ANNUAL REPORT AND ACCOUNTS 2021

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Metropolitano de Lisboa FERCONSULT metrocom Lojas no metro Trem, A.C.E. Trem II, A.C.E.

European Single Electronic Format (ESEF)

This document is an unofficial and non-audited version of the official document reporting the accounts of Metropolitano de Lisboa, EPE, submitted on the CMVM website on 31 May 2022. Nevertheless, it corresponds to a true copy of the referred financial information, which can also be found on Metropolitano de Lisboa website under the name 'Annual Report and Accounts 2021 - Unofficial version - non-audited'. In case of discrepancy, the official financial information submitted to CMVM prevails.

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NATURE OF THE REPORT

The Consolidated Annual Report includes financial and non-financial information of the Metropolitano de Lisboa group of companies for the year 2021.

This report was prepared in compliance with Articles 66 - ‘Management Report’, 66-A - ‘Notes to the Accounts’ and 66-B - ‘Non-financial Statement’ of the Commercial Companies Code, and taking into account the Guidelines of the IIRC - International Integrated Reporting Council, regarding information on strategy, management and performance of the main business vectors of the corporate group.

It is also intended to respond to the ‘Instructions on the accounts reporting process for 2021’, issued in the Circular Letter SAI_DGTF/2022/364, of 20 January 2022, from the Directorate-General of Treasury and Finance, as well as to improve the perception of the business strategy and value transfer that stakeholders have in relation to the activity developed by the Metropolitano de Lisboa Group of Companies, framing it with the strategic objectives defined in the Activity and Budget Plan (ABP), and justifying the main deviations observed in that period. It also contains information on governance, context analysis, strategy, as well as the disclosure and performance achieved by the different capitals (financial, intellectual, human, social and natural).

The information presented in this report demonstrates the commitment and rigour that Metropolitano de Lisboa, E.P.E., Ferconsult, S.A., Metrocom, S.A., TREM, A.C.E. and TREM II, A.C.E. have adopted in the continuous implementation of measures and procedures that foster the creation of value and the reinforcement of the quality of the service provided, promoting sustainable mobility, decarbonisation and the improvement of the quality of life of their customers and employees.

The individual and consolidated financial statements were prepared in accordance with the Accounting Standards System (‘SNC’), approved by Decree-Law 158/2009, of 13 July, as subsequently amended and republished by Decree-Law 98/2015, of 2 June, and with the International Financial Reporting Standards - IFRS, International Accounting Standards and Interpretations, collectively referred to as IFRS, issued by the International Accounting Standards Board (IASB), as adopted in the European Union (EU).

Pursuant to Article 29 G of the Securities Code, the documents comprising this Annual Report and Accounts have been prepared under the ESEF Format and in accordance with the specifications provided for in Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 and under the terms of subsequent amendments, also taking into account the guidance provided by the European Securities and Markets Authority (ESMA) through the updated version of the ESEF Reporting Manual.

Non-financial information has been prepared in accordance with the GRI Standards guidelines. It should also be noted that the non-financial information in this report was not subject to any external verification. However, compliance was given to paragraph 6 of Article 451 of Decree-Law No. 89/2017 of 28 July, which states that "*in the case of companies that are required to present a non-financial statement pursuant to Article 66-B or Article 508-G, the statutory auditor shall only certify that the same or the separate report has been presented*."

I. EXECUTIVE SUMMARY

1. Message from the Chairman. Highlights of the year

To all stakeholders.

This document presents the Annual Report of Metropolitano de Lisboa and the companies it owns - Ferconsult, S.A., Metrocom, S.A., TREM, A.C.E. and TREM II, A.C.E., as well as the results obtained in the year 2021.

The year 2021 was lived with the continuation of the epidemic that began in 2020 and always with the expectation that in any month we would see its end. Unfortunately, this did not happen and it is only at the time of writing you these lines, at the beginning of 2022, that we begin what may not be its end but hopefully the transition to a new state of the epidemic with less generalised infection, more infrequent, but always obliging us to take personal protective measures. And by the end of 2021 we began to observe a new inflationary economic cycle, with serious problems with various supplies and disruptions in the logistics chain.

And as if this were not hard enough for the intended recovery of our normality, we have been faced in the news with Russia's invasion of Ukraine, a situation that is ongoing at the time of writing this document, and which is expected to seriously penalise the European economy with unforeseeable consequences.

In this context of continuous fight against the pandemic situation, Metropolitano de Lisboa continued the robust hygiene measures and daily and monthly cleaning of all work spaces and those used by our customers, namely stations and trains, measures that were implemented in 2020.

Internally, we also continued with the measures implemented last year to protect our employees, such as the creation of ‘mirror’ teams, divided into face-to-face work and teams on standby at home on a rotating basis, the implementation and generalisation of teleworking, alternating working hours, the reinforcement of cleaning and sanitation of facilities and the adaptation of common spaces to the new reality.

Within the scope of the measures adopted, the company continued to see the effectiveness of the cleaning and hygiene of its stations and rolling stock recognised in independent audits carried out by SGS, through the updating of the ‘Viaje com Confiança’ [Travel with Confidence] seal.

At the level of stations and customers, the signage placed in 2020 throughout the Metro network was maintained, concerning the compulsory and correct use of face masks, the need to maintain the recommended social distance, the importance of hand washing and the use of hand sanitiser.

In this scenario of continued pandemic, demand and revenue also continued to decrease and present values far removed from 2019. With regard to demand, in 2021 Metropolitano de Lisboa recorded 81.3 million passengers, a number based on ticket validations. This indicator corresponds to 4.3 million fewer passengers compared to the same period in 2020 and 92.4 million fewer compared to 2019, the pre-pandemic period. These 2021 figures correspond to a reduction in demand, in 2020 and 2019, of 5.1% and 53.2% respectively.

At the end of the second semester of 2021 there was a slight increase in the number of passengers and this positive trend continued in January 2022, which shows a 40.8% increase in passenger demand compared to the same period in 2021, forecasting a tendency for a sustainable recovery in customer demand during the current year.

In 2021, Metropolitano de Lisboa reached a total revenue of 104.9 million euros. This revenue includes financial compensation with social passes (4_18, Sub23, Social+ and Veterans), PART payments - Fare Reduction Support Programme, and revenue from extraordinary support made available by the Government to Metropolitan Areas and Intermunicipal Communities through the Environmental Fund, for compensation under the COVID-19 pandemic crisis. Without this extraordinary compensation the company would not have had the financial conditions to face its operational costs.

Despite this adverse context and with enormous difficulties, Metropolitano managed to continue with the projects it had under way and proceeded with the implementation of others.

Concerning the Assets Recovery Plan, the Network and the implementation of full accessibility, Metropolitano de Lisboa has awarded the contract works to rehabilitate the Cidade Universitária and Entre Campos stations, which includes the installation of lifts, thus completing two more stations with full accessibility. This contract is part of a vast plan for the adaptation and modernisation of the stations that Metropolitano de Lisboa has been implementing as part of the National Plan for the Promotion of Accessibility, with a view to achieving the principle of 'Accessibility and Mobility for All' established in Decree Law 163/2006, of 8 August. In its Accessibility Plan, ML expects to conclude until 2023/2024 the following stations: Campo Grande, Campo Pequeno and Picoas (Yellow line), Praça de Espanha, (Blue line), Anjos, Intendente and Martim Moniz (Green line). At the end of this programme it is expected that 51 stations out of a total of 56 will be fully accessible.

Still regarding accessibility projects, it is worth mentioning the inauguration of the Arroios station (Green line), totally refurbished, with capacity to receive six-car trains and equipped with lifts giving it full accessibility. With an investment of 6.67 million euros, the construction work, to be completed in September 2021, also included the refurbishing of the atriums, including the reorganisation of the operation support areas.

Still within the scope of the Asset Recovery Plan, Metropolitano de Lisboa proceeded with the replacement of escalators in several stations (Anjos, Rato, Avenida), as well as other recovery works of the existing natural degradation conditions concerning the treatment of structural pathologies, remodelling of the pumping systems, refreshment and installation of new telecommunications equipment, among others.

In the area of technical premises and systems, the installation, renovation and revision of several fundamental systems for the control and supervision of the Metropolitano de Lisboa network must be continued: SADI (Fire Detection Support System), SSIT (Technical Installations Supervision System) and CITV (Internal Television Circuit). With regard to the Metropolitano de Lisboa Network Modernisation project, and following the tender launched in September 2018 to replace the current signalling system with a Communications-Based Train Control (CBTC) system and to acquire 14 new triple units, as well as the adaptation of 70 existing triple units to the new signalling system, Metropolitano de Lisboa received prior approval from the Court of Auditors in May 2021, which enabled the start of the contract signed, for the sum of 114.5 million euros, with a global execution period of seventy-seven months. The acquisition of this new rolling stock and of the CBTC signalling system for the Blue, Yellow and Green lines is essential to reinforce supply and improve the quality of the service provided, and is considered one of the most important Metropolitano de Lisboa projects. Unfortunately, competitive litigation stalled the development of this project for many months.

As for the existing rolling stock, Metropolitano de Lisboa continued, in 2021, to proceed with its recovery, seeking to cancel the maintenance delays of previous years by following through with the contracts for the rehabilitation of the door systems in the entire fleet of operating rolling stock started in 2020. On ML90 trains it is planned to replace the old pneumatic drive mechanism with a new electric drive mechanism. As for ML95, ML97 and ML99 series, a major reform of the existing mechanisms is in progress. These changes represent an overall investment of 7.4 million euros over three years.

As maintenance of the track infrastructure is one of the key aspects of railway systems given that the operability and safety of the Metro transport system depends on it, in the year under review, Metropolitano de Lisboa invested in the replacement of the equipment for track grinding, replacing the existing grinding equipment dating from 1976 with new equipment, for the sum of approximately 8 million euros, which will make it possible to systematically correct all deviations to the geometry and resistance of the tracks, maximising their durability in the best geometric and environmental performance conditions.

Within the scope of ticketing, Metropolitano de Lisboa continued the investment started in 2018, concerning the technological systems for a very significant change in the ticketing system, making it simpler, easier and more reliable. In 2021 we started new developments in the area of ticketing, both by creating the contactless payment facility and by using the bank card payments, which we hope to finalise in 2022.

In financial terms, Metropolitano de Lisboa maintained its long-term BBB investment grade rating in 2021, with a stable Outlook, in relation to the previous year, a measure that took into account the levelling off of the Metropolitano de Lisboa evaluation with the Portuguese Republic's rating.

At the same time, an internal effort was made to continue the implementation of measures to reinforce management by improving internal control systems, including support tools for Hiring, the Risk Management System and Compliance, the consolidation of the General Data Protection Regulation, the generalised use in the company of qualified digital signatures, and the implementation of procedures related to cybersecurity. On the other hand, aware of the legal framework published in 2021 concerning the fight against corruption, the promotion of ethics and integrity has been a path followed by the Company, aligned with UN Sustainable Development Goal 16, having disclosed, in partnership with the Corruption Prevention Council or the Portuguese Association for Business Ethics, internal and external campaigns on the subject.

Also worthy of note is the continuity of the Metropolitano de Lisboa assets profitability policy not directly allocated to operation, with the reinstatement of negotiations with the Municipality regarding the approval of the urbanisation plan for the lands of the former Depot and Workshop of Sete Rios once the new municipal team took office, in order to proceed with the alienation of those lands.

In 2021, Metropolitano de Lisboa obtained the NP 4475:2020 standard certification for Public underground passenger transport service, a certification that directly affects the service provided to the customer. The company will thus comply with all quality requirements, adding this certification to the other certifications of its Quality Management System and Environmental Management System.

Regarding Network Expansion, Metropolitano de Lisboa proceeded with the works relative to the extension of the Yellow and Green Lines (Rato - Cais do Sodré). Concerning Lot 1 - Execution of the tunnels between the Rato terminus Station and Santos Station, the works have proceeded at a good pace in the various points of intervention of the contract. At the time of this message, several hundred metres of the respective tunnels have already been completed and the shafts of Estrela and ISEG are practically finished.

As for Lot 2 - Execution of the structure frames between Santos station and Cais do Sodré terminus station, the contract suffered a slight delay due to the need to carry out complementary studies to the RECAPE, which delayed the issuing of the DCAPE and consequent consignment of the works that we still hope to carry out in the 2nd quarter of 2022.

With regard to Lot 3 - Construction of two new viaducts in Campo Grande, the contract was awarded in the first quarter of 2021 and the work is also underway.

Regarding Lot 4 - Project and construction of finishings and systems, Metropolitano de Lisboa approved the launch of a public tender with international publicity in August 2021, with an investment of 76.5 million euros, awaiting the evaluation of the proposals by the Jury appointed for the tender.

Still regarding future expansions, Metropolitano de Lisboa has concluded the Prior Study phase of the Red Line Extension between São Sebastião station and Alcântara station for Environmental Impact Assessment purposes and submitted to the Portuguese Environment Agency in December 2021, the Environmental Licensing Process for this study. This extension will have a total length of about 4 km and 4 new stations (Campolide, Campo de Ourique, Infante Santo and Alcântara, the latter on the surface). It is scheduled to open in 2026.

Metropolitano de Lisboa has signed a protocol with the Municipalities of Lisbon, Oeiras, Loures and Odivelas to carry out studies for the LIOS - Western and Eastern Sustainable Intermodal Line (Linha Intermodal Ocidental e Oriental Sustentável). LIOS will provide a fast and structuring connection with the riverside tram and the Cascais and North train lines. It will be approximately 24.4 kilometres of a new Light Surface Metro (LSM) line. A second protocol was also signed with the Municipalities of Loures and Odivelas for the preparation of studies for a LSM linking Odivelas and Loures, more precisely between Beatriz Ângelo Hospital and Infantado, about 12 km long.

With the publication in Diário da República (Official State Gazette) of Decree-Law no. 68/2021 of 30 July, the object of the concession awarded to Metropolitano de Lisboa now includes the expansions of the Lisbon underground railway network which are or will be carried out through high-capacity public transport systems *in situ*, namely in the form of the light surface metro.

In 2021, Metropolitano de Lisboa and the 'RECUPERAR PORTUGAL' [RECOVER PORTUGAL] Mission Structure signed the financing contracts for the realisation of investments for the Metropolitano de Lisboa Red Line up to Alcântara and the Odivelas/Loures Light Surface Metro, foreseen in the 2026 Recovery and Resilience Plan, which determine the financial support for the materialisation and operationalisation of these investments.

In terms of innovation, the launch of an internal programme of Ideas and Projects - #MetroGO - resulted in the involvement of 60 employees from various departments who, divided into groups of six, formalised the presentation of an equal number of ideas for Innovation, and an Evaluation Jury selected three of the most impactful for Metropolitano. The implementation processes started in 2022. In parallel, collaboration was established with two schools of reference (ISEL and UA) through the establishment of protocols for the development of joint innovation initiatives.

On the other hand, Metropolitano de Lisboa continued the implementation of a set of measures to increase energy efficiency, in line with the commitment to sustainable mobility, and with the Integrated Environmental Sustainability Plan (PISA 2030 – Plano Integrado de Sustentabilidade Ambiental), which began in 2020. The implementation project of a photovoltaic power plant in PMO II is expected during 2022.

In terms of human capital management, it is worth mentioning the reinforcement of commitments to social responsibility issues with several initiatives having a significant impact on ML. Also of note is the hiring of new staff for areas of special importance in the company, both to reinforce the teams of various departments and to replace staff who have in the interim reached retirement age. A special reference to the launch of the Trainees Programme for the discovery and potential reinforcement of young workforce. We emphasise the continued importance of collective bargaining as an indispensable instrument for promoting social peace and improving our staff's wellbeing.

Regarding Ferconsult, S.A., its activity during 2021 continued to focus on the closure of international projects, namely in Algeria.

Metrocom, S.A., the subsidiary company responsible for operating the network's shops and commercial spaces, also 100% owned by Metropolitano de Lisboa, proceeded with a management strategy primarily focused on mitigating the impact of the pandemic crisis, and directed its activity to transforming and repositioning the business. Nevertheless, this company had a turnover of approximately 1.8 million euros, an increase of +9.9% compared to 2020.

The activity of TREM, ACE and TREM II, ACE focused on the management of its assets and liabilities, and resulting obligations.

In 2021, Metropolitano de Lisboa remained committed to strengthening its role as an operator and a structuring mobility agent in the Lisbon Metropolitan Area. Metropolitano de Lisboa has reached the highest level of customer satisfaction ever, according to the results of the Customer Satisfaction Index, based on surveys carried out in October and November 2021. The results show a general increase in customer satisfaction across all service components.

To the Metropolitano de Lisboa workers, we would like to express our gratitude for the professional conduct which they have always maintained during these last two difficult years, guaranteeing the daily activity of the company, ensuring their contribution to the maintenance of a transport service that is essential for the sustainable mobility of the city and the Lisbon Metropolitan Area.

A word of gratitude is also due to all those who have worked with Metropolitano de Lisboa and who have contributed on a daily basis to make this company a benchmark company, fundamental to the public transport service.

Thanks are also due to the members of the corporate bodies and their teams for the commitment they have always shown, making themselves available, within the scope of their respective competences, to support the Board of Directors, in order to achieve the goals stated in this report, ensuring the normal functioning of the company.

Finally, and due to its special importance in structuring mobility in the Lisbon Metropolitan Area, it is important to mention that Metropolitano de Lisboa is one of the founding members of AMOLIS - Associação Metropolitana de Operadores de Transporte de Lisboa (Lisbon Metropolitan Association of Transport Operators), a private non-profit association set up in February 2022, and was also elected to chair the Management Board for the three-year period 2022-2024.

Lisbon, 31 May 2022.

Chairman of the Board of Directors

Vitor Domingues dos Santos

2. Main indicators of the Metropolitano de Lisboa group of companies

Table 1 - Main indicators of the Metropolitano de Lisboa group of companies

ACTIVITY INDICATORS	Un.	2021	2020	Var. 2021/2020	
				Abs	%
DEMAND Indicators					
PT (Passengers Transported)	10^3	83 716	90 567	(6 851)	(7,6)
PKT (Passengers x km)	10^3	403 679	433 114	(29 435)	(6,8)
SUPPLY Indicators					
Ckm (Cars x km)	10^3	24 398	26 373	(1 975)	(7,5)
PSK (Passenger Spaces x km)	10^6	3 123	3 376	(253)	(7,5)
Quality of Service					
Frequency	%	96,8	96,9	-	(0,1) p.p.
Occupancy Rate	%	12,9	12,8	-	0,1 p.p.
HR INDICATORS					
No. of employees on 31 Dec	Un.	1 521	1 515	6	0,4
Average number of employees	Un.	1 518	1 517	1	0,1
Wage Bill	m€	59 267	58 359	908	1,6
Compensation for Termination	m€	0	0	0	-
SHAREHOLDER STRUCTURE					
Total of Share Capital	M€	3 667,9	3 414,0	254	7,4
Share Capital owned by the State	%	100	100	-	0,0 p.p.
NET ASSETS					
Non-current assets	M€	5 680,6	5 662,6	18	0,3
Current assets	M€	196,5	111,4	85	76,4
Total Assets	**M€**	**5 877,1**	**5 774,0**	**103**	**1,8**
Equity	M€	1 730,4	1 501,0	229	15,3
Liabilities	M€	4 146,7	4 273,0	(126)	(3,0)
Total Equity and Liabilities	M€	**5 877,1**	**5 774,0**	**103**	**1,8**
INVESTMENTS [1]					
Long-term Infrastructure	M€	52,8	16,4	36	221,7
Other Investiments	M€	34,5	5,0	30	592,2
Investment Expenses	M€	**87,4**	**21,4**	**66**	**308,1**
STRUCTURE INDICATORS					
Remunerated Liabilities	M€	3 395,1	3 494	(98)	(2,8)
Financial Autonomy %	%	29,44	26,00	-	3,4 p.p.
Solvency %	%	41,73	35,13	-	6,6 p.p.
FINANCIAL INDICATORS					
Average period for payment (PMP)	Days	36	41	(5)	(12,2)
Turnover	M€	67,4	67,5	(0)	(0,1)
EBITDA *(adjusted)* [2]	M€	(3,97)	(28,43)	24	(86,1)
EBITDA Margin *(adjusted)*	%	(5,88)	(42,10)	-	36,2 p.p.
Operating Income *(adjusted)* [2]	M€	112,70	92,31	20	22,1
Operating Expenses *(adjusted)* [2]	M€	116,67	120,74	(4)	(3,4)
Coverage Rate of Operating Expenses *(adjusted)*	%	96,6	76,5	-	20,1 p.p.

[1] *The 'Investment expenses' considers only the investment net of TPE and Financial charges.*

[2] *Adjusted value of Provisions, Adjustments, Impairments, Fair value increases/reductions, Equity/subsidiaries and other non-cash items.*

II. ORGANISATION

1. ML and its Subsidiary companies

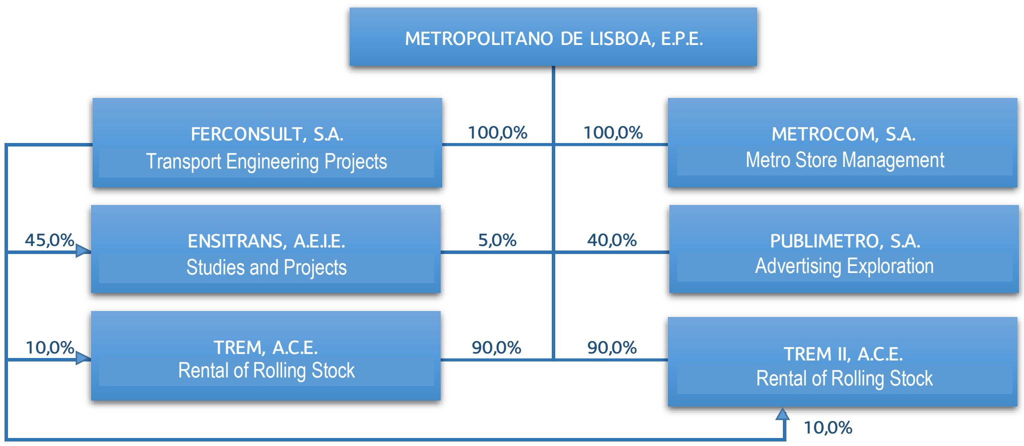
Metropolitano de Lisboa provides public transport services by metro in the city of Lisbon and neighbouring municipalities under concession. For this purpose it develops related activities such as operation, promotion of Public Transport (PT) and infrastructure maintenance.

It also commercially exploits the existing spaces in the network, by means of the provision of spaces for shops, vending machines and others, through Metrocom, S.A. and the sale of advertising services, through Publimetro, S.A..

The subsidiary Ferconsult S.A., held 100% by ML, has been the main partner of Metropolitano de Lisboa for the development of its network, namely in the construction of new lines and the expansion of the existing ones. Following the implementation of the restructuring plan, at the end of 2020 the employees of this entity were integrated into the parent company's workforce.

By means of the appointment of the Board of Directors for the term 2019-2021, by CMR no. 56/2019, of 28 of February (Official Gazette, 1st series – no. 53, of the 15 of March 2019), the current Board of Directors took office on 1 of March 2019.

Figure 1 - Structure of shareholdings



2. Purpose, Scope and Management Principles

Metropolitano de Lisboa, E.P.E. is an entity with legal personality and administrative, financial and patrimonial autonomy, and it is governed by its own statutes and by the laws applicable to public companies.

Ferconsult, S.A. and Metrocom, S.A. are companies fully owned by Metropolitano de Lisboa.

The 'Quality and Environment Management System Manual' was approved by Resolution No. 1416182 of 15 November 2018, which authorised the integration of the Management Systems of Metropolitano de Lisboa, Ferconsult and its extension to Metrocom.

This Manual is a document which defines the guidelines of the 'Quality and Environmental Management System' of the Metropolitano de Lisboa group of companies.

In 2021[1], the Board of Directors resolved to approve the adoption of the concepts 'Purpose, Scope and Management Principles', which are set out below:

PURPOSE

To be the central axis of mobility in the Lisbon Metropolitan Area (AML).

SCOPE

To provide a public passenger transport service in metro or other mobility systems *in situ* , which includes the overall management of the infrastructure, namely the design, construction production and operation, including the operation of commercial spaces, customer-oriented, under a concession granted by the State, promoting sustainable mobility and aiming at improving the quality of life of current and future generations.

MANAGEMENT PRINCIPLES

Management decisions taken by Metropolitano de Lisboa reflect the following management principles:

- The best interests of our customers.
- The expectations of different stakeholders by building lasting relationships of trust with our employees, customers, partners and communities.
- The development of the business in a socially responsible and sustainable manner, articulating closely and in concert with the other public transport operators.
- The promotion of public transport and sustainable mobility.
- Rigour, transparency and ethical behaviour.
- The quality and safety in the provision of the service using innovative and efficient solutions and creating value in the areas in which we operate.

3. Management Policy

1. **Customer satisfaction as a main objective** – Designing and maintaining a public passenger transport service that meets the expectations and needs of our customers and other stakeholders.
2. **An engaged and committed leadership** – Ensuring organisational alignment at the various levels, defining a clear strategy and objectives for the organisation and monitoring the achievement of these objectives.
3. **Shared and clearly defined responsibilities** – Defining clear responsibilities at the various levels of the organisation and providing the means for responsibilities to be fulfilled.
4. **The involvement and qualification of employees** – Raising awareness, qualifying and encouraging employees to actively participate in the improvement of processes, in terms of their efficiency, environmental performance and mitigation of associated risks.
5. **Management of the Organisation as a system composed of interrelated processes** – Identifying the key processes of the value chain, and their interactions, in order to ensure management efficiency.

[1] Resolution no. 1587859, of 2021.09.16.

6. **Continuous improvement of performance** – Through a Quality and Environment Management System ('SGQA') equipped with mechanisms that allow the monitoring of process efficiency and environmental performance including energy performance, to disclose this data in a transparent way and to identify and implement opportunities for improvement.
7. **Making decisions in a sustained manner**– Ensuring that data is available to enable decision making to be based on facts.
8. **The establishment of partnership relations with suppliers** – Defining service levels and good quality and environmental practices, and working together with a view to ensuring their compliance and continuous improvement with advantages for both parties.
9. **Management of environmental impacts** – Identifying and assessing environmental aspects and impacts, implementing measures to minimise significant negative environmental aspects, including energy consumption, and maximising positive environmental impacts.
10. **Full compliance with applicable requirements** – Identifying the requirements applicable to the Organisation (legislation, standards and voluntary commitments) and defining measures in order to ensure their compliance and the prompt transposition into the organisation of new requirements.
11. **Innovation as a differentiating factor of the quality of the service provided** – Permanently seeking to know the best practices and the best solutions on the market, verifying their applicability to the service provided and implementing them whenever appropriate.

4. Customer Charter

Metropolitano de Lisboa assumes its mission with its customers in compliance with the 'Customer Charter' which specifies the following commitments:

I. Transport service supply:
- To provide a quality service that meets customer expectations;
- To contribute to the reinforcement of intermodal articulation;
- To implement train schedules which respond to the current demand in an effective manner.

II. Safety:
- To promote and apply, in permanent collaboration with the forces of authority, the necessary actions to guarantee high safety standards in the transport service and its use, as well as ensure the safety of customers;
- To keep vehicles in a good state of repair;
- To ensure that the equipment available to the customer is in perfect working order.

III. Frequency:

To maintain high service frequency levels, promoting the possible measures to minimise disruptions caused by circulation problems of the service.

