos Godói ACE	-	-	-	-	801	-	-	-
Mota-Engil Serviços Parlhados	159	-	-	-	107,801	-	-	-
Mota-Engil Serviços Parlhados	201	-	-	-	-	-	-	-
Mota-Engil Serviços Parlhados	4,921,990	-	-	325	95	5,067,000	34,837	-
Mota-Engil - Ambiente e Desenv.	44,158	-	-	277,795	5,067,000	-	-	-
Mota-Engil - CGPS	375,304	-	-	-	404,512	712	385	-
Mota-Engil Micromecânica (Branch)	-	-	-	-	984,000	-	-	-
Mota-Engil Europa, SA	25,781	-	-	-	11,888	-	-	-
Mota-Engil Central Europe	-	-	-	-	12,630	-	-	-
Mota-Engil Dominicana	6,059	-	-	-	-	-	-	-
Mota-Engil Engenharia e Construção	1,952,098	-	-	405	275,750	-	479	-
Mota-Engil Engenharia e Construção Africa, SA	1,949,419	-	-	-	915,750	-	-	-
Mota-Engil Real Estate Portugal	3,512	-	-	14,500	404,000	-	103,000	-
Mota-Engil Branch Panama	11,952	-	-	-	-	-	-	-
Mota-Engil Branch S.A.S	27,378	-	-	-	-	-	-	-
Mota-Engil Central Europe	-	-	-	-	36,946	-	-	-
Mota-Engil Global Services Parlhados	287,990	-	12,339	-	3,099	-	-	-
Municípios do Algarve	-	-	-	-	40,100	-	-	-
Municípios do Algarve	933,232	-	-	-	2,617	-	-	-
Municípios da South Bank of the Tagus	2,032,076	-	-	-	487	-	-	-
Municípios da Costa da Caparica	1,070,045	-	38,077	-	75,381	-	22,244	-
Municípios de Central North	1,114,887	-	-	-	337	-	-	-
Municípios de Vale do Tejo e Baixo Tejo	970,258	-	-	-	-	-	1,450,404	-
Municípios da Serra da Estrela	1,038,278	-	-	-	-	-	-	-
Municípios de Norte Alentejano	960,688	-	-	-	506	-	-	-
Municípios de Upper Extremadura	383,050	-	-	-	240	-	-	-
Municípios de Vale do Minho	327,222	-	-	-	-	-	-	-
Municípios do Centro and the West Regions	3,077,870	-	-	-	664,722	-	2,034,089	-
Operadora Obras Interiores, SA	-	-	4,534	-	-	-	-	-
Portugal, S.A.	726	-	-	-	-	-	-	-
Suma Bioenergias, SA	-	-	-	-	5,290	-	-	-
Suma Averio	-	-	-	-	224	-	-	-
Setúbal	3,020	-	-	-	-	-	-	-
Univalente	3,815	-	-	-	-	-	-	-
Unicógnito - Agua e Resíduos Municipio Loures e Odivelas	1,004,422	-	58,200	-	99,320	-	203,495	-
Serviços Municipais Câmara Municipal Torres Vedras	588,360	-	567	-	-	-	-	-
Serviços Municipais Câmara Municipal Concelho Nazaré	61,227	-	-	-	261	-	-	-
Serv. Mun. Áqua e Saneamento CM Cidades da Rainha	70,046	-	-	-	-	-	-	-
Serviços Municipais de Viseu	12,290	-	-	-	-	-	-	-
Takargo, SA	17,437	-	-	-	-	-	-	-
Tanzfios LLC	-	-	-	-	-	-	-	-
Tavirinha - Empresa Municipal de Ambiente, EM	165,226	-	-	-	22,332	-	-	-
Unibear	37	-	-	-	-	-	-	-
Unibear (Branch)	292,953	-	600	-	1,067,810	3,172,400	-	-
Unibear	300	-	-	-	61,500	-	-	-
Trevoir, SA	182	-	-	-	342	-	-	-
Vista Waste	154,100	-	-	-	-	-	-	-
Vista Waste	13,628,646	-	-	-	78	-	-	-
	39,224,496	44,471	1,016,477	14,600	405	3,202,946	926,716	2,037
						5,341,400	-	29,062