IV. Information and customer support:
- To make relevant information about the service provided available in a perceptible and rigorous manner, in the appropriate spaces and through the various means of communication with the customer, in normal situations or in situations of service disruption;
- To make the sales network more dynamic by providing various ways and means of acquiring tickets;
- To provide channels and spaces of its own that allow customers to resolve anomalous situations or those that, due to their specific nature, require specialised analysis.

V. Cleaning and conservation:

To ensure that stations, trains and equipment are in a good state of repair and cleanliness by regularly inspecting and cleaning them.

VI. Human resources:

To ensure the quality of human resources so that they can carry out their service in a competent and professional manner, guaranteeing conditions of comfort, quality and rigour.

VII. Accessibility:

In collaboration with the competent entities, ensure the accessibility of all customers, even those whose mobility is reduced in some way.

VIII. Suggestions and complaints:

- To provide customers with the necessary means to present suggestions and complaints, analyse them, promote improvement measures and provide a timely response;
- To periodically evaluate, through a specific survey, the level of customer satisfaction.

IX. Environment

- To comply with legal requirements regarding pollutant emissions, contributing to the protection of the environment;
- To promote and make available means that provide customers with good environmental protection practices.

III. CONTEXT ANALYSIS

Stakeholders

Stakeholders have been identified in accordance with the guidelines of the *AA1000 Stakeholder Engagement Standard 2011 and* are all groups whose quality of life may be affected by the activity of Metropolitano de Lisboa, E.P.E., Ferconsult, S.A. and Metrocom, S.A., both now and in the future.

For this purpose, and in addition to including all those with whom these companies have contractual or regulatory relationships (customers, employees and pensioners, suppliers and guardianship), an analysis of the impact of the activity of these companies was carried out in order to identify other types of dependencies or relationships.

Figure 2 - Stakeholders of the Metropolitano de Lisboa group of companies

For the various stakeholders, the compliance obligations and the documents that reflect them have been identified, as well as the form of consultation.

Table2 – Stakeholder alignment with the form of consultation

	COMPLIANCE OBLIGATIONS	FORMS OF CONSULTATION/COMMUNICATION
CUSTOMERS	Customer Charter NP 4475 – Public passenger transport - Metro Network - Characteristics and supply of the service *(under implementation)*	ISC - Customer Satisfaction Survey Complaints Company website
TUTELAGE	Concession contract *(under revision)*	Meetings Email State Sector Platforms
REGULATORY, SUPERVISORY AND INSPECTION BODIES	Legislation and other applicable legal requirements in force ISO 9001 - Satisfaction Management System - Requirements	Audits Reporting of financial and non-financial information

	COMPLIANCE OBLIGATIONS	FORMS OF CONSULTATION/COMMUNICATION
EMPLOYEES	Employment Contract Company agreements: AE II (Graduates and Bachelors) and AEI (Non-graduated workers) ISO 45001 - Occupational health and safety management system - Requirements and guidelines for its use *(under implementation)*	Employee Satisfaction Questionnaire (Company Climate Study) Company Website Email
SUPPLIERS	Contracts	Supplier Evaluation SaphetyGov
COMMUNITY	ISO 14001 -Environmental Management System - Requirements and guidelines for its use ISO 50001 -Energy Management System - Requirements and guidelines for its use *(under implementation)*	Company Website Environmental complaints
OTHER TRANSPORT OPERATORS	Documented decisions taken in OTLIS (in liquidation)	Meetings Email
SHOPKEEPERS IN THE ML SPACE	Space leasing agreements	Shopkeeper Satisfaction Survey Internal audits

1. External Analysis

The annual analysis of the external context, elaborated in this Annual Report, is carried out in accordance with the PESTAL methodology, using an analysis based on the following vectors:

Political

The COVID-19 pandemic marked 2021 and all political action focused on responding to the health crisis and the subsequent economic crisis.

The Portuguese Government, like many other governments, sought to compensate people and companies who, as a result of the pandemic, found themselves in serious economic difficulties, through social support.

In the scope of the economic recovery, the Resilience and Recovery Programme was launched by the Portuguese Government, which included strong incentives for economic recovery and in which the financing of the ML network expansion was foreseen. As per the opinion of many specialists and politicians, the economic recovery is intended to be more sustainable. The key idea consists in funding the recovery taking into account the European Union's and national decisions to achieve carbon neutrality by 2050.

At a global scale we are, therefore, witnessing a moment when environmental issues are more on the agenda than ever, when it is necessary to adopt a global policy promoting the progressive use of public transport, mainly electricity-based transport.

At national level, 2021 was a year of elections, both presidential and local elections. The municipalities of Lisbon and Loures had changes in their leadership and now there are new interlocutors in these two municipalities.

The state budget proposed by the Government for 2022 was rejected in the National Assembly, which led to its dissolution and the scheduling of legislative elections for early 2022. Until a new government takes office and a new budget is approved, the country will be run by a duodecimal system.

Economic

The exogenous shock caused by the COVID-19 health crisis continued to weigh on economic activity in Portugal. As a result of the 3rd wave of the pandemic in the early months of 2021, whose severity forced the decree of a new general lockdown, the restrictions on normality led to an intense slowdown in productive activity, which led to a contraction of Gross Domestic Product in the 1st Quarter of 5.4% year-on-year and 3.3% compared to the last quarter of 2020. Unlike previous recessions, at the sectoral level, the main impact was registered in sectors with more intensive human contact, rather than in goods-producing sectors such as industry or construction.

Table 3 - GDP variation in Portugal

GDP variation in Portugal (%)						
2019	2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021
2.7	-8.4	-5.4	15.5	4.2	5.8	4.9

Following the phased opening of society, economic activity resumed, with a year-on-year growth rate of 15.5% in the 2nd quarter, and a quarter-on-quarter growth rate of 4.9%, i.e. compared with the first quarter of 2021, a remarkable difference of 10.3 pp.

Looking at the trade balance, with a focus on exports, we see that the value is still substantially lower when compared to that of 2019, due to the sharp drop felt in the Tourism sector.

Total 4 - Total overnight stays in Portugal

	Total Overnight Stays (10^3)			Var 2019/2021 (%)
	2019	2020	2021	
National	70,159.0	25,798.3	37,455.8	-46.61
AM Lisbon	18,639.1	5,254.4	7,788.7	-58.21

In fact, this reduction is notable with particular intensity in the Lisbon Metropolitan Area, whose overnight stays in 2021 were 58.21% below those recorded in 2019. In addition, the evolution of the demand of the Metro is positively correlated with the tourist activity, so the trend in the number of passengers transported behaved in an identical way to the evolution of Tourism, having dropped by 7.6% compared to 2020 and 54.5% when compared to 2019.

During 2021, the behaviour of the inflation rate measured by the Harmonised Index of Consumer Prices (HICP) was variable, but always at an increasing rate. In Portugal, the average annual inflation rate reached 0.9%, in contrast to the slight deflation of 0.1% at the end of 2020. Even so, Portugal was still below the value achieved in the Eurozone, which reached 2.6%. It is worth noting the evolution that the inflation rate has been undergoing, mainly due to the increase in costs related to raw materials, energy goods and intermediate costs, extremely affected by the supply constraint that has been felt since the beginning of the pandemic in global supply chains and which, therefore, generate upward pressures on prices.

The pandemic and economic crisis also gave rise to a logistics crisis which caused an increase, and even shortage, of some materials and a substantial increase in the cost of energy (gas and electricity).

Social

The restrictions on mobility enacted by the government since March 2020, although adjusted to each period experienced, have brought about a transformation in the way people relate to each other. The closure of commercial and cultural establishments, the slowdown in the business sector and the fear of SARS-CoV-2 infection have resulted in a reduced need for mobility of people and, consequently, a low use of public transport.

The unemployment rate was 6.6% and the labour underutilisation rate was 12.5%, both having decreased in relation to 2020 (0.4 p.p. and 1.6 p.p., respectively).

Table 5 - Unemployment rate in Portugal

	Unemployment Rate (%)						
	2019	2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	2021
National	6.6	7	7.1	6.7	6.1	6.3	6.6
AM Lisbon	7.1	7.7	6.9	6.7	6.7	6.7	6.8

Source: INE

In fact, the introduction of new alterations to the labour paradigm, such as teleworking, has reinforced the reduction of travel required by the population.

Table 6 - Proportion of the population employed through telework

Proportion of the Population Employed through Telework (%)			
1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
20.7	14.9	12.7	9.3

Source: INE

During the first quarter of 2021, 967.7 thousand people were teleworking, 48% of which were working in the Lisbon Metropolitan Area. Although, with the easing of restrictions on mobility, the proportion of the population employed in telework has decreased, a relevant portion is still working remotely. The perpetuation of telework in various activities and companies is a growing reality that should be taken into account, estimating that in some sectors of activity will remain definitively in telework and others in a mixed regime.

Technological

New technologies, mainly digital, caused a true disruption in the various business models, to which the transport sector is not immune.

The pandemic has strongly accelerated this process, not only at the technological level, but mainly on people's willingness to use it.

Smartphone APPs have become widespread and act not just as supporting tools for shared mobility models, such as car or bike sharing, but also support real-time information for traditional models, such as ML.

Moreover, in the ticketing area, solutions for the purchase of tickets by ATM, mobile phone or online will be increasingly frequent, and it is mandatory that ML accentuates the integration of these new technologies.

Technological developments have allowed relevant evolutions in terms of energy efficiency, allowing the optimisation of natural resources management. Tools such as Blockchain or artificial intelligence / Machine Learning have become more available, allowing, in a rigorous way, the improvement of process efficiency.

At the end of the year there was an intensification of cyber-attacks on companies based in Portugal, resulting in total or partial loss of information and internal systems, highlighting the importance of Cybersecurity for all organisations.

Environmental

Climate change arising from the global temperature increase has already started to be felt, increasing the rate of extreme events, notably droughts, torrential rainfall or cyclones.

In Portugal, it is drought that has been felt most intensely, causing a shortage of resources and an increase in prices.

Metropolitano de Lisboa has a resilient structure for the direct impacts of these phenomena, although there is permanent concern about the risks of flooding. The Metropolitan Plan of Adaptation to Climate Change of the Lisbon Metropolitan Area (PMAAC-AML) that Metropolitano de Lisboa followed, during its elaboration phase, summarises the current and future climate risks for AML, identifying critical zones and mitigation measures.

Legal

The evolution of the legal requirements applicable to the ML group of companies, both in terms of national and community legislation, has become more demanding in terms of obligations, namely at an environmental level and in terms of reporting obligations.

As for data protection, the legislation which came into force on 25 May 2018, has created new challenges and forced companies to adapt to the new legal requirements. Accordingly, ML now has a DPO and has introduced all the necessary changes to ensure full compliance with the legislation in force.

In turn, the currently ongoing review of the concession agreement will require a greater level of thoroughness from ML, not only regarding reporting but, most of all, the control of the quality demands of the provided public service.

The existence of an appropriate concession agreement, albeit demanding, may assist the company in focusing on its objectives, ensuring organisational alignment and allowing, in an easier way, to separate the essential from the accessory.

The pandemic brought a set of legal obligations, both in terms of work organisation and in terms of customer service, which compelled the company to adapt in order to ensure its full compliance. Among these are the obligations related to teleworking and the restriction to 2/3 of the train capacity utilisation during part of the period covered by this report.

2. Internal Analysis

Additionally to the external context analysis, an analysis was also conducted on the organisation's internal context. Such analysis is made for the following areas:

Organisation

Metropolitano de Lisboa has a stable organisation, in effect as of the 1 April 2017, which is the date on which the company's organisational independence was restored (see Figure 3 - Organisation Chart, on page 29).

In 2021, the Customer Division (DCL) and the Internal Audit Office (GAI) will undergo slight adjustments in order to give a greater dynamic of innovation to the company based on the guarantee of sustainability. Consequently, DCL changed its name to 'Customers, Commercial and Marketing Division' and GAI to 'Internal Audit, Risk and Compliance Office'.

Such changes initiated a set of adjustments which the Board of Directors intends to implement until the end of 2022 with a view to adjusting ML's organisation to the challenges ahead.

During the pandemic, ML had to adapt its work organisation by establishing permanent teleworking teams, rotating teleworking teams and mirror teams. This organisation has been adapted over time according to the intensity of the pandemic and Government guidelines.

Processes

Work processes and the manner according to which Metropolitano de Lisboa's activities are performed are set out and documented, inter alia, in the Process Manuals.

Pursuant to the stability of ML's activity, the current experience and the practice of having processes based at all times on the best practices at national and international levels and backed by the knowledge and the following-up through the benchmarking of international organisations, such as UITP, ALAMYS or COMET, leads to the work processes, by and large, being effective and efficient. This is not to say that seeking for continuous improvement as an organisation's aspiration should not be maintained and does not bring results.

During the pandemic, there was a need to promote some adjustments to processes, so that these would adapt to new methods of working and less interaction with the Customer, although no significant changes have been observed in process flows.

The project to implement a culture of innovation has also been gradually changing the methodology followed by some processes, opening the company to the outside and implementing new working methods.

In 2021, ML certified its public passenger transport service under NP 4475:2020, clearly defining the requirements to be met for the customer service to be considered of quality and obliging ML to permanently monitor those requirements.

Human Resources

In terms of human resources, in general, the necessary skills are in place to carry out the planned activities.

The high average age of Metropolitano de Lisboa's workers, which happens across the different professional categories, but singularly critical in areas with specific capabilities related to the company's system, reflects an identified difficulty, the overcoming of which is based on a recruiting strategy for the next 5 to 10 years, which allows for an adequate transfer of professional expertise and experience and, moreover, the updating and appreciation of the professional capabilities of workers in general, founded on learning new technologies present in ML's expansion and modernisation projects in progress.

In 2021, therefore, the process started in 2018 of recruiting new employees for the commercial and maintenance areas continued, as well as senior technicians for other key areas of the company, although there has been a difficulty in hiring for some areas due to a lack of specialised workers and also because of market values, to which must be added the fact that ML does not offer hybrid working schemes or teleworking.

In 2021 a call for trainees from different specialties was launched, and 10 (ten) trainees were admitted for one-year traineeships.

Absenteeism continues to be the most impacting problem in the company in terms of human resources, given the scarcity of resources. Despite this, and in a pandemic year, absenteeism was lower than the previous year.

Material resources

The legislation in force, namely the Public Procurement Code and the need for authorisation from the Ministry, through Ordinances Extending Contracts for multi-year contracts, make procurement processes longer than desirable.

In 2021, the concern continued to be to guarantee the stock of specific products to combat COVID-19, the computer equipment necessary to generalise teleworking and the contracting of cleaning services and verification of good practices.

Financial resources

In 2021, regarding the individual accounts of Metropolitano de Lisbon, turnover stood at 66.9 million euros, registering a growth of 81 thousand (euros) (+0.1%), compared with 2020. The 2021 ABP estimated a turnover of around 59.5 million euros, which was exceeded by 7.4 million euros (+12.5%).

EBITDA (adjusted) remained in negative territory, reaching -14.4 million euros, however there was an improvement of 16.2 million euros when compared to 2020. In the comparison with the 2021 ABP estimate, there is also an improvement of 10.1 million euros.

In 2021, the Metropolitano de Lisboa group of companies registered, in its consolidated accounts, a decrease in turnover of 0.14% (-94 thousand euros) compared to 2020, resulting fundamentally from the decrease in average demand (-7.6%).

EBITDA (adjusted) remained in negative territory with a value of -4.0 million euros, registering an improvement of 24.5 million euros. The Operating Result was 2.1 million euros, representing an inversion of results, registering an improvement of 34.8 million euros.

Infrastructure and Rolling stock

Infrastructure and rolling stock are essential for the performance of Metropolitano de Lisboa's mission, and its availability is a key factor for the provided service's quality.

Maintenance activities, major interventions and routine maintenance, guarantee the functioning of the equipment, prolonging its useful life.

In 2021 the effects of the pandemic remained, therefore the measures to protect workers were maintained, namely the constitution of mirror teams during periods of lockdown, or even occasional adjustments to the maintenance plans.

Despite the constraints caused by the pandemic, it was possible to register a 5.5% increase in the availability of rolling stock compared to 2020. The availability recorded at the end of 2021 was 85.9%.

As regards, the monthly availability of the main infrastructure in 2021 was throughout the year higher than the target value.

3. Risks and Opportunities

Following the analysis to the external and internal contexts, an analysis of strategic risks and opportunities is made, which are reflected into the following SWOT analysis:

Figure 3 - SWOT Analysis

S

Policy (inclusion in the RRP - Recovery and Resilience Plan for new ML expansions)

Social (ISC obtained best result ever)

Processes (high internal know-how)

Infrastructure (climate change resilient infrastructure; low CO_2 emission electric mobility; expansion and modernisation projects in progress)

W

Human Resources (high average age of Workers; lack of knowledge retention; high absenteeism)

O

Policy: (Following the pandemic, funding is expected for a more sustainable economic development; Free transport for young people up to the age of 23 and elderly residents in the city of Lisbon.).

Technology (existence of new solutions in terms of Ticketing and Digital Transformation)

T

Economy (Covid's permanence keeping Tourism well below historical levels; significant increase in costs associated with energy and some raw materials)

Social (Teleworking; Covid's permanence contributing to structural change of habits; Fear of using public transport)

Technology (Bigger problems in terms of Cybersecurity)

In 2021, Metropolitano de Lisboa invested in the development and implementation of the Risk Management System (RMS), supported by an IT tool (developed internally), having revised the Risk Manual (with residual application to its subsidiaries Metrocom and Ferconsult), assessed the risks and defined the mitigation plans and measures. In this context, the Organisation's Risk Committee complied with the duties established in its Regulations, having met on a quarterly basis.

The risk management process is based on the COSO methodology [2](Enterprise Risk Management – Integrating with Strategy and Performance, June 2017), which is based on a continuous cycle of risk monitoring and management, ensuring all relevant risks which may pose a significant impact on ML group of companies are taken into account in this process.

[2] *Committe of Sponsoring Organisations of the Treadway Comission*.

In 2021, the Organisation's risks identified by the RMS were as follows:

- Public health
- Fare revenue control
- Political, social and macroeconomic contexts
- Network expansion management
- Treasury management
- Information Technology Security
- Debt, credit, and financing management
- Fraud, corruption and unethical behaviour
- Legal processes
- Passenger fraud
- *Security*

In addition to the macro view of the RMS, there are also risk management sub-systems.

In this regard, we should highlight, inter alia, the sub-system of the expansion of Metropolitano's network for the extension between the Rato and the Cais do Sodré stations, including the new connections at the Campo Grande viaducts.

The Plan for Preventing Risks of Corruption and Related Offenses (PPRCRO) is another relevant risk management sub-system, and its 6th edition has been prepared in 2020, which included the subsidiary company Ferconsult.

The PPRCRO identifies the vulnerable areas to acts of corruption, the main risks arising therefrom, the implemented internal controls which intend to mitigate and prevent such risks, the corresponding impacts and the likelihood of occurrence.

The methodology followed to identify the risks listed in the PPRCRO, which include corruption, conflicts of interest, manipulation of information and misappropriation of assets, is that recommended by the Association of Certified Fraud Examiners (ACFE) in the 'Fraud Risk Manual', adapted to the reality of Metropolitano de Lisboa.

In the 2021 financial year, GAI carried out various audits with an impact on the fraud matrix, highlighting the following:

- Audit of the value collection process in the MAVT of ML stations;
- Audit of the sales process - deposit of values and revenue controls - regarding the MAVT;
- Audit of the control and registration procedures of the permanent inventory of DMT's stocks (in progress).

Follow-up actions were also carried out on the implementation of the recommendations of the audit reports approved by the Board of Directors, namely the audit of funds (operating, fixed cash and return funds); the audit of access control to workplaces: PMO II and III and buildings on Av. Sidónio Pais and Av. Fontes Pereira de Melo; from audit to the execution of the contract for the supply of meal services; audit on the MAVT; audit on the value collection process in the MAVT of ML stations and the audit on the sale process - value deposit and control of the revenue relative to the MSAVT.

Considering also the transversal application to the Company of the risk of fraud, corruption and unethical behaviour, of the PPRCRO, as a sub-system, and of the other projects within the scope of the promotion of ethics and integrity, in 2021, all departments became the target of analysis of the risks of corruption, and no case was identified.

Table 7 - Corruption risks assessment

	2021	2020	2019
Percentage and total number of business units targeted for corruption risk analysis	(*) 100%	(**) 64%	82%
	21	11	14
No. of corruption cases identified	0	0	0

(*) As of 01.03.2021 there will be 21 business units (20 in 2020 and 17 in 2019).

(**) Weighted average considering that on 1.12.2020 the number of business units will increase from 17 to 20.

Communication campaigns and training actions are an essential element for the promotion of ethics and integrity, reinforced in the recent General Regime for the Prevention of Corruption, approved by DL 109-E/2021, of 9 December.

To this end, various campaigns were disseminated via e-mail and the Company's internal portal to the entire Working Community, including the members of the Board of Directors and Directors. On the other hand, and in alignment with ISO 37001 (Anti-corruption Management System), the anti-corruption policies and procedures adopted by the Company were disclosed to the business partners, including the Code of Ethics and Conduct and the rules on receiving gifts. Finally, although in 2021 the training was focused on the staff of the Internal Audit, Risk and Compliance Office, it is planned to gradually extend it to the Working Community in 2022.

Table 8 - Training on anti-corruption policies and procedures.

	2021		2020		2019	
	No.	%	No.	%	No.	%
Members of the governance body to whom the anti-corruption policies and procedures adopted by the organisation were communicated	(*) 24	88.90%	23	88.50%	19	86.40%
Employees who have been informed of the anti-corruption policies and procedures adopted by the organisation	1515	100.00%	1467	100.00%	1435	100.00%
Business partners who have been informed of the anti-corruption policies and procedures adopted by the organisation	(**) 1003	100.00%	0	0.00%	0	0.00%
Members of the governance body who have been trained in fighting corruption	1	3.70%	0	0.00%	1	4.50%
Employees who have received training in fighting corruption	5	0.30%	0	0.00%	0	0.00%

The only members of the governance body to whom the anti-corruption policies and procedures adopted by the organisation were not communicated were the 3 members of the Supervisory Board.

(**) Coincides with the total no. of national ML suppliers with accounting movements 2020-2021 and an associated e-mail.

4. Governance Structure

As the structural transport operator for the mobility of the Lisbon Metropolitan Area, Metropolitano de Lisboa, E.P.E., intends to contribute to the development of a new and dynamic business model, focused on improving intermodality, efficiency and increasing the quality of the services provided. Metropolitano de Lisboa's governance structure is developed in an integrated manner.

Governance model

The governing bodies of Metropolitano de Lisboa, E.P.E. are as follows: The Board of Directors, the Supervisory Board, the Statutory Auditor or a Statutory Audit Firm and the Advisory Board, under the terms of the Company's Statutes.

The members of the Board of Directors are appointed by Resolution of the Council of Ministers (R.C.M.), following a proposal from the members of the Government responsible for the areas of finance and transport. The term of office of the members of the Board of Directors is three years and is renewable, up to a maximum of three renewals, and all are executive members. All members are executive members.

Supervision is performed by a Supervisory Board and a Statutory Auditor or a Statutory Audit Firm that is not a member of that body. The Supervisory Board is composed of three full members and an alternate member, one of which is the Chairman.

The Supervisory Board members are appointed by means of a joint order issued by the members of the Government responsible for finances and transport, for a three-year term which may be renewable up to a maximum of three times.

The Statutory Auditor has a three-year term of office, renewable only once. After the minimum period of two years has elapsed after the end of the term, the same Statutory Auditor may be reappointed.

The existence of the Advisory Board is set out in Metropolitano de Lisboa’s Statutes as optional, but its appointment has not taken place.

Remuneration status

The remuneration of Metropolitano de Lisboa's Directors derives from the classification set out in the Resolution of the Council of Ministers no. 16/2012, of 9 February, as amended by the Decree-Law no. 18/2016, of 13 April.

As established in paragraph 1 of Article 28 of the Decree-Law no. 8/2012, of 18 January, "The remuneration of public managers includes a monthly salary which may not exceed the monthly salary of the Prime Minister", as well as a monthly allowance for representation expenses, which corresponds to 40% of the corresponding salary and shall be paid in 12 instalments throughout the year. Due to the accumulation of responsibilities, Directors receive only their remuneration and do not benefit from any additional allowances.

In addition, the Board of Directors' executive members receive the following compensation privileges or benefits:

a) Social benefits generally applicable to all company employees;

b) The monthly fuel and tolling amount for the company's official vehicles corresponds to one-fourth of the monthly allowance for fixed representation expenses, as established in paragraph 3 Article 33, the Public Manager Statute (Decree-Law no. 71/2007, of 27 March, as amended by Decree-Law no. 8/2012, of 18 January);

c) Allowance for communication expenses, including mobile phone, home phone and internet, with a maximum monthly value of 80.00 euros.

The remuneration status of members of the Supervisory Board, appointed for the 2017-2019 term of office, was determined by the Joint Order of the Ministry of Finance and the Ministry of the Environment of 11 January 2017.

The gross annual remuneration of the Statutory Auditor is that stated in the service provision contract signed between Metropolitano de Lisboa and the Statutory Auditor in office, under the terms and conditions defined by joint order of the Secretary of State for the Environment and the Secretary of State for the Treasury, which complies with a maximum limit equivalent to 22.5% of the amount corresponding to 12 months of the overall gross monthly remuneration awarded, under legal terms, to the Chairman of the Company's Board of Directors, in accordance with that established in Articles 58 and 59 of the Statutes of the Association of Statutory Auditors.

Governance Obligations

Table 9 – Correspondence table with the disclosure of non-financial information

Decree-Law 89/2017, of 28 July	Chapter / Section	Page(s)
Article 3 (referred to Articles 66-B and 508-G of the CSC):		
The non-financial statement shall contain sufficient information for an understanding of the development, performance, position and impact of its activities, concerning, as a minimum, environmental, social and employee-related issues, gender equality, non-discrimination, respect for human rights, combating corruption and attempted bribery, including:		
a. Brief description of the Group's business model;	Purpose, Scope and Management Principles Context Analysis Strategic objectives	Page 12 Page 16 Page 30
b. Description of the policies followed by the Group in relation to these issues, including the due diligence processes applied and the results of these policies;	PPRCRO Code of Ethics and Conduct	Page 23, 84 Page 241
c. The results of the policies followed by the Group;	PPRCRO Implementation Report Management System Policies	Page 23, 84 Page 13

Decree-Law 89/2017, of 28 July	Chapter / Section	Page(s)
d. The main risks associated with these issues, linked to the Group's activities, such as its business relationships, its products or services that could have negative impacts on these areas, and the way in which these risks are managed by the company;	PPRCRO PPRCRO Implementation Report Corporate Governance Report (available on ML website)	Page 23, 84 -
e. Description of the diversity policy applied to the management and supervisory bodies in terms of age, gender, educational and professional background, the objectives of this policy, how it was implemented and the results for the reporting year;	Risks and Opportunities Social Responsibility Charter	Page 23 Page 62, 65
f. Key performance indicators relevant to its specific activity.	Activity Indicators Risks and Opportunities GRI Indicators	Page 11 Page 23 Page 242
Article 4 (referred to in item r), paragraphs 1 and 2 of Article 245 of the CVM): Description of the Diversity Policy applied by the company in relation to its management and supervisory bodies, namely in terms of age, gender, qualifications and professional background, the objectives of this diversity policy, the way it has been implemented and the results for the reporting period.	Social Performance GRI Indicators Corporate Governance Report (available on ML website)	Page 65 Page 242 -

Table 10 – Correspondence table with the public corporate sector

Law 62/2017, of 1 August.	Chapter / Section	Page(s)
Article 4: *Public corporate sector*		
1. The proportion of persons of each gender appointed to each company's management and supervisory body may not be less than 33.3%, as of 1 January 2018.	Identification of the Corporate Bodies Corporate Governance Report (available on the website)	Page 28, -
2. If the management bodies comprise executive and non-executive directors, the threshold must be met for both.	Governance Model Remuneration Status Corporate Governance Report (available on the website)	Page 25 Page **Error! Bookmark not defined.**
3. The threshold defined in paragraph 1 shall not apply to terms of office in progress, subject to the provisions of paragraph 5.	Corporate Governance Report (available on the website)	-
4. For the purposes of the provisions of the preceding paragraphs, the members of the Government responsible for the area of finance and for the respective sector of activity, where applicable, shall submit proposals that enable the threshold defined in paragraph 1 to be met.	Governance Model Corporate Governance Report (available on the website)	Page 27
5. Renewal and substitution in office shall be in accordance with the threshold defined in paragraph 1.	Governance Model Corporate Governance Report (available on the website)	Page 27

5. Corporate Bodies

Identification of the Corporate Bodies

By means of the appointment of the Board of Directors for the term 2019-2021, by CMR no. 56/2019, of 28 February (Official Gazette, 1st series – no. 53, of 15 March 2019), starting its office on the 1 March 2019.

Table 11 - Identification of the Members of the Board of Directors of Metropolitano de Lisboa group of companies 2017-2019

Term of office (Start - End)	Position	Name	Academic Qualifications	Areas of Responsibility
2019-2021	Chairman	Eng. Vítor Manuel Jacinto Domingues dos Santos	PADE – AESE - Business School MBA in International Management - Catholic University of Portugal Degree in Civil Engineering - Faculty of Engineering of the University of Porto	General Secretariat Office (GSG) Human Capital Department (DCH) Information Technology Department (DTI) Internal Audit Office (GAI) Asset Development Office (GVP) Legal and Litigation Office (GJC) Group for Innovation (GPI) (terminated: Annual Report of 15.10.2020/Del. CA 1544866)
2019-2021	Member	Eng. Maria Helena Arranhado Carrasco Campos	- PhD - University of Minho, School of Engineering, Dept. of Civil Engineering, Guimarães; - Master's degree- University of Minho, Engineering School, Civil Engineering Department, Guimarães; - Postgraduate - University of Minho, Enginnering School, Civil Engineering Department, Guimarães - Degree in Civil Engineering - University of Coimbra, Faculty of Science and Technology, Coimbra	Coordination Directorate (DC) (terminated: Annual Report of 03.12.2020/Del. CA 1550508) Directorate of Enterprise Coordination (DCE) (created in the RCA of 03.12.2020/Del. CA. 1550508) Department of Maintenance (DMT) Department for Network Expansion (DER) (terminated: RCA of 03.12.2020/Del. CA 1550508) Directorate of Enterprises (DCE) (created in the RCA of 03.12.2020/Del. RCA of 03.12.2020/Del. CA 1550508) Logistics Directorate (DLO) Security and Surveillance Directorate (DSV)
2019-2021	Member	Dr. Pedro Miguel de Bastos Veiga da Costa	- Degree in Business Management from Instituto Superior de Economia e Gestão of Universidade Técnica de Lisboa - Postgraduate Degree in Financial Analysis from Instituto Superior de Economia e Gestão of Universidade Técnica de Lisboa - Specialisation in Corporate Finance from Cass Business School - Specialisation in Leadership (essentials and transitions) from Harvard Business School	Finance Directorate (DFI) Customer Directorate (DCL) Operations Directorate (DOP) Centre of Innovation and Sustainable Development (CIDS) (created in BD meeting of 15.10.2020/Del. BD 1544866,after the termination of the Department of Environment and Quality (DAQ), through the BD meeting of 15.10.2020/Del. BD 1544866)

The appointment of the Supervisory Board for the term of office 2017-2019, was determined by the Joint Order of the Ministry of Finance and the Ministry of Environment of 11 January 2017, taking office on 1 January 2017.

As of the date of this report, no new members of the Supervisory Board have been appointed by means of a Government's joint order, and thus the Supervisory Board appointed for the three-year period 2017-2019 remains in office.

Table 12 - Identification of the Members of the Board of Directors of Metropolitano de Lisboa - Term of 2017-2019

Term of office (Start - End)	Position	Name	Designation		No. of terms
			Form (1)	Date	
2017-2019	Chairman	Dr. José Carlos Pereira Nunes	DC SETF and SEAMB	11/01/2017	2
2017-2019	Permanent Member	Dr. Cristina Maria Pereira Freire	DC SETF and SEAMB	11/01/2017	1
2017-2019	Permanent Member	Dr. Margarida Carla Campos Freitas Taborda	DC SETF and SEOPTC	11/01/2017	1
2017-2019	Alternate Member	Dr. Maria Teresa Vasconcelos Abreu Flor de Morais	DC SETF and SEOPTC	11/01/2017	2

(1) In accordance with the Joint Order of 11 January 2017 of the Deputy Secretary of State for Treasury and Finance and the Deputy Secretary of State for the Environment.

The current Statutory Audit Firm (SROC) arose from the proposal submitted by the Supervisory Board to the member of the Government responsible for the area of Finance, and was appointed for the three-year period 2019-2021 by Joint Order between the Secretary of State for the Treasury and the Deputy Secretary of State and Mobility on 15 October 2019.

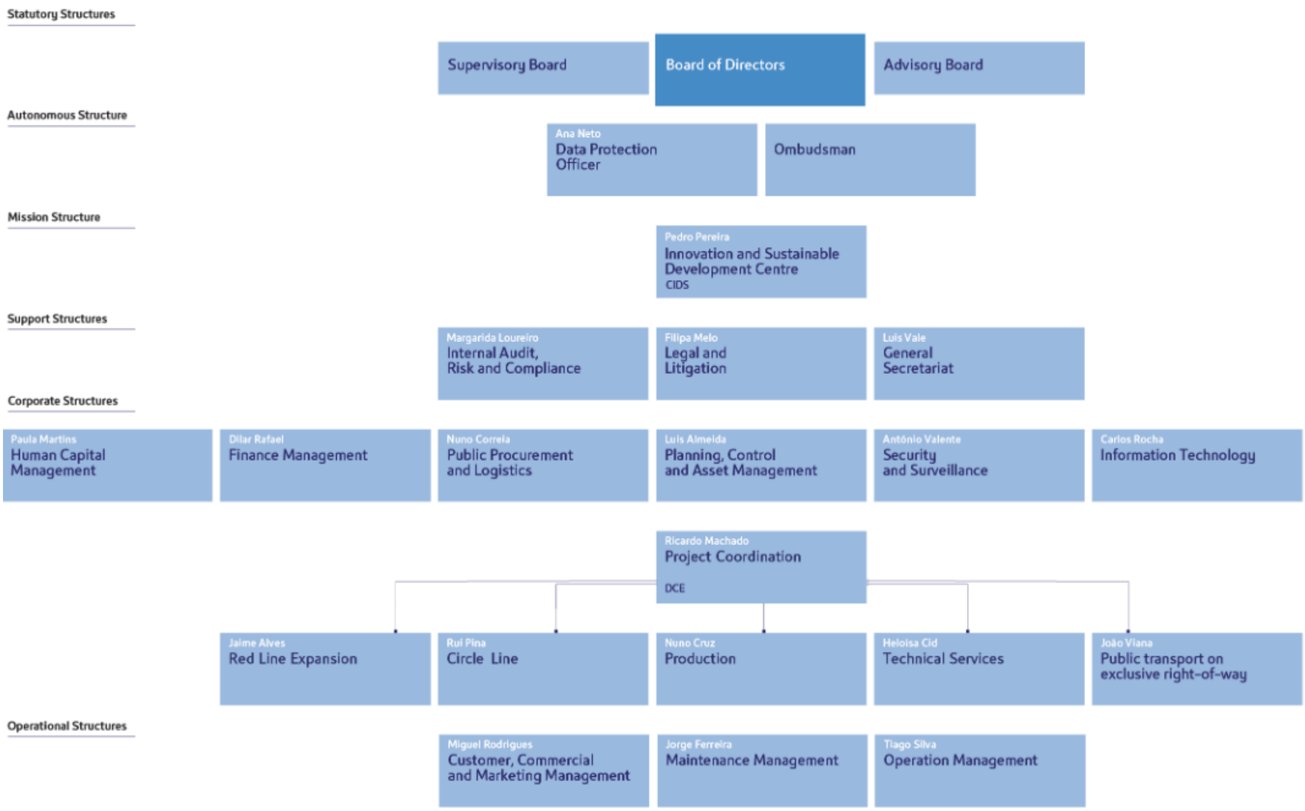
Table 13 - Members of the Statutory Audit Firm/Statutory Auditor of Metropolitano de Lisboa - Term of 2019-2021

Term of office (Start - End)	Position	Statutory Auditor/Auditing Firm Identification			Designation		
		Name	Registration No. at Statutory Auditing Firm	Registration No. at CMVM	Form	Date	Date of Contract
2019-2021	Permanent Statutory Auditor	Alves da Cunha, A. Dias & Associados, SROC, represented by:	74	20161409	Joint Order from Secretary of State for Treasury and Deputy Secretary of State for Mobility	15/10/2019	15/10/2019
		Dr. José Luís Areal Alves da Cunha	585	20160240			
	Alternate Statutory Auditor	Sociedade Oliveira, Reis & Associados, SROC, represented by:	23	20161381			
		Dr. Joaquim Oliveira de Jesus	1056	20160668			

(1) Despite the end of his mandate, the Statutory Auditor remained in office during the year under review.

Organisational Structure

Figure 4 – Metropolitano de Lisboa Organisation Chart



IV. STRATEGY

1. Strategic Objectives

For the three-year period 2021-2023, Metropolitano de Lisboa has defined the following strategic goals, which should guide all the activity developed by the company and its subsidiaries:

1. Promote and develop urban mobility through the use of public transport
    a. Continuous improvement of the regularity and reliability of the service provided;
    b. Improved offer, namely with timetables and frequencies suited to demand;
    c. Demand and continuous development of new solutions that respond to new increases in demand.

2. Improve Customer service levels
    a. Implementation of new payment systems for transport tickets, facilitating and simplifying its use; creation of new transport tickets;
    b. Improvement of accessibility by increasing the number of fully accessible stations;
    c. Improvement of cleanliness of stations and trains;
    d. Improvement and innovation in customer information systems;
    e. Increase the supply and quality of commercial spaces in the stations.

3. Expand and plan for the future, improve and renew the existing one
    Continue with the network expansion and modernisation project, approved by the Ministry, namely:
    a. Replacement of the current conventional signalling by a CBTC – Communications-Based Train Control – system and acquisition of new Rolling Stock;
    b. Construction of a Circular Line in the Centre of Lisbon, extending the line between Rato and Cais do Sodré, with two new stations (Estrela and Santos);
    c. Launch of the tender for the extension of the Red line, between S. Sebastião and Alcântara (project in the funding phase), with the new section due to come into operation before 2027;
    d. Extension of CBTC signalling to the Red line and Rolling Stock not yet reviewed (41 TUs);
    e. Construction of a new Central Command Post, bearing in mind the alteration of the Signalling system;
    f. Schedule the creation of full accessibility in 11 more stations by 2024;
    g. Renewal of the centralised video surveillance system, of the supervision system of the technical installations and revision of the doors of all the existing Rolling Stock;
    h. Alteration of the Central Ticketing System and renovation of the sales equipment and channels;
    i. Study, analyse, propose and seek approval for future extensions of the ML network.

4. Promote sustainability at an environmental and energetic level
    Metropolitano de Lisboa, in compliance with Sustainable Development Goal (SDG) 13 for Combating climate change and the national policy for carbon neutrality in 2050, assumes as a pillar for its development the promotion of environmental sustainability, through:
    a. Replacement in all its stations of traditional lighting systems with LED systems;
    b. Implementation of a photovoltaic plant on PMO II premises;
    c. Improved energy efficiency through technological and behavioural changes in ventilation and HVAC systems;
    d. Reduction of paper consumption
    e. Elimination of the use of disposable plastic.

5. Strengthening of Innovation
    a. Reinforcement of an innovation strategy that allows for permanent monitoring by the company of its external environment, integrating the respective results in a culture based on leadership criteria that progressively contribute to an environment that is favourable to innovation and change in the organisation.
    b. Definition of an innovation strategy, valuing its alignment with the corporate strategy through the definition of an activity plan and concrete and measurable objectives that allow its follow-up and subsequent monitoring.
    c. Gradual adaptation of the company culture to the dynamics of change inherent to innovation.

6. Ensure the company's financial balance
    a. Signing of a new Public Service Concession Contract, clarifying the situation of ILD assets, the management of the assets and the form of remuneration of ML;
    b. Settlement of existing debt situations;
    c. Profitability of non-operational assets, namely the current PMO I;
    d. Seek increased fare and non-fare revenue;
    a. Ensure employee well-being and motivation, skills enhancement, alignment and motivation through training and internal communication;
    b. Reinforcement of the staff and start of the ML staff renewal;
    c. Improvement of working conditions;
    d. Implementation of the gender equality plan.

Simultaneously, and in accordance with the public commitment assumed, Metropolitano de Lisboa integrates in its strategy 4 (four) of the SDGs of the UN Agenda 2030 for Sustainable Development, which are related to the first ones.

Figure5 – The SDGs undertaken by METRO

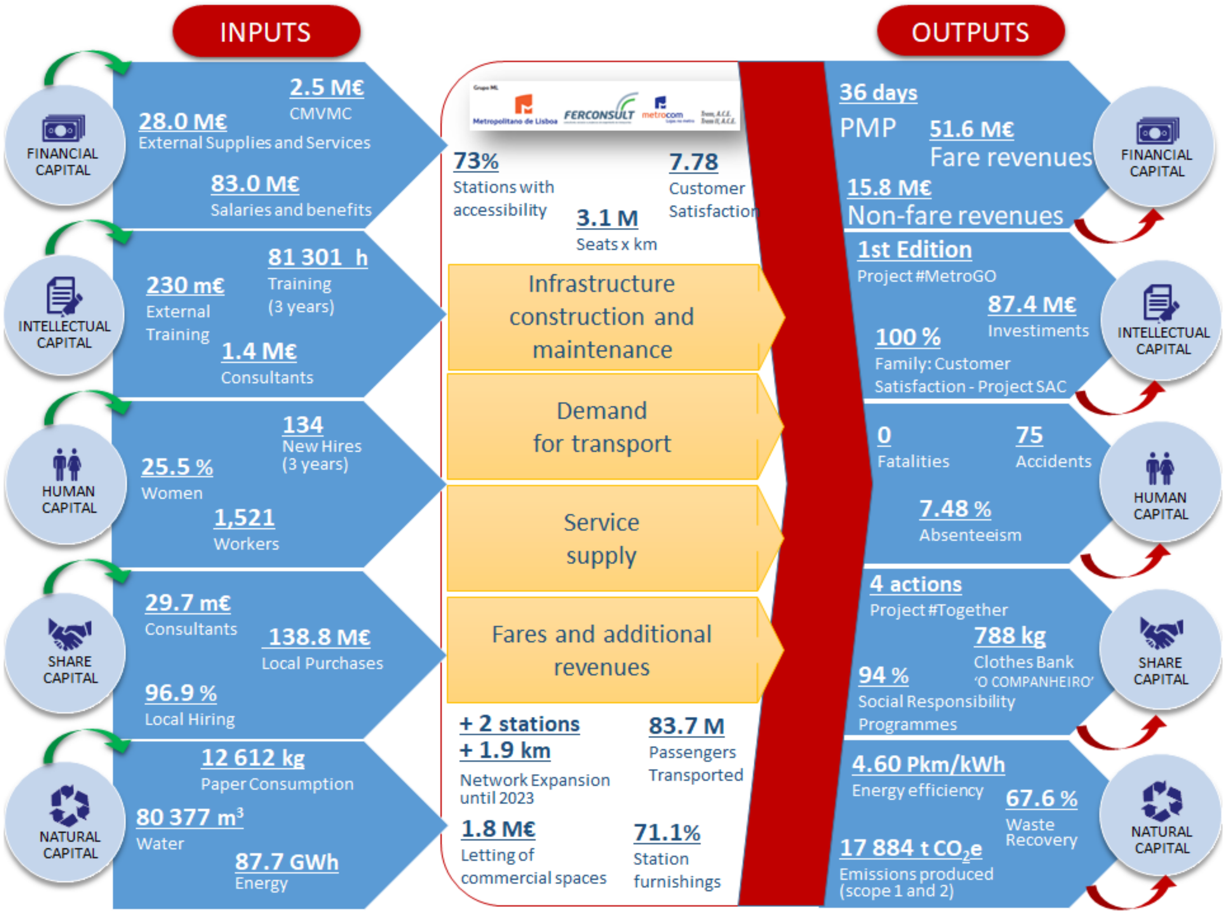
V. BUSINESS MODEL

1. Business Areas and Value Creation

As a public passenger transport service provider whose main aim is customer satisfaction, ML has sought to develop a service of excellence to improve mobility in the Lisbon metropolitan area and to provide experiences that meet the different requirements of its users.

The promotion of sustainable mobility is an essential factor in achieving the decarbonisation goals set out in the Portugal 2030 programme. The complementary activities of ML and its subsidiaries, which include the rehabilitation and maintenance of the infrastructure, the expansion of the network and the operation of commercial spaces, are an indispensable engine for the achievement of a single transport service, allowing the satisfaction of the customers' main needs and ensuring their loyalty, this being the most relevant means of transport in the pursuit of the strategic objectives outlined for green mobility.

Figure 6 – Model of value creation of the Metro Group of Companies



Quality

In 2021, Metropolitano de Lisboa obtained the certification of the quality of service provided to the customer, by the NP 4475 Standard - Public Service for Passenger Transport through the underground. This standard defines a set of qualitative and quantitative requirements in the various dimensions of the Service provided to the customer, with Metro now complying and monitoring these requirements. This certification joins the Quality Management System and the Environmental Management System certifications that ML already had.

The continuous improvement in the quality of customer service has been recognised and the results of the last customer satisfaction survey reached the highest value ever.

2. Investment and network expansion

Infrastructure Expansion and Maintenance

Improve Customer service levels

To improve accessibility to the network, which is among the parameters with the lowest customer satisfaction, the prior studies necessary to insert lifts in Martim Moniz, Intendente, Anjos, Campo Grande, Picoas, Campo Pequeno and Praça de Espanha stations were concluded and sent to the Municipality of Lisbon for harmonisation with public space.

In July, work began on the installation of lifts in Entrecampos and Cidade Universitária stations, which should be accessible to people with reduced mobility by 2022.

In order to facilitate the interface with the soft modes, bicycle racks were installed outside several metro stations.

Expand and plan for the future, improve and renew the existing one

Circular Line

In February the Court of Auditors' prior approval was obtained for the contract works for lots 2 and 3 of the Circular line. Lot 2 refers to the construction of Santos station, the tunnel that will link it to Cais do Sodré station and the new interface atrium with the railway station, and lot 3 concerns the construction of the new viaducts in Campo Grande, on which work began at the end of the year.

In April, 28 months after the launch of the tender, the construction of the new Estrela station and the adjacent tunnels that will connect it to Rato and Santos stations began.

In 2021 the procedure for the formation of the contract for the finishing and installation of equipment for the new tunnels and stations was also launched.

Expansion of the Red line between São Sebastião and Alcântara

As part of the Recovery and Resilience Plan, a contract was signed in September to finance the expansion of the Red Line, whose Environmental Impact Assessment began at the end of the year. This expansion, which will have 4 new stations, will extend the metro network to the areas of Campolide / Amoreiras, Campo de Ourique, Av. Infante Santo and Alcântara.

Violet Line: Light-Rail Line between Beatriz Ângelo Hospital and Infantado (Municipalities of Loures and Odivelas)

The necessary studies were developed and a preliminary study was started for the creation of a light rail line in the municipalities of Loures and Odivelas, between Beatriz Ângelo Hospital and Odivelas metro station and between this station and Infantado, whose financing contract, assured in the scope of the RRP, was signed in September.

Expansion of the Yellow line

Studies continued on the expansion of the future yellow line between Telheiras and Benfica station, with a connection to the Depot and Workshop on the Pontinha road.

Station refurbishment

Arroios station, closed since 2017, was reopened in September. With the conclusion of the work, the station is now accessible to people with reduced mobility and the plan to widen the platforms of the older stations was concluded. As a result, all stations on the network have been able to receive six-car trains since September.

The execution project for the remodelling of Cais do Sodré station was concluded and the Order for Extension of Specifications was requested, essential for the launch of the contract preparation procedure.

Renovation of escalators

In 2021, the escalators in Rato and Avenida stations were replaced and in Anjos station the substitution of this equipment was initiated.

Enhancing safety

The replacement of the Automatic Fire Detection Systems for the Anjos, Intendente, Cidade Universitária, Entre Campos and Baixa-Chiado stations was concluded.

Increase resilience

Contracted and started the projects for the execution of a new Central Command Post, the brain of the train circulation management and control, in the Depot and Workshop of Pontinha road and a new traction substation in SeteRios to substitute the existing one.

Promote sustainability at an environmental and energetic level

Energy generation

The feasibility study was completed and the project for the installation of a photovoltaic plant at the Calvanas Depot and Workshop was started.

Ensure the well-being and motivation of employees

Working conditions were renewed and improved through the renovation of the workers' facilities at São Sebastião and Terreiro do Paço stations.

CBTC and New Rolling Stock

This project foresees the acquisition of 14 new triple units (42 cars) and the contracting of an international system named CBTC – Communications-Based Train Control. Such new acquisitions reflect a significant qualitative leap in the operation, programming and management of the Metro's network. The acquisition of the new rolling stock will provide:

- Improvement of ML's train and services supply;
- Remote technical supervision of the train in line.
- More modern security and video surveillance systems;
- More comfort for the customers and more ergonomics for the driver;
- Improvement of accessibility for reduced mobility customers;
- Customer communication system with variable and flexible information;

The CBTC system projected in this investment will enable:

- Automatic train driving and supervision at GoA2 level
- Continuous control of train movement, ensuring that stopping points and speed limits are not exceeded at each point of the network;

- Replacement of the prohibitive signal passing control system, installed in the 70's is already obsolete and no longer manufactured;
- Technical and operational records which facilitate malfunction diagnosis and incident analysis.

This system, associated with the new trains, will also enable an increase in the frequency and regularity of the public transport service provided by Metropolitano de Lisboa, guaranteeing, in a more effective way, the supply of trains, in number and frequencies which are more adapted to the needs of the public service, as well as with increased safety.

In February 2020, Metropolitano de Lisboa signed a contract for the acquisition of a new rail signalling system and the purchase of new triple units from Agrupamento Stadler Rail Valencia, S.A.U./ Siemens Mobility Unipessoal, Lda., for 114.5 million euros.

As a result of a legal action brought by a competitor, the effects of the award of the contract were suspended under the terms of the law, thus paralysing the acquisition process that was already underway.

Sentenced by the Lisbon Administrative Court of Appeal, which judged the case to be extinguished following the withdrawal of the complaint and the process for prior inspection by the Court of Auditors submitted, it obtained approval by that court in May 2021, imposing an overall delay of 308 days in the execution of the contract.

Metropolitano de Lisboa foresees 2026 as the deadline for the conclusion of all the works.

Systems and equipment

Regarding the company's systems and equipment, in 2021, the following projects were developed and the corresponding public tenders were launched:

- Acquisition of Grinder Vehicle for Track Maintenance, for the value of 5.6 million euros;
- Purchase and installation of an electric drive system for the passenger doors of ML90 rolling stock;
- General review of passenger doors on ML95, ML97 and ML9 rolling stock;
- Provision of services for the maintenance and alteration of the lighting systems of the Odivelas, Sr. Roubado, Lumiar, Quinta das Conchas, Alfornelos and Amadora Este stations.
- Acquisition and installation of equipment for the Gigabit Ethernet network;
- Contract work to purchase and install 160kVA (30kV/400V) transformers at the Amadora-Este, S. Apolónia and Alameda substations;
- Provision of preventive and corrective maintenance services of the telephone network;
- Provision of services for the technical inspection of the dry fire protection network of stations and tunnels;
- Acquisition of management and operation services for the vehicle fleet to transport pick-up crews and support the maintenance of the public transport network by Metropolitano.

The main projects developed in 2021 with regard to the Information Systems process were as follows:

- SAP BW/4HANA Platform
  - In 2021 more indicators were implemented in the BW/4HANA Platform, such as customer satisfaction indicators and passenger loads, and the development of risk management indicators and *Tableau de Bord* began.

- SAP PIN Platform
  - Implementation of a collaborative Platform for the management of documentation for major ML projects, enabling the participation of the different project stakeholders. In 2021, the ML Circular Line documentation management project was implemented in this collaboration Platform.

- SAP Budgeting Platform (BPC - Business Planning Consolidation)
  - Implementation of an integrated Platform that includes planning, budgeting and budget reporting.

- Risk Management System (RMS)
  - Implementation in the SAP system of a Platform for registering and classifying risk, the respective plan and associated mitigation measures.

- Upgrade of the ticketing BackOffice platform (CORE2), including the renewal of the MSAVT (still in execution)
  - With this project, which is still in its final implementation phase, all the back office aspects of the ML ticketing system have been updated, providing the organisation with a modern technological platform, with resources that allow the adoption of new ways of acquiring and validating tickets. With this project, a new MSAVT (semi-automatic ticket vending machine) was also implemented, which provides a more appealing and agile interface, with more functionalities that allow for a better service to the customer.

- Upgrade of the remote access infrastructure
  - With this initiative, an expansion of the entire infrastructure that supports the remote access to ML in a safe way was carried out, which allowed making available the necessary resources so that the organisation could respond to the needs arising from the pandemic, namely by resorting to teleworking mechanisms.

- Implementation of mobile workstations
  - A project was started in 2021 consisting in the replacement of some PC-based workstations in desktop format by portable equipment, which allowed to provide the necessary resources so that the organisation could be prepared to immediately respond to the needs arising from the pandemic, namely by resorting to teleworking mechanisms and adding value to the daily performance of its functions. With this initiative, the organisation now has a larger number of mobile workstations available.

- Upgrading the security infrastructure that supports Internet access
  - With this project, the replacement of the technological security infrastructure (Firewall) that ensures access to/from the Internet was carried out. This measure the renewal of the technology previously used, which made it possible to strengthen the security mechanisms and to have more technical resources that are increasingly necessary to guarantee interoperability between the On Prem and Cloud platforms.

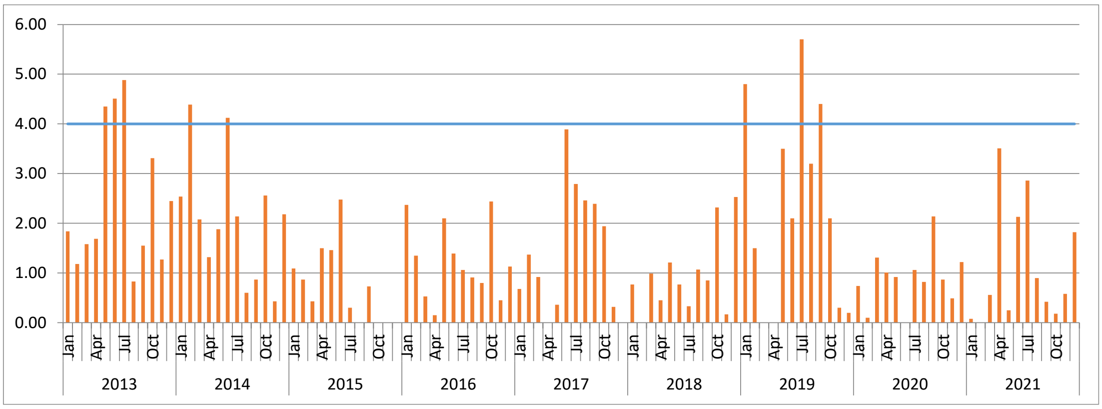
3. Conservation and maintenance of infrastructure and rolling stock

Operating performance of the main infrastructure

The main infrastructure is considered to be all technical systems that contribute directly to train movements across the network, in particular the railway signalling, track and traction power supply systems.