Related parties	Trade debtors, current account (Note 17)		Receivables (Note 17)		Other receivables (Note 17)		Deferred Assets		Accrued income (Note 25)	
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27. SALES AND SERVICES PROVIDED

The sales and services provided recognised by the group, in the years ended 31 December 2021 and 2020, are as follows:

	2021	2020
Treatment of municipal solid waste	106,245,327	96,119,105
Sale of energy	50,542,421	42,358,960
Recyclable material	61,301,655	52,786,779
Collection and transport of municipal solid waste	39,763,935	33,253,690
Treatment of industrial waste	24,137,637	19,369,601
Cleaning and sweeping	17,073,366	14,708,255
Landfill/integrated systems management	5,645,689	9,767,479
Container maintenance	6,799,331	6,186,508
Industrial collection	2,420,661	2,324,536
Other	10,108,523	17,077,089
	<u>324,038,545</u>	<u>293,952,002</u>

The services provided in the years ended 31 December 2021 and 2020 refer essentially to the treatment and recovery of waste from undifferentiated collection from municipal customers. Included in 2021 was the extraordinary revision of the allowed revenues of 2019, 2020 and 2021, and the correction of the tariff adjustment of the CRR of 2020 in the amount of 12 million Euros (includes cancellation of the estimate of the 2021 counter value funds).

In the years ended 31 December 2021 and 2020, services were provided and sales made to related parties in the amounts of 82,895,464 Euros and 72,575,869 Euros, respectively (Note 26).

28. EXTERNAL SUPPLIES AND SERVICES

The item "External supplies and services", in the years ended 31 December 2021 and 2020, may be broken down as follows:

	2021	2020
Maintenance and repair	26,989,687	22,630,048
Specialised work	31,851,660	37,568,640
Fuels	22,194,579	21,853,379
Insurance	5,955,144	5,687,087
Leases and rents	5,344,150	4,058,017
Surveillance and security	5,790,403	3,772,894
Transport, travel and accommodation	2,282,633	1,873,750
Subcontracts	3,088,417	2,152,962
Water and electricity	775,915	768,210
Communications	615,740	607,221
Commissions and fees	322,800	300,641
Management charges	1,399,474	1,044,000
Other supplies and services	6,683,087	6,254,429
	<u>113,293,689</u>	<u>108,571,278</u>

In the years ended 31 December 2021 and 2020, services provided by related parties amounted to 12,579,959 Euros and 12,538,617 Euros, respectively (Note 26).

29. PAYROLL EXPENSES

The item "Payroll expenses" for the years ended 31 December 2021 and 2020 may be broken down as follows:

	2021	2020
Remuneration of employees	81,546,521	71,879,949
Charges on remuneration	17,403,545	15,289,763
Insurance	2,982,727	3,032,157
Payments to directors (Note 26)	417,196	372,253
Compensation payments	280,308	78,885
Social action expenses	204,535	78,823
Other	5,017,170	6,811,726
	<u>107,852,002</u>	<u>97,543,556</u>

The average number of workers employed by the group in the years ended 31 December 2021 and 2020 was as follows:

	2021	2020
Employees	8,032	4,822
Employees assigned by municipal councils	7	7
	<u>8,039</u>	<u>4,829</u>

30. OTHER INCOME

The item "Other income", in the years ended 31 December 2021 and 2020, is as follows:

	2021	2020
Construction income in right of use of infrastructure	35,366,847	63,389,333
Compensation payments associated with claims	416,422	930,614
Arrears interest charged to customers	1,495,045	351,429
Corrections relating to previous years	29,072	282,182
Cash discounts received	135,864	55,523
Operating grants	134,088	477,817
Gains from sales of tangible fixed assets	1,826,626	626,333
Financial discounting of trade receivables (Note 15)	19,179	-
Exchange differences	200,064	88
Income recognition associated with the change in the remuneration model	81,276	-
Gains on financial instruments	57	-
Other additional income	2,030,722	4,586,444
	<u>41,735,262</u>	<u>70,699,763</u>

In 2021, construction income on infrastructure usage rights was lower than in the previous year, due to the lower investment made by the EGF Subgroup concessions.