The unavailability of the main infrastructure recorded relatively stable values in 2021, largely surpassing the operational objective set of 4 hours of maximum monthly unavailability accumulated in all occurrences in the network.

Chart 1 - Average monthly unavailability of the main infrastructure (values in hours)

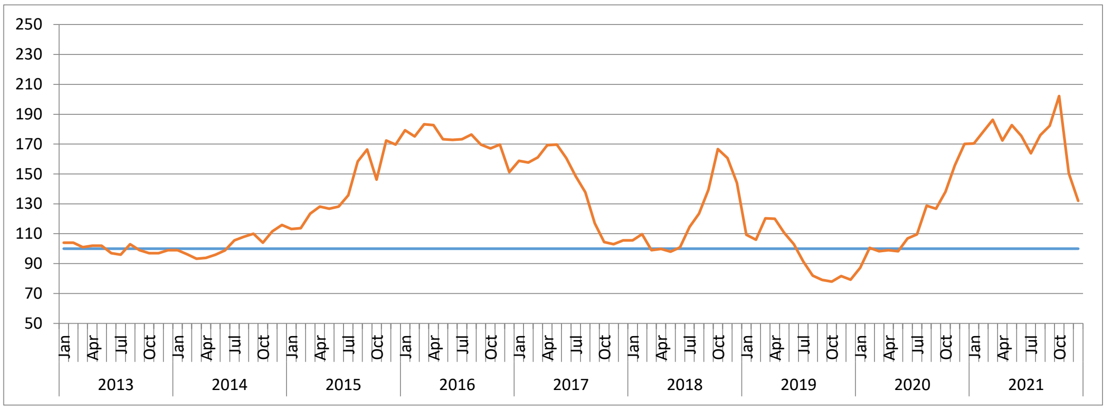


The following chart represents the evolution of reliability (MTBF – Mean Time Between Failures), an indicator representing the average time, measured in hours between failures of the main infrastructure with disruption of public transport service. The figures presented represent a monthly moving average, with a 12-month period.

The reliability of the main infrastructure maintained stabilised values with an increasing trend above the operational objective, set at 100 hours, during practically the whole of 2021.

The last two months of the year saw an increase in failures in some systems, a direct consequence of the inevitable reduction in maintenance effort resulting from the COVID-19 pandemic.

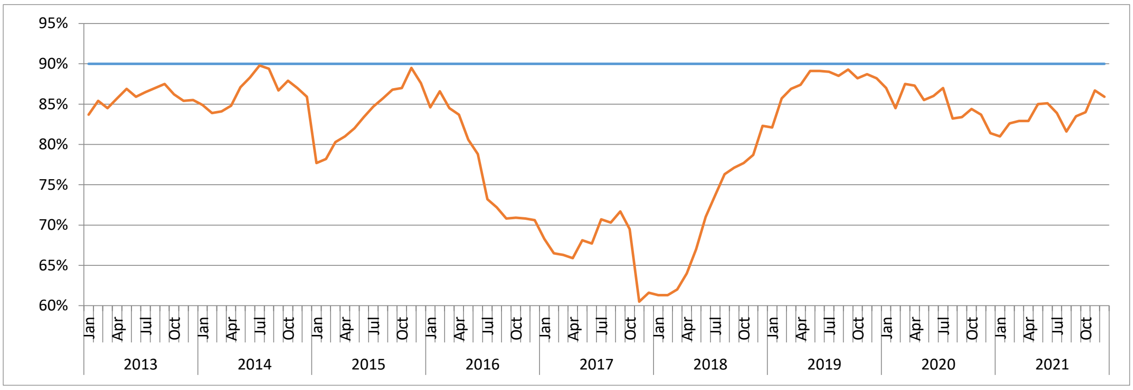
Chart 2 - Reliability of the main infrastructure (average for 12 months)



Rolling stock operational performance

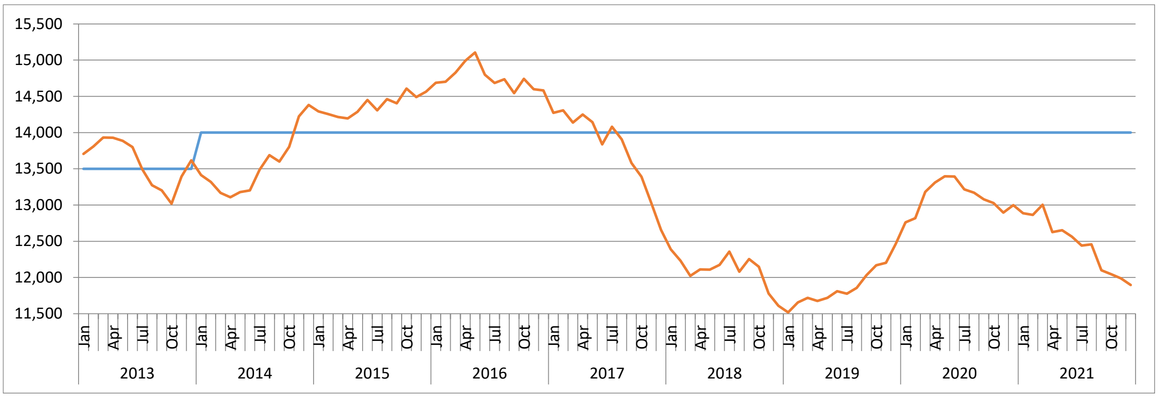
Although the rolling stock availability stabilised in 2021, the average availability was still below the operational target, as a direct consequence of the immobilisation for allocation of units to rehabilitation projects or ongoing investment in operating rolling stock, namely for general rehabilitation of passenger doors and installation of the CBTC system.

Chart 3 - Average monthly availability of the rolling stock



The following graph shows the evolution of reliability (MKBF - Mean Kilometres Between Failures) measured in kilometres travelled between any breakdown of the trainset, whether or not this has consequences for its commercial service. The historical series shows a tendency towards a progressive decrease in rolling stock reliability, especially in the older series, the ML 90 and ML95, currently with more than 20 years in service.

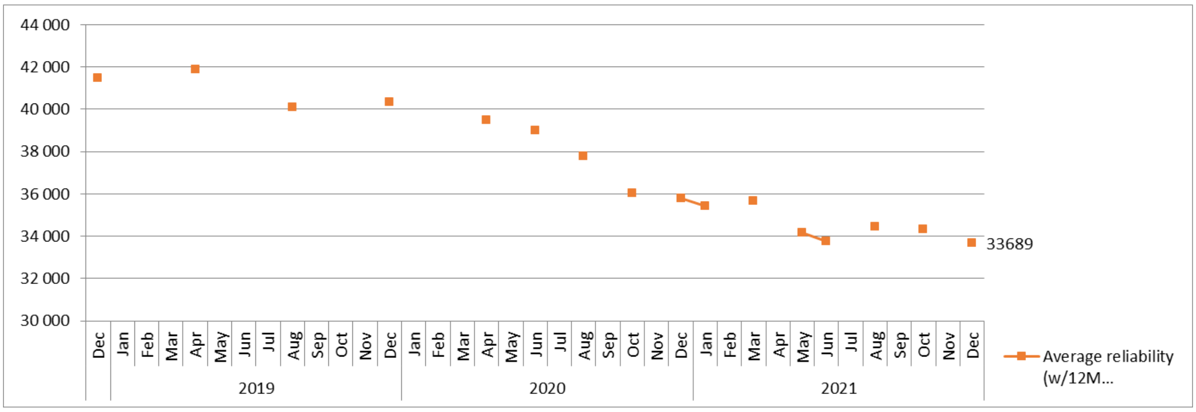
Chart 4 - Reliability of the rolling stock, bearing in mind all incidents (average for 12 months)



More expressive of the impact of reliability on daily operation, the average interval between failures with train cancellations revealed the stabilisation of this operational indicator in the 2nd half of 2021. Strongly dependent on the technical behaviour of the door equipment, at the end of the analysis period, the average reliability with train suppression was 33,689 km.

This stabilisation will result from the effort made to recover equipment maintenance plans, as well as from the programme to rehabilitate or renew passenger door equipment in all units of the rolling stock fleet.

Chart 5 - Rolling stock reliability, considering train cancellations (12 month average)



4. Transport service supply

In the year under review, the offer of Metropolitano de Lisboa was adapted to the evolution of the COVID-19 pandemic, following the fluctuations in demand caused by the restrictions to mobility decreed in the successive declarations of the State of Emergency and State of Calamity in Portugal, with special focus on the compulsory or recommended teleworking.

The many adjustments to the revenue operating plans throughout the year were made by altering the number of trains running at different times of the day and week, as well as changing the number of cars per train running. These adjustments to the offer always considered the assumption of compliance with the legal maximum load limit per train of 2/3, which required the systematic monitoring of the load limit of the trains in circulation.

The average number of cars x km and seats x km produced on the network in 2021 was still lower than in 2020, as well as being lower than forecast in the 2021 ABP.

The number of circulations produced in 2021, throughout the network, was reduced by 0.8% compared to 2021. This reduction, less accentuated than the production of seats x km or cars x km, was due specifically to the reduction in the number of cars per train in circulation in some periods, an option that favours the maintenance of waiting times in these same periods.

Table 14 - Evolution of supply

Evolution of supply (public service)		2021	2020	ABP 2021	Var. 2021/20 Abs	Var. 2021/20 %	ABP deviation Abs	ABP deviation %
Cars x km								
Blue Line	10^3	7 911	8 572	9 307	(660)	(7,7)	(1 396)	(15,0)
Yellow Line	10^3	6 040	6 356	7 129	(315)	(5,0)	(1 088)	(15,3)
Green Line	10^3	5 028	5 453	5 996	(425)	(7,8)	(968)	(16,1)
Red Line	10^3	5 418	5 993	6 253	(575)	(9,6)	(834)	(13,3)
Total	10^3	**24 398**	**26 373**	**28 685**	**(1 975)**	**(7,5)**	**(4 287)**	**(14,9)**
Passenger Seats x km								
Blue Line	10^3	1 012 633	1 097 174	1 191 334	(84 541)	(7,7)	(178 701)	(15,0)
Yellow Line	10^3	773 181	813 511	912 449	(40 330)	(5,0)	(139 268)	(15,3)
Green Line	10^3	643 601	697 969	767 549	(54 368)	(7,8)	(123 948)	(16,1)
Red Line	10^3	693 523	767 104	800 337	(73 581)	(9,6)	(106 814)	(13,3)
Total	10^3	**3 122 938**	**3 375 758**	**3 671 669**	**(252 820)**	**(7,5)**	**(548 731)**	**(14,9)**
Circulations								
Blue Line	no.	112 692	115 530	122 925	(2 838)	(2,5)	(10 233)	(8,3)
Yellow Line	no.	112 914	117 996	126 555	(5 082)	(4,3)	(13 641)	(10,8)
Green Line	no.	116 002	112 625	120 079	3 377	3,0	(4 077)	(3,4)
Red Line	no.	109 430	108 482	112 065	948	0,9	(2 635)	(2,4)
Total	**no.**	**451 038**	**454 633**	**481 624**	**(3 595)**	**(0,8)**	**(30 586)**	**(6,4)**

Notwithstanding the adaptations of supply to changes in demand, compliance with the supply plan was affected, even though the rate of circulations remained practically unchanged compared to 2020. This was due in particular to absenteeism due to isolation and prophylactic isolation of drivers, as well as events involving rolling stock or infrastructure.

However, the achievement rate of seats x km had a more accentuated reduction, of about 9 p.p. in relation to 2020. This difference is due to changes made to the plan in force at a certain moment, in order to adapt supply to demand with the reduction of the number of cars in circulation per train, which favours the maintenance of waiting times.

Table 15 - Supply execution rate

Achievement Rate		2021	2020	2019
Achievement Rate passenger seats x km				
Blue Line	%	90.65	95.64	100.65
Yellow Line	%	96.13	103.12	102.66
Green Line	%	87.39	105.05	112.11
Red Line	%	86.76	96.32	101.98
In the network	**%**	**90.33**	**99.38**	**103.61**
Achievement rate of circulations				
Blue Line	%	96.41	96.38	98.44
Yellow Line	%	96.24	97.03	98.40
Green Line	%	96.97	96.94	98.82
Red Line	%	97.70	97.16	99.27
In the network	**%**	**96.82**	**96.87**	**98.67**

5. Demand

The year 2021, as well as that of 2020, was strongly marked by the COVID-19 pandemic crisis and consequent containment measures, such as the imposition of successive lockdowns, duty of confinement, restrictions on circulation and the retraction of tourism, demand fell to even lower levels than those of the previous year.

The measures to contain the COVID-19 pandemic, released nationally, have led to unprecedented impacts on demand, felt since 10 March 2020. Successive lockdowns have led to less mobility and a drastic reduction in tourism in the city of Lisbon.

In view of the pandemic environment, existing in 2021, demand registered the following variations:

- Compared to 2020, there was a decrease of 5.2% in passengers with paid tickets and 7.6% in total passengers;
- Compared to the estimate in the ABP, there was a 32.4% decrease in passengers with paid tickets and a 33.7% decrease in total passengers;
- Compared to 2019, the pre-pandemic year, there was a 53.9% decrease in passengers with paid tickets and a 54.5% decrease in total passengers.

Table 16 - Evolution of demand

Passengers		2021	2020	ABP 2021	2019	Var. 2021/20 Abs	Var. 2021/20 %	ABP deviation Abs	ABP deviation %	Var. 2021/19 Abs	Var. 2021/19 %
Occasional tickets	10^3	**14 863**	**13 139**	**17 972**	**39 812**	**1 723**	**13,11**	**(3 109)**	**(17,30)**	**(24 950)**	**(62,67)**
Carris | Metro Travel Ticket	10^3	7 349	6 310	8 598	18 809	1 039	16,47	(1 249)	(14,52)	(11 460)	(60,93)
Zapping	10^3	5 939	5 365	6 998	13 857	574	10,70	(1 060)	(15,14)	(7 918)	(57,14)
Other occasional tickets	10^3	1 574	1 465	2 376	7 146	110	7,50	(801)	(33,72)	(5 572)	(77,97)
Passes	10^3	**62 314**	**68 304**	**96 211**	**127 727**	**(5 990)**	**(8,77)**	**(33 898)**	**(35,23)**	**(65 414)**	**(51,21)**
Navegante Metropolitano	10^3	45 275	48 264	66 132	66 182	(2 988)	(6,19)	(20 857)	(31,54)	(20 907)	(31,59)
Navegante Lisboa	10^3	10 549	12 893	19 183	20 951	(2 344)	(18,18)	(8 634)	(45,01)	(10 402)	(49,65)
Other Navegantes	10^3	4 920	5 354	8 143	6 605	(434)	(8,11)	(3 223)	(39,58)	(1 685)	(25,51)
Navegante urban and network	10^3	890	1 111	1 562	19 130	(221)	(19,91)	(672)	(43,01)	(18 240)	(95,35)
Intermodal	10^3	0	0	0	5 793	0	-	0	-	(5 793)	(100,00)
Combined tickets	10^3	679	681	1 191	9 065	(2)	(0,30)	(512)	(43,01)	(8 386)	(92,51)
Total with paid tickets	10^3	**77 176**	**81 443**	**114 183**	**167 539**	**(4 267)**	**(5,24)**	**(37 007)**	**(32,41)**	**(90 363)**	**(53,94)**
Free of charge	10^3	4 094	4 166	5 162	6 117	(72)	(1,74)	(1 068)	(20,69)	(2 024)	(33,08)
Total validations	10^3	**81 270**	**85 609**	**119 345**	**173 657**	**(4 339)**	**(5,07)**	**(38 075)**	**(31,90)**	**(92 387)**	**(53,20)**
Fraude	10^3	2 446	4 958	6 899	10 145	(2 512)	(50,66)	(4 453)	(64,55)	(7 699)	(75,89)
Total transported	10^3	**83 716**	**90 567**	**126 244**	**183 801**	**(6 851)**	**(7,56)**	**(42 528)**	**(33,69)**	**(100 086)**	**(54,45)**
Average journey per passenger	km	4,82	4,78	4,78	4,79	0,04	0,83	0,04	0,78	0,03	0,60
Passenger x km transported	10^3	403 679	433 114	604 043	880 985	(29 435)	(6,80)	(200 364)	(33,17)	(477 306)	(54,18)

COMPLEMENTARY ACTIVITIES

With regard to Lisboa Viva Cards, in the year under review, Metropolitano de Lisboa personalised approximately 106 thousand cards, 65.4% of which were urgent Lisboa Viva cards. Compared to last year the variation was +25.7% (22 thousand more customisations), compared to 2019 the variation was -51.1% (111 thousand less customisations).

Table 17 - Lisboa Viva card production

Production cards LV 2021		Metro
10 days	Normal	24 241
	4_18	1 806
	Sub23	1 979
	CML	8 444
	Total	36 470
- Urgent	Normal	56 513
	4_18	3 216
	Sub23	8 852
Total		68 581
Portal Viva		0
Workers		1 064
TOTAL		106 115

On 12 October 2020, 2 kiosks for issuing Lisboa Viva cards on the spot (Kiosks Viva) were installed at Alameda station. Although they are not cards produced by ML, a portion of the amount paid by the customer represents ML revenue.

This service has seen an increasing use, particularly since March 2021, when face-to-face classes were resumed. In 2021, a total of 20,648 cards were produced in the two Viva Kiosks, generating a revenue for Metropolitano de Lisboa of 79,780 euros.

6. Commercial activity

METROCOM, S.A.

Metrocom, S.A. runs, on an exclusive concession basis, the promotion and marketing of shops, shop windows and commercial spaces existing or to be created in Metropolitano de Lisboa stations, as well as in other facilities or spaces under its jurisdiction, both existing and future. At the same time, the company ensures the maintenance of the spaces in the stations of the Metropolitano de Lisboa network.

Throughout 2021, Metrocom continued to be strongly affected by the impacts of the COVID-19 pandemic, both in terms of its commercial activity and the Turnover arising from it, and in terms of the retail business in the stations of the Metropolitano de Lisboa network, with a substantial reduction in the demand for commercial spaces and an atypical increase in termination requests.

Table 18 - METROCOM - Activity Indicators

ACTIVITY INDICATORS	Un.	2021	2020	Var. 2021/2020	
				Abs	%
Commercial Activity					
Turnover (Blue Line)	m€	637	577	61	10,5
Turnover (Yellow Line)	m€	652	578	74	12,8
Turnover (Green Line)	m€	127	110	17	15,5
Turnover (Red Line)	m€	374	365	9	2,4
HR INDICATORS					
Employment Volume (RCM no. 16/2012) [1]	Un.	5	4	1	25,0
Average number of employees	Un.	5	4	1	25,0
Wage Bill	m€	165	106	59	55,1
SHAREHOLDER STRUCTURE					
Total Share Capital	m€	750	750	0	0,0
Share Capital held by METRO	%	100	100	-	0,0 p.p.
NET ASSETS					
Non-current assets	m€	554,1	485,8	68	14,1
Current assets	m€	3 296,3	3 497,5	(201)	(5,8)
Total Assets	**m€**	**3 850,4**	**3 983,3**	**(133)**	**(3,3)**
Equity	m€	3 221,3	3 245,5	(24)	(0,7)
Liabilities	m€	629,1	737,8	(109)	(14,7)
Total Equity and Liabilities	**m€**	**3 850,4**	**3 983,3**	**(133)**	**(3,3)**
STRUCTURE INDICATORS					
Financial Autonomy %	%	83,7	81,5	-	2,2 p.p.
Solvency %	%	512,0	439,9	-	72,1 p.p.
FINANCIAL INDICATORS					
Turnover	m€	1 790,7	1 630,1	161	9,9
EBITDA *(Adjusted)*	m€	32,1	36,3	(4)	(11,3)
EBITDA Margin *(Adjusted)*	%	1,8	2,2	-	(0,4) p.p.
Operating Income *(adjusted)* [2]	m€	1 868,1	1 726,5	142	8,2
Operating Expenses *(adjusted)* [2]	m€	1 890,2	1 693,8	196	11,6
Coverage Rate of Operating Expenses *(adjusted)*	%	98,83	101,93	-	(3,1) p.p.

[1] *As per item no. 6 of RCM no. 16/2012, work placed outside the national territory and service providers with permanent employment of more than 3 months are considered.*

[2] *Operating Income and Expenses corrected for provisions, impairments.*

The activity carried out during the year under analysis was marked by the continuing effects of the pandemic, with the constraints on the strategy previously outlined for the period in question having been maintained. In effect, despite the effort to mitigate the consequences for its business of the economic and financial situation in Portugal and particularly in the city of Lisbon, continuity was ensured in the effort to increase profitability, diversify the commercial services available in the station network, as well as the need to add value for the customers who use PT/Metro. These tasks, aligned with the strategic plan approved for the development of the business/retail, were based on the principle of the necessary work to promote Metrocom's portfolio on the market, in order to guarantee new commercial in-station solutions.

In global terms, and despite the entry of new shopkeepers, there was a small positive balance in the occupation of physical shops (+1), going from 173 in 2020 to 174 in 2021, for a total of 211 shops. In terms of occupation of temporary space, the period under review was marked by an increase in the number of temporary stands (+8), compared to the results obtained in the previous year, from 19 to 27.

The number of fairs remained at 4, just as the number of ATMs in the network remained at 52. On the other hand, the number of vending machines installed in the network was reduced from 119 to 118 units, when compared with the same period in 2020.

Despite the adverse environment and the harmful effects on the performance of its activity, at the end of the year it was possible to guarantee compliance with its legal and financial obligations to its shareholder.

Table 19 - METROCOM Invoicing

Un. m€

Year	METROCOM Invoicing	Amount given to shareholder (72% TO)
2020	1,630.1	1,173.7
2021	1,790.7	1,289.3

As in 2020, the year 2021 was characterised by a counter-cycle in the growth of the Company's net results:

- EBIT presented a reduction of 10.9 thousand euros compared to 2020;
- As a result, Income before Tax registered a reduction of about 61.6 thousand euros;
- Net Income for the period was -24.2 thousand euros, representing a negative variation of -185.3% compared to the previous year.

With regard to Operating Income, there was an increase of 8.2% compared to the previous year, corresponding to around 141.6 thousand euros.

Operating Expenses registered an increase of 9.0% in relation to the previous year, which translated into an increase of 152.6 thousand euros. The main increase was in staff expenses.

FERCONSULT, S.A.

FERCONSULT, S.A. is a multidisciplinary company specialised in Consultancy, Studies and Transport Engineering Projects, operating in national and international markets since 1991. The company's sole shareholder is METROPOLITANO LISBOA, E.P.E..

At the end of 2020, Ferconsult complied with the integration of its workers in Metropolitano de Lisboa, in accordance with that approved by Dispatch no. 602/2020 - SET, of 8 October, with the company remaining only as an instrumental vehicle that is part of the ACE (Agrupamento Complementar de Empresas [Complementary Grouping of Companies]) of TREM - Rolling Stock Leasing.

In 2021, the company made assignments of contractual position, in order to reduce to a minimum the expenses, since there was no commercial activity.

Table 20 – FERCONSULT - Activity Indicators

ACTIVITY INDICATORS	Un.	2021	2020	Var. 2021/2020 Abs	Var. 2021/2020 %
Commercial Activity					
Turnover (National Market)	m€	35,7	2 058,2	(2 022,5)	(98,3)
Turnover (International Market)	m€	0,0	0,0	0,0	-
PRODUCTION Indicators					
Hours worked (National Market)	%	0,0	100,0	-	(100,0) p.p.
Hours worked (International Market)	%	0,0	0,0	-	0,0 p.p.
HR INDICATORS					
Employment Volume (RCM no. 16/2012) [1]	Un.	0	48	(48,0)	(100,0)
Average number of employees	Un.	0	44	(44,0)	(100,0)
Wage Bill	m€	0,0	1 572,0	(1 572,0)	(100,0)
SHAREHOLDER STRUCTURE					
Total Share Capital	m€	5 295,3	5 295,3	0,0	0,0
Share Capital held by METRO	%	100	100	-	0,0 p.p.
NET ASSETS					
Non-current assets	m€	0,0	0,0	0,0	-
Current assets	m€	645,0	1 823,0	(1 178,0)	(64,6)
Total Assets	**m€**	**645,0**	**1 823,0**	**(1 178,0)**	**(64,6)**
Equity	m€	(1 019,4)	(1 094,0)	74,6	(6,8)
Liabilities	m€	1 664,4	2 917,1	(1 252,7)	(42,9)
Total Equity and Liabilities	m€	**645,0**	**1 823,0**	**(1 178,0)**	**(64,6)**
STRUCTURE INDICATORS					
Financial Autonomy %	%	(158,0)	(60,0)	-	(98,0) p.p.
Solvency %	%	(61,2)	(37,5)	-	(23,7) p.p.
FINANCIAL INDICATORS					
Turnover	m€	35,7	2 058,2	(2 022,5)	(98,3)
EBITDA *(adjusted)*	m€	(45,7)	(106,1)	60,4	(57,0)
EBITDA Margin *(adjusted)*	%	(128)	(5)	-	(122,8) p.p.
Operating Income *(adjusted)* [2]	m€	43,2	2 279,4	(2 236,3)	(98,1)
Operating Expenses *(adjusted)* [2]	m€	88,8	2 385,5	(2 296,7)	(96,3)
Coverage Rate of Operating Expenses *(adjusted)*	%	48,58	95,55	-	(47,0) p.p.

[1] *As per item no. 6 of RCM no. 16/2012, work placed outside the national territory and service providers with permanent employment of more than 3 months are considered.*

[2] *Operating Income and Expenses adjusted for provisions, impairments and gains/losses of subsidiaries.*

Given the accumulated losses that Ferconsult had been recording in recent years, the result of constraints related to questions of organisation and internal management, namely the existence of a cost structure out of line with income, the Board of Directors developed a plan to restructure the company.

The measures of the Ferconsult Reorganisation Plan presented in December 2017 (Ref no. 1262910, of 05/05/2017), and following analysis of UTAM information no. 4/2019, relative to the Ferconsult Merger proposal with Metropolitano de Lisboa, object of Order by SET no. 461/19-SET, its activity was reassessed, and a new proposal was presented, in September 2019, for the immediate integration of Ferconsult employees into ML, with the company remaining only as an instrumental vehicle forming an integral part of the ACE (Complementary Grouping of Companies) of TREM - Rolling Stock Leasing.