In the years ended 31 December 2021 and 2020, other income was obtained from related parties amounting to 121,733 Euros and 381,200 Euros, respectively (Note 26).

31. OTHER EXPENSES

The item "Other expenses", in the years ended 31 December 2021 and 2020, may be broken down as follows:

	2021	2020
Construction expenses in right of use of infrastructure	35,366,847	66,658,756
Income tax	2,347,051	3,155,685
Currency revaluation	12	1,678,581
Donations and contributions	223,831	276,126
Corrections relating to previous years	158,099	234,009
Undocumented expenses	532,763	205,086
Financial discounting of trade receivables (Note 17)	34,438	82,112
Contractual penalties	51,744	35,559
Losses on disposals/write-offs of tangible fixed assets	128,187	20,535
Cash discounts allowed	954	9
Losses on financial investments FCT	903	-
Losses on irrecoverable debts	50,060	-
Other	<u>(936,583)</u>	<u>2,024,548</u>
	<u>37,958,306</u>	<u>74,371,006</u>

In 2021 the DUI was lower than the previous year, due to lower investments.

The counter value in other expenses relates to the impact of a difference in estimates of the TGR-NR values relative to 2020.

In the year ended 31 December 2021 and 2020, the group incurred other expenses with related parties amounting to 78,141 Euros and 58,437 Euros, respectively (Note 26).

32. DEPRECIATION AND AMORTISATION EXPENSES

The item "Depreciation and amortisation expenses" for the years ended 31 December 2021 and 2020 may be broken down as follows:

	2021	2020
Tangible fixed assets (Note 8)	7,489,217	8,454,647
Intangible assets (Note 11)	38,213,708	37,867,604
Investment properties (Note 9)	783	783
	<u>45,703,708</u>	<u>46,323,034</u>
Goodwill (Note 10)	932,133	929,742
	<u>46,635,842</u>	<u>47,252,777</u>

33. INTEREST AND SIMILAR INCOME EARNED

The income and gains from financing, recognised in the years ended 31 December 2021 and 2020, may be broken down as follows:

	2021	2020
Interest received:		
Deposits and short-term investments	1,345,712	271,481
Financing granted to related parties (Note 26)	123,825	173,976
Similar income received:		
Other	<u>1,095,820</u>	<u>1,680,370</u>
	<u>2,565,357</u>	<u>2,125,827</u>

34. INTERESTS AND SIMILAR COSTS INCURRED

Financing expenses and losses, recognised in the years ended 31 December 2021 and 2020, may be broken down as follows:

	2021	2020
Interest payable	12,296,530	11,962,100
Stamp Duty	812,512	519,771
Other	<u>1,976,617</u>	<u>522,044</u>
	<u>15,085,659</u>	<u>13,003,915</u>

35. BANK GUARANTEES

As of 31 December 2021 and 2020, 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:

	2021	2020
BPI:		
Portuguese State	2,839,524	2,839,524
DGGE	20,000	20,000
EDP - Distribution	918	918
Municipal Councils and Associations	847,463	858,867
Banco Muscat (a)	0	593,798
Montalegre Municipality	11,404	0
Santo Tirso Labour Court	14,014	14,014
Leiria Labour Court - 1st Court	8,222	8,222
EDP - Serviço Universal, SA	-	-
Northern Regional Development Coordination Commission	<u>47,215</u>	<u>47,215</u>
	<u>3,788,760</u>	<u>4,382,558</u>
BCP:		
Portuguese State	3,911,154	3,911,154
Municipal Councils and Associations	607,690	735,825
Lisbon Finance Services no 14	0	211,156
Trib. Jud. Court County Porto Este - Labour Court of Vila Nova de Gaia 1st Court	3,224	3,224
APA - Portuguese Environment Agency	100,000	100,000
Tax and Customs Authority	1,000	1,000
APA - Aveiro Port Administration	-	-
Court of Viana do Castelo	<u>5,509</u>	<u>5,509</u>
	<u>4,628,577</u>	<u>4,967,868</u>

	2021	2020
CGD:		
Municipal Councils and Associations	1,124,098	1,279,433
Banco Muscat (a)	-	788,436
MARL - Lisbon Regional Supply Market	56,706	56,706
Musami, EIM	-	50,400
Lipor	45,000	45,000
ANA - Aeroportos de Portugal, SA	78,077	78,077
EPAL - Empresa Port. De Águas Livres	18,600	15,772
APDL - Ports Authority of Douro, Leixões and Viana do Castelo	36,250	-
APA - Portuguese Environment Agency	22,041	17,590
University of Aveiro	11,377	16,535
Ecoleziria	19,992	-
University of Coimbra Social Action Services	6,005	-
University of Coimbra	9,985	-
IAPMEI	13,485	13,485
APFF - Administração do Porto da Figueira da Foz, SA	98,360	98,360
SIMDOURO - Saneamento do Grande Porto, SA	1,613	1,613
SMCL - Santa Casa Misericórdia de Lisboa	5,485	5,485
DGGE	4,360	4,360
SIMAR	5,375	5,375
	58,500	58,500
	1,615,309	2,535,127
Caja Duero:		
Municipal Councils and Associations	-	138,769
APA - Portuguese Environment Agency (RIMA)	90,913	90,913
	90,913	229,682
Garval		
Millennium BCP	-	1,200,000
MONTEPIO	600,000	600,000
	600,000	1,800,000
BPF - Banco Português Fomento SA		
EURO BIC	128,000	-
	128,000	-
Norgarante		
BCP	-	377,143
Cosec:		
Ecoleziria	2,643	10,868
Municipal Councils and Associations	809,468	877,993
LIPOR - Serv. Intermunicipalizado de Gestão de Resíduos do Grande Porto	-	1,895
	812,111	890,756
Santander Totta:		
Municipal Councils and Associations	20,854	20,854
Portuguese State	1,732,307	1,732,307
Repsol, SA	500,000	500,000
	2,253,161	2,253,161
ABARCA - Companhia de Seguros, SA		
Municipal Councils and Associations	3,801,778	2,838,793
SIMAR Loures Odivelas	20,169	20,169
Lipor	19,411	28,253
University of Coimbra	5,016	5,016
Resialentejo	4,692	-
APDL - ADMINISTRAÇÃO DOS PORTOS DO DOURO, LEIXÕES E 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	4,828
	3,882,172	2,923,337
Banco Muscat (a):		
Oman Environment Services Holding CO (SAO.C)	1,463,440	1,463,440
	1,463,440	1,463,440
Total Bank Guarantees	19,262,443	21,823,072

a) In the course of the financial year ended 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 2021 and 2020, the Group had the following financial bank guarantees:

Financial bank guarantees:	2021	2020
European Investment Bank	1,618,177	3,129,882
European Investment Bank	1,618,176	4,694,823
European Investment Bank	1,471,805	5,161,721
European Investment Bank	981,205	5,161,721
Lisgarante	1,600,000	1,600,000
BCP	1,600,000	1,604,413
Tax Authority	1,090,636	1,090,636
Garval-Sociedade de Garantia Mútua	1,177,778	1,200,000
Directorate-General of Geology and Energy	-	2,500
Norgarante - Sociedade de Garantia Mútua	1,600,000	1,600,000
Norgarante - Sociedade de Garantia Mútua	1,177,778	1,200,000
	13,935,555	26,445,697

36. EARNINGS PER SHARE

Earnings per share for the years ended 31 December 2021 and 2020 were determined as follows:

	2021	2020
Net income for the year	12,897,243	13,241,015
Number of shares (Note 20)	250,000	250,000
Earnings per share	51.59	52.96

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.