Table 21 - Ferconsult's EBITDA and Operating Income

Un. (Euro)

HEADINGS	2021	2020	Δ 2021 / 2020	
	ACTUAL	ACTUAL	Abs	%
Services Rendered	35,744	2,058,201	-2,022,457	-98.3%
Gains/losses attributed to subsidiaries, associates and joint ventures	158,681	-113,827	272,507	-239.4%
Other Income	7,413	221,220	-213,807	-96.6%
TOTAL Operating Income [1]	**201,838**	**2,165,594**	**-1,963,756**	**-90.7%**
External supplies and services	34,852	397,930	-363,077	-91.2%
Staff expenses	824	1,971,095	-1,970,271	-100.0%
Impairment of receivables (losses/reversals)	0	-225,643	225,643	-100.0%
Provisions (increases/reductions)	0	-310,363	310,363	-100.0%
Other expenses and losses	53,161	15,810	37,351	236.3%
Operating Expenses (excluding depreciation and amortisation) [2]	**88,837**	**1,848,828**	**-1,759,991**	**-95.2%**
EBITDA [3] = [1] - [2]	**113,001**	**316,766**	**-203,765**	**64.3%**
Expenses / reversals of depreciation and amortisation [4]	0	707	-707	-100.0%
Total Operating Expenses [5] = [2] + [4]	**88,837**	**1,849,535**	**-1,760,698**	**-95.2%**
Operating Income [1] - [5]	**113,001**	**316,059**	**-203,058**	**64.2%**

In 2021, Ferconsult, as outlined in the implemented company restructuring plan, did not develop any project and consultancy activities. EBITDA registered a decrease compared to 2020 (-64.3%), explained by the cessation of the activity developed by the company, with a reduction in operating income (-90.7%) and operating costs (-95.2%) of the same magnitude.

Additionally, there was a reduction in staff expenses (-100%), resulting from the integration of Ferconsult workers in ML, as foreseen in the restructuring plan.

ENSITRANS

Ensitrans, A.E.I.E. (European Economic Interest Grouping) is held 45% by Ferconsult, S.A. and 5% by Metropolitano de Lisboa, E.P.E., the remaining companies holding shares being Metro de Barcelona and SENER (an engineering consultancy and project company). Although it no longer has active projects, Ensitrans cannot dissolve the company as it still has funds to receive from contracts signed with EMA - *Entreprise du Métro d'Alger* (although the vast majority of these funds owed to Ensitrans by EMA belong to Ferconsult for work it has carried out).

TREM, A.C.E.

TREM - Aluguer de Material Circulante, ACE (TREM) was set up on 2 March 2000, its main object being the acquisition and leasing of railway equipment that may eventually be necessary or related to the main object.

The contractual relationships established in 2000 by TREM, namely the car lease contract signed with Metropolitano de Lisboa, E.P.E. and the financing contract signed with Caixa Geral de Depósitos, S.A (CGD), Banco Santander Totta, S.A. (BST) and Banco Santander de Negócios Portugal, S.A. (BSNP) – which in May 2010 was merged into BST, with BST taking over all the assets and liabilities of BSNP as the merged company - remained unchanged.

In 2014 the entities CGD and BST were discharged, without any payment or reimbursement of the respective contributions to ACE, under the terms of paragraphs 3 and 4 of Article 8 of the respective articles of association, so the allocated capital remains unchanged.

On 29 December 2014, the Grouping took on the following composition and structure:

1) Metropolitano de Lisboa, E.P.E. with a 90% stake in the capital

2) Ferconsult – Consultoria, Estudos e Projetos de Engenharia de Transportes, S.A. with a contribution of 10%.

Table 22 - TREM Assets as at 31 December

Net Assets (Unit: €)	2021	2020	Var. 2021/20	
			V.Abs.	%
Total Assets	**40 557**	**43 111**	**(2 553)**	**-5,92%**
Equity	(49 684 992)	(49 755 315)	70 323	-0,14%
Liabilities	49 725 549	49 798 426	(72 877)	-0,15%
Total Equity and Liabilities	**40 557**	**43 111**	**(2 553)**	**-5,92%**
Net Income	70 323	594 082	(523 759)	-88,16%

TREM II, A.C.E.

TREM II - Aluguer de Material Circulante, ACE (TREM II) was set up on 21 September 2001, its main object being the acquisition and leasing of railway equipment that may eventually be necessary or related to the main object.

The contractual relationships established between 2001 and 2002 by TREM II, namely the car lease contracts signed with Metropolitano de Lisboa, EPE and the financing contracts signed with Caixa Geral de Depósitos, SA (CGD), Caixa - Banco de Investimentos, SA (CaixaBI) and Crédito Predial Português, SA, which in December 2004 changed its name to Banco Santander Totta, SA, were remained unchanged.

In 2015 the entities CGD and BST were discharged, without there being any payment or reimbursement of the respective contributions to ACE, under the terms of paragraphs 3 and 4 of Article 8 of the respective articles of association, so the allocated capital remains unchanged.

On 29 December 2015, the Grouping took on the following composition and structure:

1) Metropolitano de Lisboa, E.P.E. with a 90% stake in the capital

2) Ferconsult – Consultoria, Estudos e Projetos de Engenharia de Transportes, S.A. with a contribution of 10%.

Table 23 - TREM II Assets as at 31 December

Net Assets (Unit: €)	2021	2020	Var. 2021/20	
			V.Abs.	%
Total Assets	**1 338 969**	**3 400 274**	**(2 061 305)**	**-60,62%**
Equity	(107 267 028)	(112 146 268)	4 879 240	-4,35%
Liabilities	108 605 997	115 546 542	(6 940 545)	-6,01%
Total Equity and Liabilities	**1 338 969**	**3 400 274**	**(2 061 305)**	**-60,62%**
Net Income	4 879 240	5 547 453	(668 213)	-12,05%

VI. PERFORMANCE

1. Financial capital

FARE AND ADDITIONAL REVENUES

The measures adopted to contain the COVID-19 pandemic led to a sharp reduction in demand, with knock-on effects on revenue.

In parallel, other factors that influenced fare revenues in 2021 should be highlighted, namely:

- There was no fare increase compared to 2020;
- A 17.2% increase in the quantity of occasional tickets sold and a 3.3% decrease in the quantity of passes sold, in the Metropolitano de Lisboa sales network, compared with the previous year. Compared to 2019, there were decreases of 55.1% and 42.8% in the quantities sold of Occasional tickets and monthly passes, respectively;
- Allocation of payments on account, under the PART and increases in these payments due to the COVID-19 pandemic crisis.
- Free public transport passes for former combatants, as well as for their widows and widowers, through the attribution of the Old Combatant Pass, in force since 5 November.

As a result of these factors and mainly due to the effect of the COVID-19 pandemic, revenue from Occasional tickets and monthly passes in 2021 recorded the following variations:

- Compared to 2020, there was a 3.1% increase in revenue from Occasional tickets and monthly passes. Considering the 4-18/Sub-23, Social + and Former Combatants contributions, the increase was +3.3%;
- Compared to the revenue entered in the ABP, there was an increase of 26.2% in Occasional tickets and monthly passes. Considering the 4-18/Sub23, Social + and Former Combatants contributions, the increase was 24.6%;
- Compared to 2019, there was a decrease of 50.5% in revenue from Occasional tickets and monthly passes. Considering the 4-18/Sub-23, Social + and Former Combatants contributions, there was a decrease of 48.2%.

Under Order No. 198/2021, which defines the conditions of attribution of the Old Combatant Pass, since 5 November the pass is free of charge on public transport for all former combatants who hold the card of former combatant, as well as for their widows and widowers. In this context, in 2021, the financial compensation awarded to ML amounted to 92,160.38 euros (27,745.28 euro in November and 64,415.09 euros in December).

To compensate the decrease in revenue, due to the fare change in April 2019 (Regulation No. 278-A/2019), the Lisbon Metropolitan Area (AML) allocated funds as payment on account. Decree-Law No. 6-B/2021 of 15 January extended its validity to the year 2021. In this context, from January to July 2021, within the scope of the Public

Transport Fare Reduction Support Programme ("PART"), 5,167,921.40 euros (excluding VAT) were allocated. As yet without information on the amounts allocated for the remaining months, these were estimated and the calculated book value came to 7.8 million euros.

After considering the amounts of Payments on account ("PART"), the variation in revenue for 2021, compared to 2020, was +1.20%. Compared to 2019, the variation was -43.0%.

During the pandemic scenario in 2020, additional funds were made available through Order No. 8459/2020 as Payments on Account, in order to reinforce public transport. Decree-Law No. 6-B/2021 of 15 January also extended its validity to the year 2021. In the period January to August 2021, 31,036,345.80 euros were allocated. Considering the estimated values from September to December 2021 and a final adjustment to the 2020 financial compensations, 36.7 million euros were accounted for under COVID payments on account.

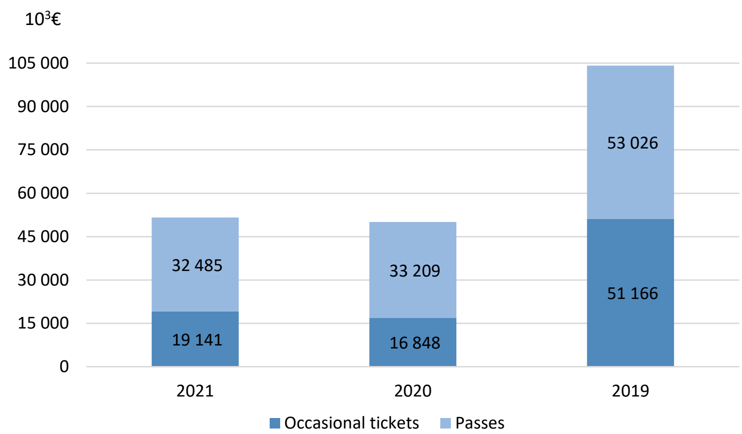
Table 24 - Ticket and monthly pass revenues

Income from transport tickets (excluding VAT)		2021	2020	ABP 2021	2019	Var. 2021/20		ABP deviation		Var. 2021/19	
						Abs	%	Abs	%	Abs	%
Occasional tickets	**10^3€**	**19 141**	**16 848**	**13 409**	**51 166**	**2 293**	**13,6**	**5 732**	**42,7**	**(32 025)**	**(62,6)**
Carris | Metro Travel Ticket	10^3€	9 383	7 731	6 383	24 591	1 653	21,4	3 001	47,0	(15 207)	(61,8)
Zapping	10^3€	7 898	7 000	6 381	18 448	898	12,8	1 517	23,8	(10 550)	(57,2)
Other occasional tickets	10^3€	1 860	2 117	646	8 127	(258)	(12,2)	1 214	188,1	(6 268)	(77,1)
Passes	**10^3€**	**32 485**	**33 209**	**27 512**	**53 026**	**(723)**	**(2,2)**	**4 973**	**18,1**	**(20 541)**	**(38,7)**
Navegante Metropolitano	10^3€	21 451	21 089	18 149	24 072	361	1,7	3 302	18,2	(2 622)	(10,9)
Navegante Lisboa	10^3€	7 800	8 890	6 595	12 423	(1 090)	(12,3)	1 206	18,3	(4 623)	(37,2)
Other Navegantes	10^3€	1 958	1 903	1 808	1 870	55	2,9	149	8,3	88	4,7
Navegante urban and network	10^3€	1 009	1 064	960	8 916	(55)	(5,1)	49	5,1	(7 907)	(88,7)
Intermodal	10^3€	0	262	0	2 648	(262)	(100,0)	0	-	(2 648)	(100,0)
Combined tickets	10^3€	267	0	0	3 096	267	-	267	-	(2 829)	(91,4)
Total revenue	**10^3€**	**51 626**	**50 057**	**40 921**	**104 192**	**1 569**	**3,1**	**10 705**	**26,2**	**(52 566)**	**(50,5)**
Co-funding 4-18 / sub23 / social+	10^3€	3 574	3 458	3 467	2 502	116	3,4	108	3,1	1 073	42,9
Co-funding Veterans	10^3€	92	0	0	0	92	-	92	-	92	-
Total revenue with co-funding	**10^3€**	**55 293**	**53 515**	**44 387**	**106 694**	**1 777**	**3,3**	**10 905**	**24,6**	**(51 401)**	**(48,2)**
Payments on Account (AML) (1)	10^3€	7 848	8 903	8 700	4 014	(1 055)	(11,8)	(851)	(9,8)	3 834	95,5
Total revenue with co-funding	**10^3€**	**63 141**	**62 418**	**53 087**	**110 708**	**723**	**1,2**	**10 054**	**18,9**	**(47 567)**	**(43,0)**
Payments on Account (COVID) (2)	10^3€	36 718	21 451	19 520	0	15 267	71,2	17 198	88,1	36 718	-

(1) Includes the value of payments on account (AML). The value was estimated from September to December 2021.

(2) Award of 'variable' PART, which was recorded as an operating subsidy. The value was estimated from September to December 2021.

Chart 6 - Ticket and monthly pass revenues



With regard to additional revenue, the year 2021 registered declines of 15.2%, compared to 2020, and 54.0%, compared to 2019, partly explained by the national economic slowdown caused by the pandemic situation, which prevailed throughout 2021 and, on the other hand, due to the consequent decrease in demand for the consumption of ML services and products.

There was a large decrease in the component related to the Publimetro subconcession, since, due to the effects of the pandemic, a credit note was issued in the amount of 618,999.17 euros for the adjustment of the variable consideration for 2020. Thus, this subconcession recorded a loss of 1.2 million euros, compared to 2020 and 1.3 million euros, compared to 2019.

On a positive note, we highlight the revenue obtained with the Viva Viagem cards with an increase in revenue of 279 thousand euros, compared to 2020, however, compared to 2019 there was a drop of 1.8 million euros.

Table 25 - Additional revenues

Un: €

Complementary Revenue (excluding VAT)	2021	2020	ABP 2021	2019	Var. 2021/20		ABP deviation		Var. 2021/19	
					Abs	%	Abs	%	Abs	%
Additional Fare Revenue (excluding VAT)	**1 766 911**	**1 311 622**	**1 905 807**	**4 010 814**	**455 289**	**34,7**	**(138 896)**	**(7,3)**	**(2243 904)**	**(55,9)**
Viva Viagem Cards	**1 142 527**	**863 259**	**1 354 022**	**2 971 454**	**279 267**	**32,4**	**(211 495)**	**(15,6)**	**(1 828 927)**	**(61,5)**
Customisation Fee	**262 819**	**157 201**	**220 038**	**383 159**	**105 618**	**67,2**	**42 782**	**19,4**	**(120 340)**	**(31,4)**
Urgency Rate	**290 498**	**240 526**	**253 546**	**509 375**	**49 971**	**20,8**	**36 952**	**14,6**	**(218 877)**	**(43,0)**
Committees	**70 933**	**50 539**	**78 201**	**146 270**	**20 393**	**40,4**	**(7 269)**	**(9,3)**	**(75 337)**	**(51,5)**
- CA/ML Travel Ticket Sales Commission	34 657	26 770	41 401	77 741	7 887	29,5	(6 743)	(16,3)	(43 083)	(55,4)
- Zapping Sales Commission	36 275	23 769	36 801	67 871	12 506	52,6	(525)	(1,4)	(31 596)	(46,6)
- Commission on ticket sales without ML quota	0	0	0	658	0	-	-	-	(658)	(100,0)
Other supplementary fare revenues	**135**	**96**	**0**	**557**	**39**	**-**	**135**	**-**	**(422)**	**(75,8)**
Non-fare Additional Revenue	**1 934 152**	**3 051 576**	**2 403 758**	**4 031 303**	**(1 117 425)**	**(36,6)**	**(469 606)**	**(19,5)**	**(2 097 151)**	**(52,0)**
Assets	**369 392**	**395 629**	**350 280**	**420 288**	**(26 237)**	**(6,6)**	**19 112**	**5,5**	**(50 895)**	**(12,1)**
Venue Rentals	25 457	50 832	27 255	74 278	(25 375)	(49,9)	(1 798)	(6,6)	(48 821)	(65,7)
Fibre Optic and Telecommunications Rental	343 935	344 797	323 025	346 010	(862)	(0,3)	20 910	6,5	(2 075)	(0,6)
Fleet - Stations - Various means	**46 898**	**41 527**	**44 462**	**88 951**	**5 371**	**12,9**	**2 436**	**5,5**	**(42 053)**	**(47,3)**
Filming	21 500	32 900	20 143	54 100	(11 400)	(34,7)	1 357	6,7	(32 600)	(60,3)
Various(PUB insertion, Merchandising/Publications, Roy.)	7 648	8 627	7 691	15 351	(979)	(11,3)	(43)	(0,6)	(7 703)	(50,2)
Special Service	17 750	0	16 629	19 500	17 750	-	1 121	6,7	(1 750)	(9,0)
Other Income (1)	**87 287**	**95 634**	**0**	**56 763**	**(8 347)**	**(8,7)**	**-**	**-**	**30 524**	**53,8**
Sub-concessions	**1 430 574**	**2 518 786**	**2 009 015**	**3 465 301**	**(1 088 212)**	**(43,2)**	**(578 441)**	**(28,8)**	**(2 034 727)**	**(58,7)**
Metrocom	1 280 628	1 169 004	1 112 444	2 060 546	111 624	9,5	168 184	15,1	(779 918)	(37,9)
Publimetro - MOP	149 946	1 349 782	896 571	1 404 755	(1 199 836)	(88,9)	(746 625)	(83,3)	(1 254 809)	(89,3)
Total complementary revenue	**3 701 063**	**4 363 198**	**4 309 565**	**8 042 117**	**(662 136)**	**(15,2)**	**(608 502)**	**(14,1)**	**(4 341 055)**	**(54,0)**

(1) Revenue not managed by the Customer Division (DCL)

RESULTS

In 2021, the economic and financial management of Metropolitano de Lisboa was characterised by the following facts:

Turnover came to 66.9 million euros, which represents an increase of 81 thousand euros, indicating a slight recovery compared to 2020. The increase in revenue from Individual tickets (+2.3 million euros) is particularly noteworthy, with Monthly passes showing a lower value than the previous year (-0.7 million euros); the sale of Cards and Lisboa Viva Customisation shows a positive variation of 0.4 million euros. Despite the decrease of 963 thousand euros in the value of the fixed PART, there was an increase of 116 thousand euros in financial compensation related to the 4-18, under-23 and Social+ passes. The rental of commercial spaces registered an increase of 111 thousand euros, but the exploitation of advertising registered a decrease of 1.2 million euros.

The positive deviation of 7.4 million euros, compared to the 2021 ABP, reflects a conservative view in estimating demand/revenues, following the pandemic, with ML registering a slight recovery compared to 2020.

EBITDA recorded a positive value of 16.1 million euros. Excluding the non-cash items, which come to 30.6 million euros, we obtain a corrected EBITDA of -14.4 million euros.

The excluded non-cash items are as follows:

- Losses attributed to subsidiaries, associate companies and joint ventures	- 4.60 M€
- Own work capitalised	5.83 M€
- Impairments (reversals)	1.2 M€
- Provisions (reductions)	40.5 M€
- Fair value increases	24.01 M€
- Investment grants	1.24 M€
- Inventory gains	1.46 M€
- Exchange rate differences (favourable to ML)	4.05 M€

Operating income shows an increase of 30.3 million euros (26.9%) and operating expenses show a decrease of 4.8 million euros (-3.3%), producing a positive operating profit of 2.3 million euros.

During the reporting year, the State maintained its financing policy regarding Reclassified Public Entities, through the granting of loans and equity contributions, by means of cash injections, to cover the operating deficit, debt service payments and investment expenditure.

Table 26 - Results - Individual accounts

Results (amounts in thousands of euros)	2021	2020	ABP 2021	Var. 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Turnover	66 890	66 809	59 450	81	0.1	7 440	(98.9)
Public service income*	63 141	62 418	53 087	723	1.2	10 054	(98.8)
Operating income	143 012	112 674	129 302	30 337	26.9	13 709	(98.9)
Operating expenses	140 672	145 424	143 812	(4 752)	(3.3)	(3 140)	(99.0)
EBITDA	16 148	(17 253)	514	33 400	(193.6)	15 634	(68.6)
Corrected EBITDA **	(14 417)	(30 613)	(24 501)	16 196	(52.9)	10 084	(99.4)
Operating profit	**2 339**	**(32 750)**	**(14 510)**	**35 089**	**(107.1)**	**16 849**	**(100.2)**
Financial profit	**(25 234)**	**(24 381)**	**(25 356)**	**(854)**	**3.5**	**122**	**(99.0)**
Net profit	**(22 901)**	**(57 131)**	**(39 866)**	**34 231**	**(59.9)**	**16 965**	**(99.4)**

* Includes revenue from ticket sales, monthly passes and fare compensations.

* Excludes equity/subsidiary effects, TPE, impairments, provisions, fair value increases/decreases, investment grants, foreign exchange differences and inventory gains and losses.

In consolidated terms, Turnover decreased slightly by 94 thousand euros; Operating income registered an increase of 30.2 million euros and Operating expenses decreased by 4.8 million euros, resulting in an Operating profit of 2.4 million euros, which translates into an improvement of 35.1 million euros.

The corrected EBITDA registered an increase of 24.5 million euros.

Net Income, although still in negative territory (-22.9 million euros) improved by 34.2 million euros (+59.9%).

Table 27 - Consolidated accounts - 2021

Results (amounts in thousands of euros)	Consolidated Accounts	Individual Accounts				
		ML	Ferconsult	Metrocom	TREM	TREM II
Turnover	67,431	66,890	36	1,791	-	4,845
Operating income	144,688	143,010	202	1,868	79	4,911
Operating expenses	142,295	140,671	89	1,901	3	13
EBITDA	26,823	16,148	113	21	76	4,897
EBITDA corrected*	(3,965)	(14,417)	(46)	32	76	4,897
Operating profit	2,393	2,339	113	(33)	76	4,897
Net profit	(22,901)	(22,901)	75	(24)	76	4,879

* Excludes equity/subsidiary effects, TPE, impairments, provisions, fair value increases/decreases.

Table 28 - Results - Consolidated accounts

Results (amounts in thousands of euros)	Consolidated Accounts		Variation	
	2021	2020	Abs.	%
Turnover	67 431	67 525	(94)	(0,1)
Operating income	144 688	114 441	30 246	26,4
Operating expenses	142 295	147 129	(4 834)	(3,3)
EBITDA	26 823	(6 628)	33 451	(504,7)
EBITDA corrected*	(3 965)	(28 426)	24 461	(86,1)
Operating profit	2 393	(32 688)	35 081	(107,3)
Net profit	(22 901)	(57 134)	34 232	59,9

* Excludes equity/subsidiary effects, TPE, impairments, provisions, fair value increases/decreases.

OPERATING INCOME

There was a variation of 30.3 million euros and a deviation, in relation to 2020, of 13.7 million euros in Operating income.

The most significant variations/deviations include:

Operating grants show a variation of 16.3 million euros, with receipt of 0.1 million euros from the Environmental Fund, 1.2 million euros from the RRP and 36.7 million euros from the "variable" PART. In comparison with the values estimated in the ABP, the deviation reaches 18.5 million euros, mostly justified by the receipt of PART, which was estimated to be around 19.5 million euros.

Fair value with a variation of 7.9 million euros, essentially due to the favourable variation in financial instruments (SWAP).

Other income: variation of 4.3 million euros, due to favourable exchange rate differences; and deviation of -19.4 million euros essentially due to the failure to conclude the sale of the Depot and Workshop I (DW I).

Table 29 - Operating income - Individual accounts

Operating income (amounts in thousands of euros)	2021	2020	ABP 2021	Var. 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Monthly pass and ticket sales	51 626	50 057	40 921	1 569	3.1	10 705	26.2
4-18/under-23/social+ compensation and PART Compensation (AML)	11 515	12 361	12 166	(847)	(6.8)	(651)	(5.4)
Public service revenue	**63 141**	**62 418**	**53 087**	**723**	**1.2**	**10 054**	**18.9**
Operating grants	38 044	21 741	19 520	16 303	75.0	18 524	94.9
Non-fare revenues	3 749	4 390	6 363	(641)	(14.6)	(2 614)	(41.1)
Own work capitalised	5 825	4 652	-	1 173	25.2	5 825	-
Impairment of inventories (reversals)	-	300	-	(300)	(100.0)	0	-
Impairment of receivables (reversals)	1	314	-	(313)	(99.6)	1	-
Fair value (increases)	24 006	16 131	23 907	7 875	48.8	99	0.4
Other income	7 018	2 728	26 425	4 290	157.3	(19 408)	(73.4)
Impairment of depreciable/amortisable investments (reversals)	1 187	-	-	1 187	-	1 187	-
Other income	**79 871**	**50 256**	**76 216**	**29 615**	**58.9**	**3 655**	**4.8**
Total operating income	**143 012**	**112 674**	**129 302**	**30 337**	**26.9**	**13 709**	**10.6**

Table 30 - Operating income - Consolidated accounts

Operating income (amounts in thousands of euros)	Consolidated Accounts		Variation	
	2021	2020	Abs.	%
Sales and services rendered	67 431	67 525	(94)	(0.1)
Operating grants	38 044	21 741	16,303	75.0
Gains/losses imputed to Subsid., assoc. companies	927	-	927	-
Own work capitalised	5 825	4 923	902	18.3
Inventory impairment (losses/reversals)	-	300	(300)	(100.0)
Impairments of debt receivables (losses/reversals)	-	535	(535)	(100.0)
Provisions (increases / decreases)	40	240	(200)	(83.2)
Fair value increases/decreases	24 006	16 131	7,875	48.8
Other income	7 227	3 046	4,181	137.3
Impairment of depreciable/amortisable assets (loss	1 187	-	1,187	-
Total operating income	**144 688**	**114 441**	**30,246**	**26.4**

OPERATING EXPENSES

There was a decrease of 4.8 million euros in Operating expenses, compared to 2020, with a special focus on External supplies and services (-3.4 million euros), with a reduction in the items: Specialised work (-1.6 million euros) and High voltage energy (-1.5 million euros) and in relation to Other expenses (-3.7 million euros), variations were recorded in the following main items: Exchange rate differences (-4.9 million euros) and VAT regularisation (+1.8 million euros).

Table 31 - Operating expenses - Individual accounts

Operating expenses (amounts in thousands of euros)	2021	2020	ABP 2021	Var. 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Losses imputed to subsidiaries	4 602	4 139	-	463	11.2	4 602	-
Cost of goods sold and materials consumed	2 530	2 614	3 630	(84)	(3.2)	(1 100)	(30.3)
External supplies and services	32 717	36 135	38 351	(3 418)	(9.5)	(5 634)	(14.7)
Staff costs	82 774	80 232	85 805	2 542	3.2	(3 031)	(3.5)
Provisions (increases)	-	70	-	(70)	(100.0)	0	-
Other expenses	3 053	6 738	1 002	(3 685)	(54.7)	2 051	204.6
Depreciation and amortisation expenses	14 996	15 179	15 023	(183)	(1.2)	(27)	(0.2)
Impairment of depreciable assets (losses)	-	318	-	(318)	(100.0)	0	-
Total operating expenses	**140 672**	**145 424**	**143 812**	**(4 752)**	**(3.3)**	**(3 140)**	**(2.2)**

Table 32 - Operating expenses - Consolidated accounts

Operating expenses (amounts in thousands of euros)	Consolidated Accounts		Variation	
	2021	2020	Abs.	%
Gains/losses imputed to Subsid., assoc. companies	-	332	(332)	(100.0)
Cost of goods sold and materials consumed	2 530	2 614	(84)	(3.2)
External supplies and services	28 000	29 017	(1,018)	(3.5)
Staff costs	82 981	82 336	645	0.8
Impairment of debt receivables (losses/reversals)	10	-	10	-
Other expenses and losses	3 156	6 771	(3,615)	(53.4)
Depreciation and amortisation expenses/reversals	25 618	25 742	(124)	(0.5)
Impairment of depreciable/amortisable assets (loss	-	318	(318)	(100.0)
Total operating expenses	**142 295**	**147 129**	**(4,834)**	**(3.3)**

Operating expenses related to COVID-19 came to 1 million euros, reflecting a decrease of about 12 thousand euros compared to 2020.

Table 33 - Operating expenses (COVID-19) - Individual accounts

Operational expenses (COVID-19) (values in euros)	2021	2020	ABP 2021	Var. 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Cost of goods sold and materials consumed	59 335	80 377	-	(21 042)	(26.2)	59 335	-
External supplies and services	886 061	891 346	771 846	(5 285)	(0.6)	114 215	14.8
Staff costs	62 325	49 570	20 000	12 755	25.7	42 325	211.6
Other expenses	1 301	-	-	1 301	-	1 301	-
Total	**1 009 022**	**1 021 293**	**791 846**	**(12 271)**	**(1.2)**	**217 176**	**27.4**

PERSONNEL EXPENSES

Personnel expenses in 2021 came to 82.8 million euros, representing an increase of 2.5 million euros, due to new hirings and the impact of the application of the Collective Labour Regulation Instrument (IRCT).

Compared with the estimate in the 2021 ABP, there is a deviation of -3 million euros, due essentially to the high estimate of the value of pension liabilities, and additionally, to the delay in the processes of hiring new employees planned and approved by the supervising authority.

Table 34 - Personnel expenses - Individual accounts

Personnel expenses (amounts in thousands of euros)	2021	2020	ABP 2021	Var. 2010/2020		ABP deviation	
				Abs.	%	Abs.	%
Remunerations	59 416	57 103	60 149	2 313	4.1	(733)	(1.2)
Pension supplement	12 054	12 310	12 845	(256)	(2.1)	(791)	(6.2)
Pension liabilities	6 621	7 315	8 470	(694)	(9.5)	(1 849)	(21.8)
Other expenses	4 682	3 503	4 340	1 179	33.7	342	7.9
TOTAL	**82 774**	**80 232**	**85 805**	**2 542**	**3.2**	**(3 031)**	**(3.5)**
Payroll	59 103	56 787	59 817	2 316	4.1	(715)	(1.2)

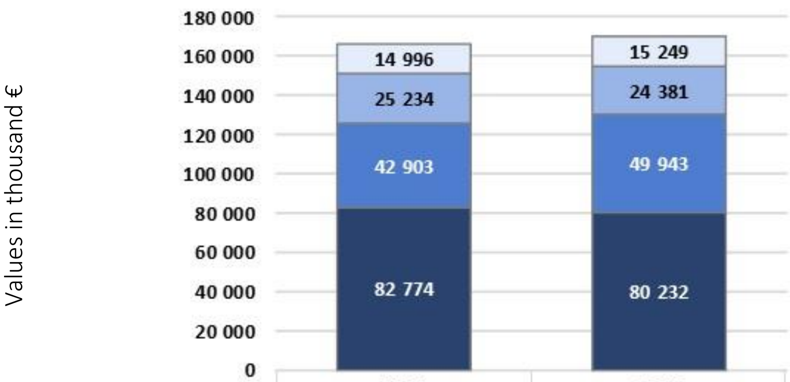
FINANCIAL PROFITS

Financial profits came to 25.2 million euros, representing a variation of 854 thousand euros and a deviation of 122 thousand euros.

Table 35 - Financial profits - Individual accounts

Financial profits (amounts in thousands of euros)	2021	2020	ABP 2021	Var. 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Interest incurred with bank financing/TFDG	3 595	4 913	4 707	(1 318)	(26.8)	(1 112)	(23.6)
Interest payable	21 639	19 468	20 649	2 172	11.2	990	4.8
Operating financial expenses	**25 234**	**24 381**	**25 356**	**854**	**3.5**	**(122)**	**(0.5)**

Chart 7 - Total expenses - Individual accounts



	2021	2020
Amortizations and provisions	14 996	15 249
Interest and similar expenses	25 234	24 381
Other operating expenses	42 903	49 943
Personnel expenses	82 774	80 232

Financial flows

In 2021 the cash flows from operating activities generated an operating deficit of 17.3 million euros, which represents a 58.1% decrease compared to 2020, translating into an improvement of 24.0 million euros. The deviation from the ABP is 24.1 million euros. In both cases, the difference is due to receipts from the 'Support for restoring the supply of public transport' of 31.1 million euros, and the redemption of 5.8 million euros deposited in excess to cover the guarantee relating to the collateral deposit, under the TREM - Operational leasing of rolling stock operation. This amount was used to address systematic operating cash flow shortfalls.

Cash flows from investment activities recorded a surplus of 3.6 million euros, translating into an improvement of 46.0 million euros compared to 2020 and 97.6 million euros compared to the ABP. These differences are related to investment grants received, in the amount of 153.5 million euros.

Cash flows from financing activities recorded cash receipts from borrowings of 119.2 million euros, divided between 18.3 million euros from shareholder loans and 100.9 million euros from borrowings. Capital increases came to 253.9 million euros.

Borrowings in the amount of 139.9 million euros were amortised and payments of interest and similar expenses of 142.0 million euros were recorded.

The cash balance at the end of the period came to 124.8 million euros.

Table 36 - Cash flow statement - Individual accounts

STATEMENT OF CASH FLOWS (amounts in thousands of euros)	2021	2020	ABP 2021	Var. 2021/2020		Deviation 2021/2020	
				Abs.	%	Abs.	%
Cash flows from operating activities	(17 290)	(41 302)	(41 350)	24 012	(58.1)	24 059	(58.2)
Cash flows from investment activities	3 563	(42 431)	(94 074)	45 994	(108.4)	97 637	(103.8)
Cash flows from financing activities	91 256	101 274	115 132	(10 018)	(9.9)	(23 876)	(20.7)
Variation of cash and cash equivalents	**77 529**	**17 542**	**(20 291)**	**59 987**	**(342.0)**	**97 820**	**(482.1)**
Cash and cash equivalents at the beginning of the period	**47 271**	**29 730**	**47 271**	**17 542**	**(59.0)**	**0**	**0.0**
Cash and cash equivalents at the end of the period	**124 800**	**47 271**	**26 980**	**77 529**	**(164.0)**	**97 820**	**362.6**

The following table provides a breakdown of the financing activities. The deviation presented is essentially due to the reduction in funding needs, particularly with regard to the payment of interest associated with SWAP contracts, and the implementation of investment projects not co-financed by the EU and/or national funds below the estimated amount.

Table 37 - Financing activities - Individual accounts

FINANCING ACTIVITIES (amounts in thousands of euros)	2021	ABP 2021	2020	Var. 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Receipts related to:							
Capital increases and other equity instruments	253 905	274 298	320 681	(66 776)	(20.8)	(20 393)	(7.4)
Bank loans - DGTF	119 188	127 990	203 813	(84 626)	(41.5)	(8 803)	(6.9)
Financing	**373 092**	**402 288**	**524 494**	**(151 402)**	**(28.9)**	**(29 196)**	**(7.3)**
Payments related to:							
Bank loans	139 864	139 864	216 515	(76 651)	(35.4)	0	0.0
Interest and similar expenses	141 972	147 292	206 705	(64 733)	(31.3)	(5 320)	(3.6)
Payments	**281 836**	**287 156**	**423 220**	**(141 384)**	**(33.4)**	**(5 320)**	**(1.9)**
Cash flows from financing activities	**91 256**	**115 132**	**101 274**	**(10 018)**	**(9.9)**	**(23 876)**	**(20.7)**

Asset Structure

Assets

Regarding the preparation of its Balance Sheet, ML maintained the criterion, established by the Supervisory Authority, to report the figures relating to the construction activity of long-term infrastructure (LTI), highlighting the effects of the infrastructure investment made on the State's behalf and the corresponding responsibilities.

Assets came to 5,820 million euros, distributed as follows:

Table 38 - Total assets - Individual accounts

Assets (amounts in thousands of euros)	2021	PAO 2021	2020	Var. 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Non-current	5 401	5 449	5 391	10	0,2	(48)	(0,9)
Current	0	0	0	0	-	0	-
LTI	**5 401**	**5 449**	**5 391**	**10**	**0,2**	**(48)**	**(0,9)**
Non-current	228	248	201	28	13,7	(20)	(7,9)
Current	192	137	105	87	82,6	55	40,0
ML	**420**	**385**	**306**	**114**	**37,3**	**35**	**9,1**
Total assets	**5 820**	**5 834**	**5 696**	**124**	**2,2**	**(13)**	**(0,2)**

Assets recorded an increase of 124 million euros, with the following variations/deviations:

- LTI (10.0 million euros):

Non-current assets	Variation	Deviation
- Property, plant and equipment	13.2 M€	-48.0 M€
- Investments in progress	45.4 M€	32.5 M€
- State account receivable	1.4 M€	16.3 M€
- Receipt of investment grant	- 48.8 M€	51.6 M€
- Recognition of impairment loss	- 2.0 M€	-
- Fair value of financial instruments	0.9 M€	0.9 M€

- ML (114.0 million euros):

Non-current assets	Variation	Deviation
- Property, plant and equipment	19.9 M€	- 61.3 M€
- Investment property	0.7 M€	4.3 M€
Intangible assets	- 0.1 M€	- 0.1 M€
- Financial interests - Equity method	8.8 M€	39.1 M€
- Other financial assets	- 1.8 M€	- 1.9 M€
Current assets	Variation	Deviation
Inventories	- 1.1 M€	0.8 M€
Customers	0.3 M€	0.3 M€
- State and other public entities	4.1 M€	4.1 M€
- Other credits receivable	5.4 M€	-49.0 M€
Deferrals	0.4 M€	0.6 M€
- Cash and bank deposits	77.5 M€	97.8 M€

Liabilities and Equity

Liabilities and Equity present the following structure:

Table 39 - Liabilities and Equity - Individual accounts

Liabilities and Equity (amounts in millions of euros)	2021	ABP 2021	2020	Variation 2021/2020		ABP deviation	
				Abs.	%	Abs.	%
Non-current	1 730	1 743	1 946	(216)	(11.1)	(13)	(0.7)
Current	1 169	1 070	1 056	113	10.7	99	9.2
LTI	**2 899**	**2 814**	**3 002**	**(103)**	**(3.4)**	**86**	**3.0**
Non-current	436	479	510	(73)	(14.4)	(43)	(9.0)
Current	724	695	680	44	6.5	28	4.1
ML	**1 160**	**1 175**	**1 189**	**(29)**	**(2.5)**	**(15)**	**(1.3)**
Total liabilities	**4 059**	**3 989**	**4 192**	**(132)**	**(3.2)**	**71**	**1.8**
Equity	1 761	1 845	1 505	256	17.0	(84)	(4.5)
Total liabilities and equity	**5 820**	**5 833**	**5 696**	**124**	**2.2**	**(13)**	**(0.2)**

Liabilities registered a decrease of 132.0 million euros, with the following variations/deviations:

- LTI (-103 million euros): HERERE

Non-current liabilities	Variation	Deviation
- Provisions LTI	2.4 M€	2.3 M€
- Borrowings LTI	- 96.8 M€	-30.8 M€
- Other financial assets LTI	- 121.3 M€	41.5 M€
Current liabilities		
Suppliers	0.2 M€	-0.5 M€
Borrowings	28.5 M€	28.5 M€
- Other debts payable	83.8 M€	83.9 M€

- ML (-29 million euros):

Non-current liabilities	Variation	Deviation
Provisions	-38.6 M€	-54.1 M€

Borrowings	-6.8 M€	2.6 M€
- Responsibilities with post-employment benefits	-3.8 M€	8.6 M€
- Other financial assets	-24.1 M€	-0.2 M€
Current liabilities		
Suppliers	-6.1 M€	-6.6 M€
- State and other public entities	0.1 M€	0.1 M€
Borrowings	54.4 M€	24.1 M€
- Other debts payable	-4.3 M€	-6.2 M€

Equity recorded an increase of 256.0 million euros with the following variations/deviations:

Equity	Variation	Deviation
- Subscribed capital	253.9 M€	-54.9 M€
- Retained earnings	-57.1 M€	-1.9 M€
- Adjustments/other changes in equity	25.3 M€	-75.7 M€

Financial risk management

ML has been consolidating its equity structure through the permanent reinforcements promoted by the shareholder, with the resulting company indebtedness reduction.

Metropolitano de Lisboa's rating

Table 40 - ML's rating

Metro's Rating	Standard & Poor's	
	Rating	Outlook
22 February 2022	BBB	Stable

Remunerated liabilities

In 2021, ML contracted debt worth 100.9 million euros and amortised debt worth 139.9 million euros, representing a decrease of 1.2% in interest-bearing liabilities (-39M euros).

Table 41 - Remunerated ML liabilities (2020-2021) - Individual accounts

Remunerated liabilities (amounts in thousands of euros)	2021	2020	Variation 2021/2020	
			Abs.	%
Bond loans	910,000	910,000	0	0.0
EIB	0	80,963	(80 963)	-
Other long-term loans/Treasury	539,388	562,025	(22 637)	(4.2)
Shuldschein	300,000	300,000	0	0.0
Medium and long-term debt	**1 749 388**	**1 852 988**	**(103 599)**	**(5.9)**
EIB	80,963	139,864	(58 901)	(99.4)
Other short-term loans/Treasury	1,508,686	1,385,193	123 493	8.2
Short-term debt	**1 589 648**	**1 525 057**	**64 591**	**4.1**
Total	**3 339 037**	**3 378 045**	**(39 008)**	**(1.2)**

Additionally, in consolidated terms, the effect of the liquidation of the financing (LEP 2001) in September 2021, related to TREM II, translates as an amortisation of 59.4 million euros and the shift of 56.1 million euros to current liabilities, reflecting a reduction of 2.9% (98.4 million euros) in interest-bearing liabilities.

The total Remunerated liabilities of the Metropolitano de Lisboa group of companies are reflected in the Consolidated Balance Sheet under the items "Borrowings" and "Long-term infrastructure investments", under Current liabilities and Non-current liabilities, according to the nature of the funding in question.

Table 42 - Remunerated liabilities (2020-2021) - Consolidated accounts

Remunerated liabilities (amounts in thousands of euros)	2021	2020	Var. 2021/2020	
			Abs.	%
Bond loans	910 000	910 000	0	0.0
EIB	0	80 963	(80 963)	-
Other long-term loans/Treasury	539 388	618 125	(78 737)	(14.6)
Shuldschein	300 000	300 000	0	0.0
Medium and long-term debt	**1 749 388**	**1 909 088**	**(159 699)**	**(9.1)**
EIB	80 963	139 864	(58 901)	(72.8)
Other short-term loans/Treasury	1 564 786	1 444 634	120 152	7.7
Short-term debt	**1 645 748**	**1 584 498**	**61 250**	**3.7**
Total	**3 395 137**	**3 493 585**	**(98 449)**	**(2.9)**

Investment

In 2021, Gross fixed capital formation recorded an amount of 87.4 million euros, which includes the investment amounts which were capitalised in ML's Fixed assets accounts.

Table 43 – Investment expenditure 2021

Investment expenditure 2021 (Unit: €)	Gross fixed capital formation	Investment at technical costs	Investment expenditure
LTI	**52,820,071**	**58,567,393**	**58,567,393**
National action plan on accessibilities	1,056,929	1,182,862	1,182,862
Rato/Cais do Sodré extension	41,002,811	45,898,936	45,898,936
Line A refurbishment	259,382	274,493	274,493
Line B refurbishment	335,518	352,145	352,145
Line C refurbishment	4,961,654	5,487,917	5,487,917
Areeiro refurbishment and expansion	318,800	320,268	320,268
Arroios refurbishment and expansion	4,353,931	4,880,205	4,880,205
Other	288,923	288,923	288,923
Line D refurbishment	155,233	164,462	164,462
Olivais refurbishment	2,482	2,482	2,482
Other	152,751	152,751	152,751
Replacement and modernisation of mechanical stairs	1,266,076	1,413,171	1,413,171
Global network refurbishment	3,782,469	3,793,408	3,793,408
Modernisation of the Blue, Yellow and Green lines (CBTC - Signalling)	3,295,050	3,295,050	3,295,050
Other	487,419	487,419	487,419
ML	**34,539,182**	**34,608,092**	**34,608,092**
Buildings and other constructions	365,253	394,165	394,165
Relocation of operations controlç centre	0	0	0
Refurbishment and expansion of spaces in the Carnide complex	301,127	330,039	330,039
Other	64,126	64,126	64,126
Basic equipment	33,524,309	33,524,309	33,524,309
Grinding vehicle	2,398,241	2,398,241	2,398,241
CCTV	596,042	596,042	596,042
Rolling stock ML 95-97-99 rehabilitation	1,177,462	1,177,462	1,177,462
Modernisation of the Blue, Yellow and Green lines (CBTC - Rolling stock)	20,226,473	20,226,473	20,226,473
Modernisation of the Blue, Yellow and Green lines (CBTC - Signalling)	7,893,867	7,893,867	7,893,867
Refurbishment of the central ticketing system	619,784	619,784	619,784
Updating of access channel validators and displays	0	0	0
Other	612,441	612,441	612,441
Tools and utensils	67,418	67,418	67,418
Office equipment	582,201	622,199	622,199
COVID-19	937	937	937
Other	581,264	621,262	621,262
Metrocom	**0**	**0**	**0**
Ferconsult	**0**	**0**	**0**
Total investment	**87,359,253**	**93,175,485**	**93,175,485**

Compared with the same period of the previous year, there was an increase of 65.5 million euros (+74.9%), with some projects being worthy of mention, such as: Rato / Cais do Sodré, with an execution of 41.0 million euros, a Modernisation project with 31.4 million euros, Refurbishment and expansion of Arroios station with 4.4 million euros, acquisition of a grinding vehicle with 2.4 million euros, Replacement and modernisation of mechanical stairs with 1.3 million euros, general overhaul of ML95, ML97 and ML99 doors with 1.2 million euros and PNPA with 1.1 million euros, with primary focus on the accessibility project for Entre Campos and Cidade-Universitária stations, financed by the Environmental Fund.

Table 44 – Evolution of investment 2019-2021

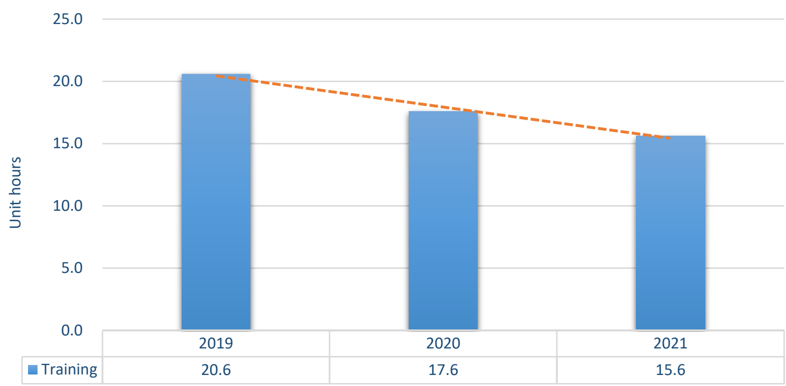
Investment (Unit: €)	2021	2020	2019	Variation 2021/20	
				Absolute amount	%
Gross fixed capital formation (GFCF)	87,359,253	21,888,243	13,928,719	65,471,009	74.94%
Investments at technical costs (ITC)	93,175,485	26,522,065	17,000,354	66,653,420	71.54%
Investment expenditure (IE) (includes financial costs)	93,175,485	26,522,065	17,000,354	66,653,420	71.54%

2. Intellectual capital

The year 2021 was marked by the transition to a digital training model and by the reinforcement of the connection with universities in the development of management and leadership skills of the teams. Also noteworthy is the activity of the ML Academy with its collaboration in the development of projects aimed at promoting a culture of innovation within the Company.

However, the increased digitalisation of training in response to the new measures to protect against and prevent the pandemic was reflected in a further decrease in the average number of hours of training per staff member (-11%), even though it was possible to increase the number of actions carried out by 9% compared to the previous year. This variation stems from the digital format training model, which is of shorter duration.

Chart 8 - Training



The training solutions developed sought to continue the following guidelines and trends:

- The Customer as the central focus;
- Strengthening of management and leadership skills;
- Promotion of a culture of innovation and environmental sustainability;
- Development of project management skills, contributing to promote a project culture and practices;
- Involvement, motivation and qualification of employees, with a trend towards extending training to all employees, with priority being given to strategic areas and populations;
- Progressive adjustment of the hours of training undertaken in accordance with legislation.
- Promotion of the principle of equality and non-discrimination between women and men, namely as regards qualification opportunities.

Within the scope of these policies and guidelines, the Follow Up Strategic Leadership Programme, aimed at the Managing Staff, and the #MetroGo initiative to disseminate, test and involve employees in the innovation methodology are of particular importance.

3. Human capital

The Human capital management model is anchored on the same sustainability principles integrated into the business strategy and focused on valuing knowledge. We start from the assumption that it is our people who allow us to be the structural public transport operator of mobility in Lisbon, which is why we guide our development policies towards the promotion of competences, the recognition of performance and the maintenance of a good environment and social climate.

We recognise the permanent need for optimisation and balanced adaptation of human capital to the effective needs of an organisation that is efficient in fulfilling the public service mission entrusted to it and to the need to respond to the developments and challenges ahead for the mobility of the future.

In the area of human capital management, 2021 continued to be strongly marked by the COVID-19 pandemic, with the following being worthy of mention:

- Agreement with the unions representing CA I and CA II employees, in collective bargaining, to update the salary table, maintaining the commitment shown in valuing the importance of collective bargaining as an indispensable instrument for promoting social peace and improving employees' well-being;
- Reinforcement of the staff in order to ensure the offer and quality of service, with special emphasis on hiring technicians with various specialities for the maintenance area, and on hiring Senior Technicians to reinforce the installed know-how, namely in the areas of Engineering, Human Capital and Information Technologies;
- The transition of a significant part of the training to the online format was carried out while maintaining the focus on valuing knowledge and improving the qualifications and skills of the employees, especially in developing technical and leadership skills, in line with the strategic value attributed to Human Capital. Also of note is the ML Academy activity, supporting the initiative to promote a culture of innovation in the company;
- Reinforcement of projects to improve working conditions, in particular, during periods of deterioration of the COVID-19 pandemic, measures of prevention, control and monitoring of employees' health;
- Continuity of intervention in the community and contribution to charitable causes, in accordance with the principles of sustainability and social responsibility assumed in the Social Responsibility Charter;
- Consolidation of the adoption, promotion and dissemination of values and practices in accordance with the guiding principles of the management commitment to promoting equal opportunities and non-discrimination.

Employees

With the approval of the Activities and Budget Plan for the 2021 financial year, ten new hires were authorised, essentially for stations and senior technicians. Considering also the unsuccessful hirings resulting from the previous commitments, despite the constraints caused by the pandemic, it was possible to continue hiring new employees, especially in the maintenance area, ensuring the necessary staff to comply with the Maintenance Plans and to rejuvenate staff, reinforcing the installed know-how in various areas.

Table 45 - Headcount of the Metropolitano de Lisboa group of companies

Headcount by type of contract (Unit: No.)	2021	2020	Var. 2021/2020
Fixed-term contract	2	1	1
Open-ended contract	1519	1516	3
TOTAL	1521	1517	4

Table 46 - Headcount data of the Lisbon Metropolitan group of companies, by gender

	2021			2020		
	Women	Men	TOTAL	Women	Men	Total
Overall headcount (Unit: No.)	388	1133	1521	385	1132	1517
Weight of overall headcount (Unit: %)	25%	75%	100%	25%	75%	100%
Average age (Unit: years)	48,7	49,7	49,4	47,3	48,5	48,2
Average seniority (Unit: years)	19,8	22,9	22,1	18,6	21,7	20,9

Table 47 - Total No. of human resources

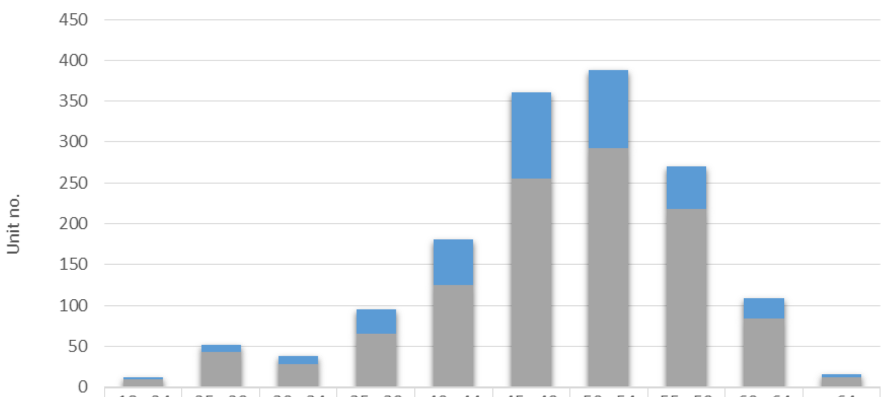
Unit: Headcount

Total No. of HR (Corporate bodies + senior positions + employees)	2021	2020	ABP 2021	Var. 2021/2020	Deviation ABP 2021
No. of corporate bodies	6	6	6	0	0
No. of senior positions without corporate bodies	21	20	21	1	0
No. of employees without corporate bodies and without senior positions	1,500	1,497	1,544	3	-44
TOTAL	1,527	1,523	1,571	4	-44

The overall headcount of the Metropolitano de Lisboa group of companies, on 31 December 2021, was 1,521 employees, 388 of whom were women and 1,133 men, corresponding to a representation of 25% women and 75% men. The headcount structure is composed mostly of male employees, with men being more expressive in all professional careers. This representation is also reflected in the structural positions, with women representing 33.3%.

The headcount is also characterised by a high average age (49.4 years), with 47% of the total headcount being over 50 years of age. Analysing this indicator by gender, we see that men have a higher average age (49.7 years) when compared to women (48.7 years). In areas core to the ML group of companies' business, employee ageing is even more significant, with higher average ages exceeding 50 in the case of the Operation.

Graph 9 – Headcount by gender and age group



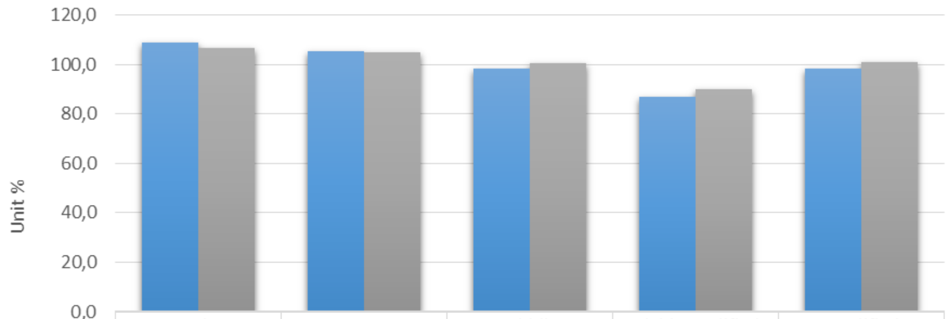
	18 - 24	25 - 29	30 - 34	35 - 39	40 - 44	45 - 49	50 - 54	55 - 59	60 - 64	>64
Women	2	8	10	30	56	106	95	52	25	4
Men	10	43	28	65	125	255	293	218	84	12

Similarly to the average age, the average length of service of staff is high (22.1 years), raising the need to replace staff in specific business areas and to rejuvenate the workforce to ensure the transfer of knowledge and guarantee long-term sustainability.

The State Budget Law for 2018 restored all acquired rights, by enacting in article 23 the application of the provisions of collective regulatory instruments.