37. 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 2021, a negative working capital amounting to 41 million Euros is shown, we emphasise that, at this date the amounts of available and unused medium and long-term credit are 99 million Euros, leasing of 9 million Euros and also current accounts of 45.5 million Euros.

Regulatory Risk

The gains recorded each year 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 in late 2017, a Public Consultation was published by the ERSAR, no. 05/2017 of the "Draft Tariff Regulations of the Urban Waste Management Service", after which a period was granted for the submission of contributions for consultation 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, the ERSAR published a Review of the RTR, Regulation 52/2018 of January 23, in which, in view of the experience of the first regulatory period, it sought to introduce some adjustments to the RTR with a view to simplifying, making more flexible and clarifying some of its provisions. The revision to the RTR came to require the revision and adaptation of the reporting models as well, thus, still 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, the ERSAR approved the Company's allowed revenues and regulated tariffs for the 2016-2018 and 2019-2021 regulatory periods. Taking into consideration the impact on the Company's activity resulting from the ERSAR's decisions on permitted income and regulated tariffs for the 2016-2018 and 2019-2021 regulatory periods, these were the subject of a special administrative action with an application for a declaration of invalidity filed in the Courts by the Company.

Following the actions mentioned in the previous paragraph, 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 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 reference operating costs of the 2019-2021 regulatory period. This process took place during 2020 and 2021 with significant adjustments to be made in the CRR 2020 to 2022.

In light of this decision, in 2021, the Group dropped the administrative actions for the 2016-2018 and 2019-2021 regulatory periods mentioned above.

At the date of approval of the financial statements, the Real Regulated Accounts with reference to 2021 were submitted on 29 April 2022, about which ERSAR's decision is not known. There is also no final decision by ERSAR regarding the CRP for the next regulatory period, and a transition tariff has been defined for 2022.

38. 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 investment plans of the EGF Group subsidiaries.

The aforementioned operation and management also includes the design, construction, acquisition, extension, repair, renovation, maintenance and optimisation of works and equipment necessary for the exercise 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 exercise 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:

- The infrastructures related to the treatment and recovery of undifferentiated and selective municipal waste, as well as the assets used for the selective collection of municipal waste: transfer stations, recycling centres, processing, sorting and recovery centres and their accesses, associated infrastructures, landfills, waste collection points and means of transporting waste;
- 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 Inter-municipal Entity, Association of Municipalities, the group of user Municipalities, or the State, through the exercise 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 exercise 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; sub-lease 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.

39. EVENTS AFTER THE BALANCE SHEET DATE

The recent geopolitical events in Ukraine, which culminated in the military invasion on 24 February 2022 and the current war situation, have led to a set of responses by the European Union and the United States, in the form of economic sanctions, which will affect global markets, logistics and supply chains, the price and form of energy supply, with the consequent prospect of an increase in the inflation rate and interest rate, and the expectation of global economic recovery in 2022 is conditioned by recent events. This falls under the heading of a non-adjustable subsequent event.

These events will certainly bring about a significant increase in prices that could have impacts on the 2022 results, since the forecast points to an increase in inflation, in energy prices and, consequently, in the price of all the goods and services needed to operate the Company.

The Management is closely and diligently monitoring the current situation of uncertainty for the economic activity associated with the war and will monitor its strategy in light of the impacts arising from the current situation.