Thus, in 2021 the practice of performance appraisal was consolidated, with all career progressions and performance bonuses being processed.

Chart 10 - Ratio of basic salary of the Metropolitano de Lisboa group of companies between women and men



	Senior Management	Middle Managers	Middle Management	Highly qualified professionals	Qualified professionals
2021	108,9	105,1	98,3	86,9	98,2
2020	106,6	104,8	100,3	89,7	100,8

From the analysis of the base salaries of women in comparison to men by qualification level, the ratios of highly qualified professionals, qualified professionals and middle managers where women have a higher base salary stand out. At the remaining qualification levels, senior managers and middle managers, the ratios indicate a higher salary for men. Despite the differences registered between the salaries of men and women, these differences are the result of objective criteria justified in terms of seniority and performance evaluation, which influence positioning and progression in the professional category level, there being no difference in the attribution of the base salary of men and women.

Health and safety at work

In the area of Health and safety at work, measures and actions were continuously developed to improve working conditions and to promote health conditions. Of note in this area are the measures adopted for the prevention, control and surveillance of employees' health within the scope of the control of the COVID-19 pandemic, as well as the programmes for the prevention of accidents and professional diseases and the improvement of the quality of life.

All employees perform their duties under conditions of adequate medical surveillance. In 2021, the activity of the Health Service was again strongly impacted by the pandemic, namely in the execution of prevention measures and protection of employees' health. Nonetheless, with some additional effort it was possible to carry out 96.11% of the planned periodic examinations.

Within the scope of prevention, the ML group of companies continued its awareness programme on safety at work with the Safety for All Webinars cycle and the Waste Management training programme in the maintenance area and started training in the new safety regulations.

Within the scope of the analysis of work conditions, we highlight the carrying out of a new study on the psychosocial risks present in work environments, updating and refining those risks by professional category.

Table 48 - Accidents of the Metropolitano de Lisboa group of companies

Accidents (Unit No.)			Var. 2021/2020	
	2021	2020	Absolute	%
Work accidents	75	60	15	25%
Lost days	3 364	2 409	955	40%
Rate of absenteeism (Unit: %)	7.48	8.05	-	-7 p.p.

In 2021, in terms of work accidents, there was a significant increase in the number of work accidents compared to the previous year (25%) and days lost (39.6%). These figures, despite the work organisation measures adopted to protect employees' health in the context of the pandemic, already reflect the resumption of operational activity.

Table 49 - Accidents by gender

Accidents (Unit: No.)	2021		Total	2020		Total
	Women	Men	2021	Women	Men	2020
Work accidents	11	64	75	6	54	60
Lost days	272	2 519	2 791	168	2 241	2 409

In terms of gender, work accidents reflect the male predominance in the ML group of companies and the lack of female participation in higher risk professions.

Regarding the absenteeism rate, although there was a reduction of 0.57 p.p. in relation to 2020, the fulfilment of the supply plan and the staffing of the stations was strongly impacted, namely due to isolations and prophylactic isolations of train drivers and staff assigned to the stations.

Table 50 - Absenteeism rate

Absenteeism				Var. 2021/20	
	2019	2020	2021	Abs. V.	%
Rate of absenteeism (Unit: %)	8.13	8.05	7.48	-	-0.57 p.p.

As in previous years, sick leave continues to be the most relevant reason for this indicator, representing 51% of absence hours in 2021, although its weight decreased in relation to the previous year.

4. Share capital

Customers

During the year 2021, ML, in line with the guidelines issued by the Health General Directorate and the supervisory authority, reintroduced the set of measures to reinforce the safety conditions applied in the year 2020 for its customers, as well as for its employees working in the stations.

Even so, the sharp drop in demand observed during the year allowed us to reduce the number of stations normally staffed by ML employees, without significantly reducing the service levels perceived by our customers. Notwithstanding this reduction, the services normally provided at Points of Sale, Customer Spaces, Navegante Spaces and Production Spaces for Lisboa Viva Urgent cards were maintained in operation during the normal opening hours and every day of the year.

Due to health safety reasons, only the "Baby Space" located in Alameda station and the Sanitary facilities, previously open to the public, will remain closed during 2021.

In terms of Human Resources, in 2021 the prophylactic rotations implemented in 2020 were reintroduced in employees' schedules, making it possible at certain critical times of the year to maintain, in a rotational system, mirror teams (teams at home/teams performing on-site functions).

The monitoring of positive cases verified in the stations and the immediate measures to disinfect the work stations were maintained in practice in 2021 and were determining factors for the full compliance with the programmed service levels during normal operating hours.

Throughout 2021, for the protection of employees and customers, the following measures and actions were implemented/maintained:

- Maintenance of influx control systems at the stations with highest demand (Entre Campos, Cais do Sodré and Jardim Zoológico) with the support of the public security police (PSP) and security guards, in order to identify and dissuade the emergence of crowded situations at the platforms or the incorrect use of masks;
- Maintenance of distancing and routing signage in stations, as well as the dissemination of individual protection messages in stations, aimed at compliance with safety distances in the access to vending machines, in the use of escalators or in the distribution of passengers at the platforms and benches;
- Monthly application, by means of nebulisation of the Zoono product, in the areas of greatest contact by our customers (handrails, vending machines, ATMs, access channels, lift buttons, help points and other risk areas). This is a disinfection solution with mechanical action, created to ensure long-lasting protection (up to 30 days) against broad-spectrum microbial loads (bacteria, viruses and fungi), with direct consequences on health, by drastically reducing unwanted propagation;
- Daily reinforcement of cleaning and disinfection in the areas where customers have most contact with equipment at stations;
- Availability in all stations of hand sanitiser dispensers for the use of our customers;
- Maintenance of isolation rooms at every station for temporary confinement of suspected cases if necessary;
- All employees in direct contact with the public are provided with personal protective equipment: visors, masks, gloves, wet wipes and disinfectant gel;
- Implementation of a methodology for daily temperature control of employees;
- Revalidation of the SGS "COVID-19" certification, with the attribution of the "Travel with Confidence" seal, validated by SGS Portugal. SGS has recognised the effectiveness of the SANITISATION and cleaning of Metro stations and rolling stock and has revalidated the certification initially attributed in 2020, confirming that we are a hygienic and safe transport operator, and that everyone can travel with confidence;
- Offer of free transportation for Vaccination - With the aim of contributing to the National Vaccination Plan against COVID-19, the Metro supports the Lisbon population that goes to the FIL Vaccination Centre (Parque das Nações) to be vaccinated through the offer of a Viva Viagem card topped up with two metro trips (return trip). This support stems from collaboration with Lisbon City Hall.

Although most of the activity of the Customers' area in the stations was oriented towards minimising the impacts of the pandemic and the consequent restoration of the safety levels usually perceived by our customers, in 2021 it was still possible to develop projects, among which the following stand out:

- Within the scope of the station accessibility promotion plan, the replacement of the mechanical stairs at Rato and Avenida stations, significantly increasing their availability;
- Conclusion of the large-scale removal of tags and graffiti, which was begun in 2020, in stations (interior and exterior) and subsequent application of anti-graffiti products to protect the surfaces, maintaining the daily routine of their elimination in 2021;
- Installation of the first photovoltaic module for the autonomous lighting of the station signalling pillar, at the entrance of Laranjeiras station located on Estrada da Luz. The photovoltaic module is the first of four, and, as soon as the technical conditions are met, new equipment will also be installed at Telheiras, Campo Grande and Baixa Chiado stations;
- Based on technical studies confirming that periodically inverting the direction of rotation of mechanical equipment (escalators and moving walks) prolongs their life, a start has been made on periodically changing the direction of this equipment in Metro stations with mechanical equipment. To this end, it was necessary to reinforce information at the locations, communicating the periodic inversion of directions, and information was sent to some associations that provide support to blind and partially sighted citizens;
- In September 2021, the offer was reinforced in order to meet the increase in customer demand in the network, given the beginning of the new school year and the return to face-to-face work. The increase in the service offer was implemented, adjusting it to expected demand;
- The Customer Satisfaction study was carried out in accordance with the quality criteria defined in EN 13816 and NP 4415/2020. Overall satisfaction obtained with reference to the various service components achieved a score

of 7.78 points, on a scale of 0 to 10, showing an improvement in customer satisfaction (+3.46%), the highest result ever achieved;

- Mystery Customer studies were carried out through audits of the provided service, according to the quality criteria defined in standard EN 13816 – Quality of Service in Public Passenger Transport. Given the environment experienced (COVID-19), specific audits related to hygiene and safety conditions in stations/trains (cleanliness) were carried out. The data presented was generally positive with a compliance rate of 91.2%.

Customer Support and Marketing

Given the pandemic context, some of the initiatives developed were aimed at improving the conditions of the Customer service and support, namely:

- The refurbishment of the Rossio station Sales Post;
- The reinforcement of police presence at stations, in articulation with the Metro's inspection teams, assisted by security guards;
- Availability of an online service that allows the subscription and renewal of profiles 4-18 or Sub-23 in the Lisboa VIVA card, by filling in a form available on the Metro website. With this measure ML wanted to improve the service to young students and reduce the amount of congestion in Customer Spaces;
- Opening of temporary Lisboa Viva Urgent service stations. The adoption of this measure aims to contribute to the reduction of queues at service stations, seeking to provide a faster and more efficient service to its customers;
- The launch of the Old Combatant Navegante, a measure implemented by TML with the purpose of benefiting former combatants, holders of the Old Combatant card, and their widows/widowers.

Fighting fraud

Despite the constraints of the pandemic and the consequent impact on inspection activity, a series of measures were implemented to combat fraud, of which the following are noteworthy:

- The start of the platform for sending to the IMT the Notices drawn up within the scope of inspection activities with the subsequent sending of the same to the Tax Authority for the opening and instruction of administrative offence proceedings for the enforced collection of unpaid fines;
- The launch of an information campaign for customers, with posters on trains and information on the website, alerting them to the importance of acquiring and validating transport tickets and to the consequences of non-compliance, with the proceedings being sent to the Tax Authority;
- The integration of Security Guards in the Inspection teams.

These measures, despite the constraints mentioned above, and the inspection activities carried out by a very small number of inspectors, produced very positive results, as shown in the attached table.

Table 51 - Inspection activity

		Unit	2019	2020	2021
Approaches		No.	132,747	70,640	121,850
Fines applied		No.	8,064	3,871	3,719
Fines paid to ML		No.	2,240	1,146	1,145
Fines paid to ML	**a)**	%	30.25	29.6	38.85
Amount paid to ML	**b)**	€	146,400	68,670	86,670

a) Payments made to the inspector, by ATM reference or at the Fines Collection Office

b)) Of this amount only 30% belongs to ML; the remaining 70% is distributed as follows: 60% for the State and 10% for the Public Transport Service

Other activity indicators

With reference to the 2021 financial year, some activity indicators related to customer service should also be highlighted:

Table 52 - Other activity indicators

Activity indicators		2021	2020	2019
Customer satisfaction index		7.78	7.52	7.35
Operational absenteeism (monthly average)	%	7.2%	7.4%	8.2%
Rate of compliance with the station staffing plan	%	71.1%	76.3%	74.8%
Call centre service level	%	82.5%	79.8%	80.5%
Number of calls answered	Unit	32 384	34 911	70 665
Number of incoming calls	Unit	39 252	43 728	87 779
ML site - no. of visits (pages viewed)	Unit	1 839 473	1 042 858	4 169 715
ML site - no. of views/campaign (monthly average)	Unit	758	702	3 395
Complaints	Unit	3 253	1 593	4 813
Response within 30 days (monthly average)	%	95.0%	94.0%	86.9%
Inspection - no. of approaches	Unit	121 850	70 640	132 747
Inspection - Fines	Unit	3 719	3 871	8 064

Brand communication

In the context of the pandemic and considering the measures adopted by the Company, communication with the Customer was constant, always with the objective of promoting the use of the Metro with confidence and in safety. The dissemination of information was materialised through the website and social networks, as well as the production of information on the network:

- Creation of a new page on the Metro website about the COVID measures implemented by the company (https://www.metrolisboa.pt/covid-19/);
- Launch of communication campaigns raising awareness on the use and maintenance of the safety distance in lobbies, elevators and trains, as well as on compliance with the Metro's rules of use.

Information campaigns on commercial products/services:

- Reinforcement of communication - Viva Kiosks (Alameda station), which allow the personalised Navegante card to be issued on the spot;
- Communication reinforcement - ticket management system & Proximo® App - with emphasis on the possibility of getting electronic tickets through the Proximo® App;
- Fines - communication on the obligation to acquire and validate a transport ticket;
- Temporary Lisboa Viva Urgent service posts;
- New rates in force from 1 January 2021.

"Cold wave" contingency plan

In collaboration with Lisbon City Hall, due to the extreme cold wave, Metropolitano de Lisboa supported the homeless community by keeping open the Santa Apolónia, Oriente and Rossio stations to provide shelter for homeless people on the coldest nights.

"The line that unites us" communication campaign

Launch of a communication campaign aimed at recovering and reinforcing customers' confidence in using the Metro. With the beginning of a new phase of deconfinement (April 2021), this campaign aimed to convey confidence to customers who no longer use the Metro or to those afraid to do so as a result of a climate of distrust regarding the use of public transport, in the context of the pandemic situation that took place.

The communication campaign, under the slogan "The line that unites us, is your trusted Metro" demonstrated that the Metro is a hygienic and safe transport operator. The message refers to the contingency procedures adopted by the Company regarding the methodology and frequency of cleaning and hygiene actions in the stations and rolling stock, seeking to ensure the appropriate hygiene and safety conditions to protect public health, its employees and its customers. In addition to Metro's own media (website, posters inside the trains and at station entrances), the campaign is also present in advertisements on social digital platforms such as Facebook, Instagram, Google and Youtube, as wel as on the Spotify digital platform.

Launch of status of lines on Twitter

With this feature available on Metro's official Twitter page, customers can now access real-time traffic status notifications on all lines. Whenever there are disturbances this information is published automatically in the publications feed of the Metropolitano page.

The main purpose of this new feature is to reinforce, facilitate and strengthen communication with the customer, promoting the presence of the company among its customers and the community in general.

“A safe and healthy metro" exhibition

Within the scope of the European Mobility Week, a photographic exhibition was held at the Marquês de Pombal station (Yellow line) entitled "A safe and healthy metro", through which the measures adopted by the Company to guarantee the best conditions of hygiene and safety to customers and employees were demonstrated, despite the pandemic we are facing.

“Under fire and sword” photo exhibition

In partnership with Amadora City Hall, the photo exhibition "Under fire and sword" was held at the Amadora-Este station, allusive to two factories in the heavy metalworking and metallurgy branches, Sorefame and Cometna, which were headquartered in Venda Nova between 1943 and 1946. These companies were internationally renowned and participated in the construction, among many others, of large railway undertakings, namely, and in the case of Sorefame, of rolling stock for the Metro.

This exhibition is part of the cultural project to promote stations that the Metro has been developing for several years, hosting projects from different cultural areas, through partnerships established with multiple entities.

There is music at the end of the tunnel

As part of the initiative "There is music at the end of the tunnel", promoted by the Ministry of Health (DGS) and by its National Programme for Mental Health, the Metro hosted a cycle of concerts which took place in Marquês de Pombal, Alameda and Cais do Sodré stations.

This action aimed to alert the population to the importance of taking care of themselves and of promoting their well-being and mental health, music being the vehicle chosen to raise awareness on these issues.

Metro Christmas campaign

"This Christmas, I'm counting on the Metro to take me!" was the motto of the Metro communication campaign for Christmas, whose main objective was to encourage the use of the Metro during this festive season. With this purpose, three messages were developed related to typical Christmas season behaviour, namely Christmas shopping, meetings and social gatherings between friends, or simply to see the traditional Christmas lights in Lisbon. The campaign took place in Metro's own media (offline and digital media).

Facility security

In the year 2021, Metropolitano de Lisboa resumed the joint action plan with the Fire Brigade Regiment, which allowed the execution of weekly drills in stations and simulations in the network.

The renewal of the Internal Safety plan was started, with self-protection measures in accordance with the model previously discussed with the National Authority for Emergency and Civil Protection (ANEPC - Autoridade Nacional de Emergência e Proteção Civil).

In terms of surveillance and taking into account the new security realities, new services were implemented with a greater focus on the visibility and security of the facilities. These services were carried out with double patrols, for a longer period, and circulating on trains and at station platforms, in order to improve the safety levels of our customers.

With regard to security, it was possible to establish a closer relationship with the Public Transport Security Division of PSP to better coordinate security and surveillance actions. The project to refurbish and improve the facilities of the police station at Marquês de Pombal station was also initiated.

Through the implementation of appropriate methodologies, Metropolitano de Lisboa complied fully with the legal requirement of the SCIE (Special Fire Fighting System) concerning the annual maintenance of the fire extinguishers and the wet reel network.

Also noteworthy is the development of work on the installation of a new network infrastructure supervision system and the renovation of the CITV (internal television circuit), with the installation of a new management system for the network video surveillance system (CITV) and the installation of a system to detect descent onto the track and tunnel intrusion.

The 4-year programme to upgrade the automatic fire detection systems in the buildings and stations of the network was also continued.

In the refurbishments of the stations, and in new constructions, the use of fire extinguishing systems using mineral salts were introduced as strategic assets of the station. Their installation was included in the refurbishment and enlargement of the Arroios station.

Institutional communication

Throughout the year under analysis, Metropolitano de Lisboa was present at several sector events/conferences, mostly in digital format, given the pandemic context, sharing and learning about new market trends.

At an external level, institutional ceremonies were also organised with the presence of the Supervisory Authority, such as, inter alia, the signing of agreements, the reopening of station lobbies, as well as the launch of new products in terms of transport system, equipment and ticketing innovation, among others.

Also of note is the maintenance of the microsite on the expansion and modernisation of the Metropolitano de Lisboa's network. In this regard, the respective contents were updated taking into account the evolution of the different work fronts as well as the projects and studies under analysis. The communication plans concerning the situation of construction constraints were updated, as well as those concerning the temporary occupation of properties. This specific communication plan for the expansion of the Metropolitano de Lisboa network led to an increase in institutional contacts with local authorities and other stakeholders. These contacts will continue throughout 2022, until the end of the works in progress and those projected, such as the extension of the Red line from S. Sebastião to Alcântara and the Loures/Odivelas Light Surface Metro, involving Loures and Odivelas Municipal Councils and the respective Parish Councils in the areas of influence of the future stations/stops.

Metropolitano de Lisboa has also refreshed its institutional web page, providing more appealing content and graphics presentation from the users' point of view. It also redesigned the website of Ferconsult, S.A., a company fully owned by Metropolitano de Lisboa.

Internally, the company organised various institutional ceremonies with the presence of the Supervisory Authority, of which we highlight the commemorations of the 73rd anniversary of the foundation of Metropolitano de Lisboa in October 2021, due to the pandemic situation and also the periodic meetings of Directors and Managers, with a view to updating and sharing information, within the scope of the company strategy.

Also internally, the procedure for customer and public service to be followed in relation to external contacts received by Metropolitano de Lisboa regarding requests for clarifications, information and complaints about the modernisation and expansion of the network was also instituted, which is essential for maintaining the reputation and good image of the company.

Regarding contacts with the press, it is worth mentioning the participation of Metropolitano de Lisboa in several information and news report television programmes that provided a positive image of the company.

In 2021, Metropolitano de Lisboa was the subject of 5,654 news items, it was present in 352 media outlets and gave rise to an AVE of 87,288,258 euros and an ROI of 48,918,488 euros.

The number of positive/informative articles accounted for 78% of all news items in the period under review. Television was the second medium with the highest number of news reports. The outlet with the most news items was the TV channel “TVI”. Of the total number of news items, 61% were published online, 28% in audio-visual media and 11% in print media. Regarding the type of sources, the general information media stand out, with 92% of the total news items.

Participation in activities of national and international bodies

In 2021, the constraints imposed by the COVID-19 pandemic continued throughout the year, leading to the maintenance of the restrictions on overseas travel determined by the Board of Directors in 2020. Despite this, the company maintained an energetic participation in its international activities, both at the level of the entities with which Metropolitano de Lisboa is affiliated, and through participation in various events in the transport sector which took place in 2021, mainly in virtual format.

In this context, in 2021, Metropolitano de Lisboa maintained its participation in the Policy Board of the International Association of Public Transport (UITP), the highest governance body of the association, being represented by ML’s Chairman, Vitor Domingues dos Santos, in the capacity of national Ambassador in said body, a position to which Portugal is entitled, according to the amount of contributions currently paid by the Portuguese members of the UITP. With the agreement between Transtejo, S.A. and Companhia Carris de Ferro de Lisboa E.M., S.A., representation in that body will continue to be assumed by Metropolitano de Lisboa during the 2021/2023 term of office.

During the year, the participation of the Member of the Board of Directors, Mr. Pedro Miguel de Bastos Veiga Costa, also continued to participate in the European Union Committee of the UITP, as a full member of the body that represents the interests of European operators and exerts influence on the legislative and decision-making process in Community institutions.

It is also important to highlight the renewal in 2021, for a new term of office until 2023, of Metropolitano de Lisboa's Safety and Surveillance Director, António Valente, in the role of Chairman of the UITP Safety Committee, a position he has held since 2019, with representation in the main UITP management bodies.

Throughout the year the company also participated in various virtual meetings of the UITP's governing and working bodies, in particular the meetings of the Policy Board (April and November), the General Meeting (June), the Metros Meeting (November) and the Association's PresCom (January), all held in virtual format.

In addition to the meetings of statutory bodies, Metropolitano de Lisboa has maintained an active participation through work meetings of the different bodies in which it is represented and, also, in different workshops and webinars organised by the Association throughout the year on the most varied subjects related to the public transport sector.

In 2021, Metropolitano de Lisboa also took part in the key meetings of the Latin American Association of Metros and Underground Railways (ALAMYS), with its presence assured by the Member of the Board of Directors, Eng. Maria Helena Campos, who occupies the position of 5th Member of the Steering Committee of said association, including the Steering

Committee and the General Meeting, held virtually during the month of November. Metropolitano de Lisboa participated in the 26th ALAMYS Technical Committees meeting, from 28 to 30 June (in virtual format), this year under the theme " One year after the Pandemic:

Changes and Progress in Metro Rail Transport".

During 2021, Metropolitano de Lisboa also participated in relevant underground benchmarking activities, having been represented at the general meetings of the NOVA/CoMET underground benchmarking group, which were held in virtual format in January, March, April, July, October and November.

Regarding the participation of Metropolitano de Lisboa in events organised by other entities, it is worth mentioning the intervention of the Chairman of the Board of Directors, Mr. Vitor Domingues dos Santos, as a speaker at the "Portugal Railway Summit 2021", organised by the Portuguese Railway Platform (PFP) within the scope of the European Year of Railways which was commemorated in 2021, with an intervention entitled "Investments planned by Metropolitano de Lisboa and its prospects for the future of railway".

Other virtual events were attended by the Company, such as the Summits "Leading the Digital Decade" (February) and "Digital Day 2021" (March), both organised by the European Commission; the Webinars "The Company and its Evolving Role in Society" and "Urban Future with a Purpose" (March), organised by Delloitte; the "Budapest Smart Ticketing and Digital Services" Forum (May); the Conference "Global Mass Transit - Ticketing and Fare Collection in the EU" (June) and the "Transport Innovation Summit 2021" (November).

With regard to physical travel, we highlight the participation in the XIV COTEC Europe Meeting, which took place in Malaga, during the month of November and, also, several technical visits within the scope of the project for the modernisation of the signalling system and acquisition of new rolling stock for the expansion of the network between Rato station and Cais do Sodré, namely to the STADLER factory in Valencia (May, November and December) and to the Metro in Sofia and Berlin (November).

Another important aspect within the scope of International Relations, during 2021, was the adhesion of Metropolitano de Lisboa to the Calypso Network Association (CNA), a Belgian non-profit organisation, which brings together more than 100 international members linked to the transport and mobility sector, for the exchange of ideas and experiences with the aim of developing open systems that meet the continuous needs of contactless ticketing.

In 2021, due to the restrictions applied to international travel in most countries, Metropolitano de Lisboa did not receive visits from foreign delegations to its facilities and works.

Social responsibility

The year 2021 was one of continuity in the commitment to stakeholders, both with employees, supporting measures aimed at family life conciliation and parental protection, and reinforcing intervention in the community and in the contribution to solidarity causes.

According to the sustainability and social responsibility principles assumed in the Social Responsibility Charter, ML has developed and supported several social solidarity and aid initiatives for groups in need or at risk, among which we highlight the following:

- Renewal of the collaboration protocol with O Companheiro - IPSS that supports the psychosocial inclusion of prisoners and former prisoners and their families through the development of personal and professional skills, for the integration of former prisoners or other citizens in disadvantaged situations in a work team and participation in workshop activities;
- Collaboration with CASA - Centro de Apoio ao Sem-Abrigo (support centre for the homeless), a private social solidarity institution (IPSS) that provides support to the most in need population in Lisbon, in the organisation of the Christmas lunch for the homeless. This year, the event took place in three stations of the subway network, and 300 Christmas lunches were distributed to homeless people.

- Development of the #Together programme, inspired by the UN Sustainable Development Agenda 2030, namely the strategic priorities defined by the Portuguese Government and Metropolitano within this agenda, Education, Gender Equality, Reduction of Inequalities and Sustainability. This programme resulted in effective support for the Johnson Academy, the Madre Teresa de Saldanha Home and Refood.
- Food collection campaigns as part of the "Race for Goods" initiative, where in exchange for free dorsals, it was possible to collect goods to help the Fundação Obra do Ardina and Banco do Bebé - Associação de Ajuda ao Recém-Nascido (Newborn Aid Association);
- Clothing collection campaigns as part of the "Vista esta Causa" (Wear this Cause) initiative in favour of the O Companheiro Association, which enabled 788 kg of clothes and toys to be donated to the O Companheiro Clothes Bank;
- Strategic partner of the "Giving Tuesday" movement, allowing the donation to CASA - Centro de Apoio ao Sem-Abrigo of food products to support the preparation of hot meals that are served to people on the streets every day of the year;
- Support to ASE - Lar de Idosos da Assistência Social Evangélica (Evangelical Social Assistance Home for the Elderly) within the scope of the "Caixinha dos Desejos" (Box of Wishes) initiative, with the sponsorship of wishes and comforting the residents' Christmas.

Equality and non-discrimination

The Metropolitano de Lisboa group of companies has made a commitment to Sustainable Development, integrating four of the Sustainable Development Goals (SDGs) of the UN's Agenda 2030 for Sustainable Development into its strategy:

- SDG5 - Achieve gender equality and empower all women and girls.
- SDG9 - Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.
- SDG13 - Take urgent action to combat climate change and its impacts.
- SDG16 - Substantially reduce corruption and bribery in all its forms. Develop effective, accountable, and transparent institutions.