In February 2022 SUMA's draft ERSAR decision regarding the reference costs for 2022 was known, which confirms the additional adjustment to the OPEX associated with the door-to-door project for the period 2019-2021, estimated in the amount of 1.4 million Euros, which was not incorporated in SUMA's accounts in 2021.

Also in April 2022, a final decision of POSEUR was communicated to Valorsul, SA, concluding that the value of grants initially considered was reduced in the amount of 839 thousand Euros, a reduction that was not incorporated in the accounts of Valorsul, SA and, consequently, in the accounts of SUMA, SA.

No other subsequent events with a significant impact on the financial statements as 31 December 2021 are known at this date.

40. 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 year 2021, the Company did not carry out transactions with own shares, with the number of own shares held as of 31 December 2021 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

[Illegible Signature]

THE BOARD OF DIRECTORS

[4 Illegible Signatures]





OPINIONS AND CERTIFICATIONS



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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 2021.

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 2021, 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.



Marca Confiança

Ambiente

2017 e 2018



Sede e Centro

de Serviços de Aveiro

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REPORT and OPINION of the SUPERVISORY BOARD

CONSOLIDATED ACCOUNTS

To the Shareholders of
SUMA – SERVIÇOS URBANOS E MEIO AMBIENTE, S.A.

INTRODUCTION

In compliance 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, S.A. ("Group"), prepared by and under the responsibility of the Board of Directors, in relation to the financial year ended 31 December 2021.

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 2020, the consolidated income statement by nature of expense, the statement of changes in equity and the consolidated statement of cash flows and the corresponding accompanying notes 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, as was the case last 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.



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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 2021.

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, 22 de junho de 2022

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



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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 Articles of Association.

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 for the year 2021.

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, 22 June 2022

THE SUPERVISORY BOARD

Carlos Afonso Dias Leite Freitas dos Santos - Chairman

Inês Maria Vaz Ramos da Silva Cunha Leão - Member

Pedro Miguel Pereira Gonçalves - Member



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 2021 (que evidencia um total de 769.204.662 euros e um total de capital próprio de 223.072.016 euros, incluindo um resultado líquido de 12.897.243 euros), a demonstração consolidada dos resultados por naturezas, a demonstração consolidada das alterações no capital próprio e a demonstração consolidada dos fluxos de caixa relativos 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 aspectos materiais, a posição financeira consolidada da Suma – Serviços Urbanos e Meio Ambiente, S.A. em 31 de dezembro de 2021 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 na Nota 23 do anexo às demonstrações financeiras consolidadas, o Grupo tem a responsabilidade de selagem e monitorização dos aterros em exploração. Em 31 de dezembro de 2021, a provisão constituída para o efeito ascende a 8.044 milhares de euros (7.319 milhares de euros em 31 de dezembro de 2020). 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 2021.

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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Statutory Auditor's Report

Report on the audit of the consolidated financial statements

Qualified opinion

We audited the accompanying consolidated financial statements of Suma - Serviços Urbanos e Meio Ambiente, SA (the Group), which comprise the consolidated balance sheet as of 31 December 2021 (which shows a total of 769,204,662 Euros and total equity of 223,072,016 Euros, including a net profit of 12,897,243 Euros), the consolidated income statement 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 the qualified opinion", the accompanying consolidated financial statements present truly and fairly, in all material respects, the financial position of SUMA - Serviços Urbanos e Meio Ambiente, SA as of 31 December 2021 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 Note 23 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 2021, the provision established for that purpose amounted to 8,044,000 Euros (7,319,000 Euros as of 31 December 2020). Up to the present date, the available information regarding that provision 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 as of 31 December 2021.

Our audit was carried out according to the International Standards on Auditing (ISA) and other technical and ethical standards and guidelines of the Portuguese Institute of Statutory Auditors. Our responsibilities under those standards are described in the section "Responsibilities of the auditor for the audit of the 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.

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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;



Certificação Legal das Contas
31 de dezembro de 2021

Suma – Serviços Urbanos e Meio Ambiente, S.A.
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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 truly and fairly the consolidated financial position, financial performance and cash flows of the Group in accordance with the Accounting and Financial Reporting Standards adopted in Portugal under the Accounting Standards System;
- b) preparing the consolidated management report under the applicable legal and regulatory terms;
- c) creating and maintaining an appropriate internal control system to allow the preparation of consolidated financial statements 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 I 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 distortions may originate in 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;

Statutory Auditor's Report
31 December 2021

Suma - Serviços Urbanos e Meio Ambiente, SA
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- 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;
- 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.

- 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) 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 there is material uncertainty, 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 these 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 the 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.



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.

22 de junho de 2022

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

Certificação Legal das Contas
31 de dezembro de 2021

Suma – Serviços Urbanos e Meio Ambiente, S.A.
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Report on other legal and regulatory requirements**About 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 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.

22 June 2022

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda,
represented by:

Hugo Miguel Patrício Dias, ROC No. 1432
Registered at the CMVM under No. 20161042

Statutory Auditor's Report
31 December 2021

Suma - Serviços Urbanos e Meio Ambiente, SA
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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 29

ACTA N.º 71

Aos vinte e nove dias do mês de agosto de dois mil e vinte e dois, 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 um (2021), 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 um (2021), 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 CINCO: Discutir e deliberar, nos termos do disposto no n.º 2 do artigo 22º do contrato social da sociedade, sobre a fixação em quatro do número de membros

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ATAS

Folha 30

que irá compor o Conselho de Administração da Sociedade para o período remanescente do mandato, em curso, correspondente ao triénio 2021/2023. -----

Assumiu a Presidência dos Trabalhos, na ausência da Presidente da Mesa da Assembleia Geral, nos termos e para os efeitos do disposto no n.º 3 do artigo 374.º do Código das Sociedades Comerciais, o Presidente do Conselho Fiscal, Sr. Dr. Carlos Afonso Dias Leite Freitas dos Santos, secretariado pela Secretaria da Mesa da Assembleia Geral, Sra. Dra. Patrícia Maria Fernandes dos Santos. -----

Antes da abertura dos trabalhos, o Senhor Presidente do Conselho Fiscal, que assumiu a presidência dos Trabalhos 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 os membros do Conselho de Administração da Sociedade. -----

Em consequência, o Senhor Presidente do Conselho Fiscal declarou estar a Assembleia Geral constituída e, aberta a sessão, pela Secretaria da Mesa da Assembleia Geral foi lida integralmente a Ordem de Trabalhos. -----

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 Secretaria 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, propõe-se que o resultado líquido apurado no exercício de 2021, no montante de 12.897.243,10 EUR, tenha a seguinte aplicação: -----

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ATAS

Folha 31

Reservas Livres: 12.897.243,10 EUR -----
O resultado líquido do exercício de 2021 já contempla a distribuição de resultados
aos colaboradores, no montante de 200.000,00 EUR. -----
Lisboa, 22 de junho de 2022 -----
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, então, 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 um (2021), 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. -----
Entrou-se, depois, no PONTO CINCO da Ordem de Trabalhos tendo, após análise
e discussão deliberado, por unanimidade, fixar, com referência ao disposto no n.º
2 do artigo 22º do contrato social da Sociedade, em quatro o número de membros
que irá compor o Conselho de Administração da Sociedade para o remanescente
do período do mandato em curso, correspondente ao triénio 2021/2023. -----
Nada mais havendo a tratar, a Presidente da Mesa da Assembleia Geral deu por
encerrada a sessão pelas quinze horas e quarenta e cinco minutos, dela se
lavrando a presente acta que, depois de lida, vai ser assinada pelo Presidente do
Conselho Fiscal, porquanto o mesmo presidiu aos trabalhos e, bem assim, pela
Secretaria da Mesa da Assembleia Geral. -----

Carlos Afonso dos Santos

Patrícia Santos