  (https://www.metrolisboa.pt/institucional/conhecer/sustentabilidade/)

In this sense, in convergence with the National Strategy for Equality and Non-Discrimination 2018-2030 - Portugal Mais Igual (Portugal More Equal), Metropolitano has promoted values and practices in accordance with the guiding principles of the management commitment to promote equal opportunities and non-discrimination, of which the following are noteworthy:

- As an associate of the BCSD (Business Council for Sustainable Development), ML is part of the group of large companies concerned with sustainability issues and dedicated to an approach committed to human rights, becoming a signatory of the CEO's Guide on Human Rights;
- As a member of the "Union Internationale des Transports Publics" (UITP), Metropolitano has adhered to the declaration on equal opportunities for women and men in the public transport sector/"Women in Transport - EU Platform for Change", identifying good practices on gender equality, followed by ML, for integration in the platform "Women in Transport - EU Platform for Change" coordinated by UITP;
- Within the scope of IGEN, Metropolitano has been part of the "Organisations for Equality Forum" since 27 March 2014, renewing annually the Adhesion Agreement as a commitment to diversity, conciliation and communication ensuring equal opportunities for employees.
- As a member of iGen - Fórum Organizações para a Igualdade (Organisations for Equality Forum), Metropolitano has joined CITE - Commission for Equality in Labour and Employment in the dissemination of national awareness campaigns on issues such as domestic violence, salary equality, equality and non-discrimination, reaffirming the

importance of highlighting equal opportunities in the performance of different roles, to the largest possible number of employees;

- Still within the scope of Equality, Metropolitano included in the Welcome Manual a chapter dedicated to the theme of iGen and non-discrimination, in a clear commitment to the promotion of professional equality and to the end of all gender discriminatory processes at work;

Metropolitano also participated in awareness raising actions on Moral Harassment, Gender Equality, Citizenship and Non-Discrimination, and Agenda 2030 - an agenda for innovation in public management and sustainability.

5. Natural capital

The adaptation of the transport service to demand needs and to compliance with the occupation rate of 2/3 for the health safety of ML customers proved to be indispensable to maintain economic activity, allowing the mobility of all employees of essential services when the city of Lisbon was confined.

Metropolitano de Lisboa assumes itself as a relevant actor in the decarbonisation of the economy and in contributing to the minimisation of environmental impacts. In this context, and in addition to the efforts made towards modal transfer from more polluting means of mobility for ML, there is constant monitoring of the environmental performance of the organisation that has implemented and certified the Environmental Management System in accordance with NP EN ISO 14001 as a reference for this purpose.

Every year, an analysis is made of the significant environmental impacts, positive and negative, resulting from the activities developed by the ML group of companies:

Positive:

- Waste recovery promoting the circular economy.

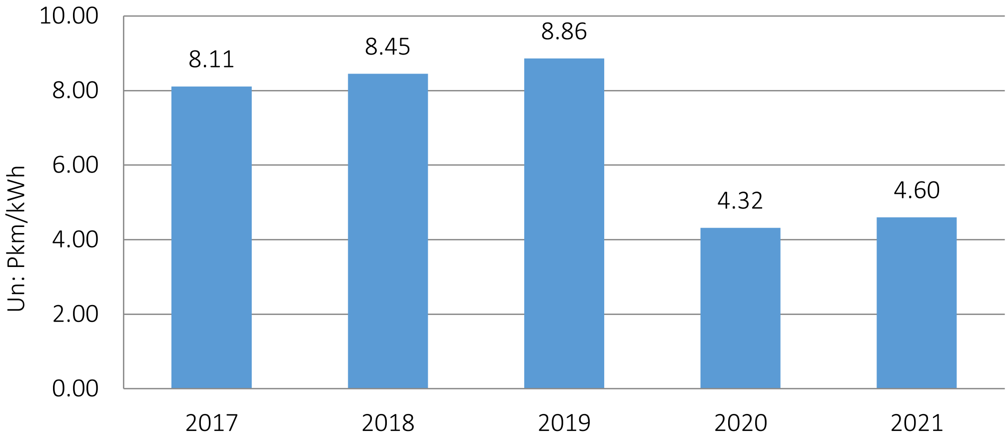
Negative:

- Electricity consumption in buildings and stations in ML;
- Indirect atmospheric emissions from electricity consumption;
- Natural gas consumption.

During 2021, efforts were made to implement more energy efficient solutions, namely in terms of lighting and ventilation systems.

The passengers x km transported per unit of energy in 2021 registered a slight increase of 6.5%, contradicting the trend observed in the previous year, as a result of the pandemic.

Chart 11 - Energy efficiency



In 2020, and as part of the commitment to "Lisboa - Capital Verde” (Lisbon - Green Capital), Metropolitano de Lisboa prepared an Integrated Environmental Sustainability Plan which it proposes to implement by 2030, and whose actions focus on energy, water, paper, air quality and noise, circular economy, communication and citizenship.

During the last two years of PISA 2030, of the planned actions, the following measures were successfully completed:

- Increase in the quantity of waste sent for recovery;
- Installation of intelligent irrigation systems;
- Disclosure of events and goals defined within the scope of *Lisboa - Capital Verde* through the Metro's media;
- Multimodal information on the Metro's website.

Of the remaining actions, the projects "Adoption of the use of reused water for washing and irrigation in the new stations and PMO III" and "Installation of air quality monitoring equipment in the stations and buildings and sharing of data with CML" are yet to start, with the latter being dependant on CML's willingness to move forward. The work carried out on the actions during 2021 is presented below:

ACTIONS / PROJECTS	WORK DONE
Complete replacement of lighting in stations with LED technology	*Full LED lighting is complete in 19 of the 56 metro stations (corresponding to 33.9%).*
Photovoltaic plant installation in PMO II	*Preliminary studies were completed on the photovoltaic and infrastructure components, and the execution projects are being prepared.*
Improving energy efficiency and reducing the emission coefficient of energy consumed through the purchase of cleaner energy and own production	*Reduction in carbon intensity by 6.7%.*
Increase in the number of chargers for electric vehicles in Metro car parks	*Revised design and procedure in preparation for public launch.*
Change to parking rules giving priority to electric vehicles	*The identification of electric vehicles and the status of hybrid vehicles are under consideration.*
Guaranteeing a number of reserved places for electric vehicles	*The appropriate distribution of reserved place markings for electric vehicles is under study.*
Promotion of the procurement of sustainable materials and products through the use of environmental criteria in the purchasing process	*A communication defining which procedures should adopt environmental criteria in the contracting phase (10.8%) is under preparation.*
Reduction of paper consumption, with the digitalisation of internal processes	*As a result of the measures implemented in the wake of the pandemic, in 2021 the reduction in paper consumption only reached 1.8% compared to the previous year. However, when compared to 2019 the variation reaches -42.3%.*
Dissemination of this commitment by stakeholders and the status of implementation of the actions defined	*The disclosure is made quarterly on the Company's Portal and on the ML website.*

VII. COMPLIANCE WITH LEGAL GUIDELINES

1. Management objectives (article 38 of the RJSPE) and Activity Plan and Budget

Table 53 - Management objectives

	YEAR 2021		Status of execution	Comments/Justification deviations
	Actual	ABP		
Financial principles of reference				
Operational efficiency (ratio of operating expenses over turnover)	96.7%	101.1%	-4.4 p.p.	Page 85
PRC (1) - maintenance or reduction of personnel expenses	81,682,434	85,804,757	95.2%	Page 85
PRC (2) - maintenance or reducing travel, subsistence and accommodation costs	3,797	38,758	9.8%	Page 85
PRC (3) - maintenance or reduction of vehicle fleet charges	305,212	375,611	81.3%	Page 85
PRC (4) - maintenance or reduction of charges for contracting studies, opinions, projects and consultancy	1,440,154	3,524,183	40.9%	Page 85
Investment [1]				
Investment (LTI)	€ 52,820,071	€ 77,791,250	67.9%	Page 77
Investment (ML)	€ 34,539,870	€ 39,782,326	86.8%	Page 77
Total investment	**€ 87,359,940**	**€ 117,573,576**	**74.3%**	
Indebtedness				
Indebtedness variation	3.37%	2.07%	1.30 p.p.	Page 79

[1] The LTI and ML investment values are net of TPE and Financial expenses.

INVESTMENT

Table 54 - Investment

Investment expenditure 2021 (Unit: €)	Gross fixed capital formation	PAO 2021	Deviation	
			Abs.	%
LTI	**52,820,071**	**77,791,250**	**-24,971,179**	**-32.1%**
National action plan on accessibilities	1,056,929	1,567,552	-510,623	-32.6%
Rato/Cais do Sodré extension	41,002,811	57,025,906	-16,023,095	-28.1%
Line A refurbishment	259,382	1,840,849	-1,581,468	-85.9%
Line B refurbishment	335,518	483,087	-147,570	-30.5%
Line C refurbishment	4,961,654	7,069,725	-2,108,071	-29.8%
Areeiro refurbishment and expansion	318,800	314,670	4,130	1.3%
Arroios refurbishment and expansion	4,353,931	5,054,118	-700,187	-13.9%
Other	288,923	1,700,937	-1,412,014	-83.0%
Line D refurbishment	155,233	979,284	-824,052	-84.1%
Olivais refurbishment	2,482	107,669	-105,187	-97.7%
Other	152,751	871,616	-718,865	-82.5%
Replacement and modernisation of mechanical stairs	1,266,076	2,157,967	-891,891	-41.3%
Global network refurbishment	3,782,469	6,666,879	-2,884,411	-43.3%
Modernisation of the Blue, Yellow and Green lines (CBTC - Signalling)	3,295,050	5,857,534	-2,562,484	-43.7%
Other	487,419	809,346	-321,927	-39.8%
ML	**34,539,182**	**39,782,326**	**-5,243,145**	**-13.2%**
Buildings and other constructions	365,253	1,768,279	-1,403,027	-79.3%
Relocation of operations controlç centre	0	110,000	-110,000	-100.0%
Refurbishment and expansion of spaces in the Carnide complex	301,127	363,279	-62,153	-17.1%
Other	64,126	1,295,000	-1,230,874	-95.0%
Basic equipment	33,524,309	36,491,443	-2,967,134	-8.1%
Grinding vehicle	2,398,241	2,406,667	-8,426	-0.4%
CCTV	596,042	967,970	-371,928	-38.4%
Rolling stock ML 95-97-99 rehabilitation	1,177,462	1,858,065	-680,603	-36.6%
Modernisation of the Blue, Yellow and Green lines (CBTC - Rolling stock)	20,226,473	23,149,268	-2,922,795	-12.6%
Modernisation of the Blue, Yellow and Green lines (CBTC - Signalling)	7,893,867	2,406,318	5,487,549	228.0%
Refurbishment of the central ticketing system	619,784	400,000	219,784	54.9%
Updating of access channel validators and displays	0	2,900,000	-2,900,000	-100.0%
Other	612,441	4,661,220	-4,048,779	-86.9%
Tools and utensils	67,418	259,149	-191,731	-74.0%
Office equipment	582,201	1,263,455	-681,254	-53.9%
COVID-19	937	10,000	-9,063	-90.6%
Other	581,264	1,253,455	-672,191	-53.6%
Total investment	**87,359,253**	**117,573,577**	**-30,214,324**	**-25.7%**

Main deviations in Investment execution:

1. Rato/Cais do Sodré extension, -16.0 M€;
   - The non-consignment of lot 2 as a result of the additional time imposed by the APA to accept the Environmental Compliance Reports of the Execution Project (RECAPE);
   - Delay in the consignation of lot 3 as a result of some indecisiveness conditioned by the local elections that took place during this period;
   - The legal framework and the legal and regulatory interventions of external entities (for example the DGPC, APA, CCDR and CML), continue to instil a degree of unpredictability in the development of the works;
   - The entire undertaking has developed, to date, within the context of the COVID-19 pandemic which worsened in the third quarter of 2021. This has limited the availability of human resources and caused several delays in the delivery of materials due to disruption in supply chains, as well as having a significant impact on costs.
2. Remodelling of Arroios station and remodelling project of Cais do Sodré station, -1.2 M€;
3. Renewal of equipment at Anjos, Alvalade, Intendente and Roma stations, -0.8 M€;
4. Remodelling of the ventilation and pumping systems between Alameda and S.Sebastião station (Red Line), -0.8 M€;
5. Litigation regarding the expansion project of the Blue Line from Amadora Este to Reboleira: -0.7 M€
6. Remodelling of equipment and replacement of PMO II pine sleepers, -0.9 M€;

7. General renovation of ML 90 doors, -0.9 M€;
8. Rehabilitation of the data network infrastructure, expansion of the telephone network and acquisition of workshop equipment, -1 M€.

Financial budget (uploaded on SIGO/SOE)

Table 55 - Status of implementation of the financial budget

Item		Budget	Realisation	Status of implementation	Justification
R06.03	01-CENTRAL GOVERNMENT	17,100,000 €	3,963,263 €	23.2%	Of the allocation of 17.1 million euros in SGMAAC, only 3.9 million euros were transferred, relating to financial compensation for the sale of tickets with social fare pricing (4-18, sub-23, social +).
R06.03	07-CENTRAL GOVERNMENT - AUTONOMOUS SERVICI	4,520,000 €	4,520,000 €	100.0%	
R06.05	01-LOCAL GOVERNMENT	31,088,008 €	31,088,003 €	100.0%	
R06.09	01-EUROPEAN UNION - INSTITUTIONS	10,000,000 €	123,159 €	1.2%	The allocation entered corresponded to the anticipation of funds from the projects considered in the RRP. Preliminary studies were carried out for the expansion of the Red Line to Alcântara and the Light Surface Metro.
R07.02	02-SERVIÇOS	69,985,383 €	69,247,991 €	98.9%	
R08.01	01-OTHER	17,059,162 €	6,666,489 €	39.1%	The degree of investment execution has not kept pace with the budget estimates for calculating tax refunds.
R09.03	03-BUILDINGS	645,076 €	645,076 €	100.0%	
R09.04	04-OTHER CAPITAL GOODS	799,150 €	799,150 €	100.0%	
R10.03	01-CENTRAL GOVERNMENT	800,000 €	800,000 €	100.0%	
R10.03	08-CENTRAL GOVERNMENT - AUTONOMOUS SERVICI	36,844,200 €	37,494,200 €	101.8%	
R10.09	09-EUROPEAN UNION	38,683,399 €	38,683,399 €	100.0%	Special credit of 15,930,062.83 euros, following the payment of expenses at a co-financing rate increased to 100% (Deliberation No. 3/2021 of 25 October, of the Specialised Committee on Sustainability and Efficiency in the Use of Resources).
R11.03	12-FINANCIAL ASSETS-MLT SEC. INTERNATIONAL EN	5,809,762 €	5,809,761 €	100.0%	
R12.06	06-FINANCIAL SUPPORT	119,187,522 €	119,187,522 €	100.0%	Readjustment of the allocation and financing figures since the approved budget only included funds as an allocation.
R12.07	07-OTHER FINANCIAL LIABILITIES	266,769,467 €	253,904,909 €	95.2%	
R15.01	01-REFUNDS NOT DEDUCTED IN PAYMENTS	33,399 €	33,399 €	100.0%	
R16.01	01-MANAGEMENT BALANCE	47,271,470 €	47,271,470 €	100.0%	
R17.02	00 - OTHER TREASURY OPERATIONS	0 €	71,896,841 €	-	Recording of RRP advances, to be carried over to 2022, according to the guidelines of the Year-End Operations Guide - RRP of 20 December 2021/BDG.

Item		Budget	Execution	Status of implementation	Justification
D01.01	01-CERTAIN AND PERMANENT EARNINGS	65,248,439 €	54,685,974 €	83.8%	The drop in own revenues, as a result of the pandemic situation, created cash flow difficulties, requiring the reinforcement of DFTG support, through a special credit, in accordance with Order 309/2021/SEO (6.4 million euros).
D01.02	02-VARIABLE OR POTENTIAL ALLOWANCES	4,497,415 €	4,397,404 €	97.8%	
D01.03	03-SOCIAL SECURITY	28,778,669 €	26,203,448 €	91.1%	
D02.01	01-ACQUISITION OF GOODS	3,980,744 €	2,349,620 €	59.0%	The deviation is essentially due to the reduction in the sale of occasional tickets, which allowed for a reduction of the need to acquire this type of goods.
D02.02	02-ACQUISITION OF SERVICES	57,768,903 €	44,569,951 €	77.2%	The drop in own revenue, as a result of the pandemic situation, created cash flow difficulties, requiring the reinforcement of DFTG support, through a special credit, in accordance with Order 309/2021/SEO (11.9 million euros).
D03.01	01- INTEREST ON PUBLIC DEBT	147,230,741 €	141,913,895 €	96.4%	
D03.05	05-OTHER IN TEREST	0 €		-	
D03.06	06-OTHER FINANCIAL COSTS	61,231 €	58,400 €	95.4%	
D06.02	02-MISCELLANEOUS	4,596,654 €	2,538,213 €	55.2%	The status of revenue implementation has not kept pace with the budget estimates for calculating tax payments.
D07.01	01-INVESTMENTS	47,412,229 €	35,226,996 €	74.3%	The deviation is essentially related to the lack of implementation of non-co-financed investments, not only due to the cash flow difficulties that characterised the year 2021, but also due to the delay in the approval of the Expenditure Extension Ordinances and lengthy public contracting processes.
D07.01	10-BASIC EQUIPMENT	52,777,778 €	52,777,778 €	100.0%	
D07.03	03-PUBLIC DOMAIN ASSETS	111,233,197 €	62,749,138 €	56.4%	The deviation is mainly due to the fact that the execution of the RA/CS project did not follow the initial forecasts. The main reasons are related to the delay in the assignment of Lot 2 and the adjudication process for Lot 4, which is still being analysed and evaluated by the Jury.
D10.06	06-MEDIUM AND LONG-TERM LOANS	139,863,959 €	139,863,958 €	100.0%	

2. Financial risk management

Table 56 - Evolution of the annual average rate of financing and incurred interest

Years	2021	2020	2019	2018	2017
Financial costs (€)	141,972,295	206,705,313	218,372,006	498,051,303	163,652,365
Average financing rate (%)	3.93	5.61	5.44	4.99	4.80

3. Indebtedness growth limit

Table 57 - Liabilities (current and non-current) and indebtedness variation

Indebtedness variation (execution)	2021	2020	Variation 2021/2020	
	Amounts (€)		Amount	%
Financing (current and non-current)	3,406,668,453	3,427,344,889	-20,676,436	-0.6
Share capital	3,667,903,891	3,413,998,982	253,904,909	7.4
New investments in 2020	2,398,241	51,114,446	-48,716,205	-95.3
Indebtedness variation	**3.37%**			

It was not possible for ML to comply with the limit of indebtedness variation (2.0%), essentially due to the failure to convert LTI liabilities (TFDG current debt) by incorporation into State assets (operation provided for in the 2021 ABP). A reduction of interest-bearing financing of 97.8 million euros had been estimated. With this reduction, the variation in debt would be 1.94%.

4. Average period for payment

Table 58 - Average period for payment

APP	2021	2020	Variation 2021/2020	
			Amount	%
Period (days)	36	41	-5	-12.2

Table 59 - Overdue debts

Overdue debts (amounts in euros)	Amount (€)	Amount of overdue debts pursuant to Article 1 of DL 65-A/2011 (€)			
	0-90 days	90-120 days	120-240 days	240-360 days	> 360 days
Purchase of goods and servic	503,474	4,719	5,788	20,967	3,350
Purchase of equity	546,770	15,782	37,329	0	26,691
Total	**1,050,244**	**20,500**	**43,117**	**20,967**	**30,041**

Note: Amounts after 90 days not reconcilable. Under analysis in 2022.

5. Shareholder's recommendations

The 2020 accounts are awaiting approval by the supervisory authority.

6. Remunerations

BOARD OF DIRECTORS

Table 60 – Identification of the members of the Board of Directors

Term (Start-End)	Position	Name	Appointment		OPRLO or Option for the Average of the last 3 years (2)				No. of terms
			Form	Date	Yes/No	Entity of origin	Paying entity (O/D)	Identification of date of authorisation and form	
2019-2022	Chairman	Vítor Manuel Jacinto Domingues dos Santos	RCM No. 56/2019	3/15/2019	No	n.d.	D		1
2019-2022	Member 1	Maria Helena Arranhado Carrasco Campos	RCM No. 56/2019	3/15/2019	No	n.d.	D		1
2019-2022	Member 2	Mr. Pedro Miguel de Bastos Veiga da Costa	RCM No. 56/2019	3/15/2019	No	n.d.	D		1

Table 61 - Accumulation of roles

Members of the BD	Accumulation of roles			
	Entity	Position	Regime	Date of authorisation and form
Eng. Vítor Manuel Jacinto Domingues dos Santos	FERCONSULT	Chairman	Public	Minutes of GM No. 60 of 09/01/2017
	METROCOM	Chairman	Public	Minutes of GM No. 48 of 30/01/2017
Eng. Maria Helena Arranhado Carrasco Campos	FERCONSULT	Director	Public	Minutes of GM No. 60 of 09/01/2017
	METROCOM	Director	Public	Minutes of GM No. 51 of 14/05/2018
Mr. Pedro Miguel de Bastos Veiga da Costa	FERCONSULT	Director	Public	Minutes of GM No. 67 of 29/03/2019
	METROCOM	Director	Public	Minutes of GM No. 52 of 11/03/2019
	A.C.E. TRAIN	Chairman	Public	Minutes of GM No. 30 of 12/04/2019
	TREM II A.C.E.	Chairman	Public	Minutes of GM No. 28 of 12/04/2019

Table 62 - Public manager statute

Member of the BD	PMS			
	Fixed	Classification	Gross monthly remuneration (€)	
	[Y/N]	[A/B/C]	Monthly salary	Representation costs
Eng. Vítor Manuel Jacinto Domingues dos Santos	Y	B	4,864.34	1,945.74
Eng. Maria Helena Arranhado Carrasco Campos	Y	B	3,891.47	1,556.59
Mr. Pedro Miguel de Bastos Veiga da Costa	Y	B	3,891.47	1,556.59

Table 63 – Annual remuneration

Member of the BD	Annual remuneration - 2021 (€)				
	Fixed (1)	Variable (2)	Gross amount (3)=(1)+(2)	Remuneration reductions (4)	Final gross amount (5)=(3)-(4)
Eng. Vítor Manuel Jacinto Domingues dos Santos	91,449.64	0.00	91,449.64	3,488.94	87,960.70
Eng. Maria Helena Arranhado Carrasco Campos	73,159.66	0.00	73,159.66	2,778.04	70,381.62
Dr. Pedro Miguel de Bastos Veiga da Costa	73,159.66	0.00	73,159.66	3,657.94	69,501.72
			237,768.96	**9,924.92**	**227,844.04**

(1) The **Fixed** remuneration amount corresponds to the salary + representation expenses (without reductions).
(4) Reduction provided for in Article 12 of Law 12-A/2010, of 30 June.
Amount resulting from the adjustments made by changing the Company's classification from A to B.

Table 64 – Social benefits

Member of the BD	Social benefits (€)							
	Meal allowance		Social protection scheme		Annual cost health insurance	Annual cost life insurance	Other	
	Value / Day	Amount paid year	Identity	Annual charge			Identity	Amount
Eng. Vítor Manuel Jacinto Domingues dos Santos	10.35	2,442.60	SNS	16,016.97	583.44	0.00	Work accidents insurance	1,045.43
Eng. Maria Helena Arranhado Carrasco Campos	10.35	2,266.65	CGA	12,536.12	583.44	0.00	Work accidents insurance	840.43
Dr. Pedro Miguel de Bastos Veiga da Costa	10.35	2,339.10	SNS	16,759.94	583.44	0.00	Work accidents insurance	831.65
		7,048.35		**45,313.03**	**1,750.32**	**0.00**		**2,717.51**

Table 65 - Costs with Vehicles

Members of the BD	Vehicle expenses - 2021								
	Vehicle attributed [Y/N]	Conclusion of contract [Y/N]	Vehicle reference amount (€)	Type	Year Start	Year End	Monthly rental amount (€)	Annual rental expenditure (€)	Remaining contractual instalments (No.)
Eng. Vítor Manuel Jacinto Domingues dos Santos	Y	Y	45,353.00 €	AOV	2017	2022	496.17 €	6,619.14 €	3
Eng. Maria Helena Arranhado Carrasco Campos	Y	Y	42,072.00 €	AOV	2017	2022	946.68 €	11,070.72 €	3
Mr. Pedro Miguel de Bastos Veiga da Costa	Y	Y	41,401.00 €	AOV	2017	2022	465.30 €	6,195.89 €	3

Note: The monthly rental amount indicated is the one contractually in force on 31/12/2021.

Table 66 – Annual mission travelling expenses

Members of the BD	Annual mission travelling expenses(€)					
	Mission travelling	Accommodation costs	Daily allowances	Other		Total costs with travelling (∑)
				Identity	Amount	
Eng. Vítor Manuel Jacinto Domingues dos Santos	* 70.00	0.00	50.20		0.00	120.20
Eng. Maria Helena Arranhado Carrasco Campos	0.00	0.00	0.00		0.00	0.00
Dr. Pedro Miguel de Bastos Veiga da Costa	185.98	147.00	125.10		0.00	458.08
						578.28

* Cancellation costs for the trip to Madrid (RAIL Live Conference)

SUPERVISORY BOARD

Table 67 - Identification of the Supervisory Board

Term (Start - End)	Position	Name	Appointment		Monthly fixed remuneration (€)	No. of terms
			Form (1)	Date		
2017-2019	Chairman	Mr. José Carlos Pereira Lilaia	DC SETF and SEAMB	1/11/2017	1,362.01	2
2017-2019	Member:	Mrs. Cristina Maria Pereira Freire	DC SETF and SEAMB	1/11/2017	1,021.51	1
2017-2019	Member:	Mrs. Margarida Carla Campos Freitas Taborda	DC SETF and SEOPTC	1/11/2017	1,021.51	1
2017-2019	Alternate member	Mrs. Maria Teresa Vasconcelos Abreu Flor de Morais	DC SETF and SEOPTC	1/11/2017	-	2

(1) In accordance with the Joint Order of 11 January 2017 issued by the Assistant Secretary of State for Treasury and Finance and the Assistant Secretary of State for the Environment.

As of the date of this report, no new members of the Supervisory Board have been appointed by joint order of the Government, so the Supervisory Board appointed for the 2017-2019 three-year period remains in office.

Table 68 – Annual remuneration of the Supervisory Board

Name	Annual remuneration (€)		
	Assets (1)	Remuneration reductions (2)	Final amount (3)=(1)-(2)
Mr. José Carlos Pereira Lilaia	19,068.13	0.00	19,068.13
Mrs. Margarida Carla Campos Freitas Taborda	14,301.19	0.00	14,301.19
Mrs. Cristina Maria Pereira Freire	14,301.19	0.00	14,301.19
Mrs. Maria Teresa Vasconcelos Abreu Flor de Morais	0.00	0.00	0.00
			47,670.51

STATUTORY AUDITOR

Table 69 – Identification of the Statutory Auditor

Term (Start-End)	Position	Audit firm/statutory auditor identification: Name	OROC Registry No.	CMVM Registry No.	Appointment: Form	Date	Date of the contract	No. of years of services performed in the group	No. of years of services performed in the company
2019-2021	Effective statutory auditor	Alves da Cunha, A. Dias & Associados, SROC, Lda. represented by:	74	20161409	Joint Order SE Treasury and SE Mobility	10/15/2019	10/15/2019	6	6
		Mr. José Luís Areal Alves da Cunha	585	20160240					
	Alternate statutory auditor	Oliveira, Reis & Associados, SROC, Lda. represented by:	23	20161381					
		Mr. Joaquim Oliveira de Jesus	1056	20160668					

Table 70 - Annual amount of the service provision agreement of the Statutory Auditor

Name	Annual amount of the services provision agreement - 2021 (€)			Annual amount of additional services - 2021 (€)			
	Amount (1)	Reductions (2)	Final amount (3)=(1)-(2)	Service identification	Amount (1)	Reductions (2)	Final amount (3)=(1)-(2)
Alves da Cunha, A. Dias & Associados, SROC	27,360.00	0.00	**27,360.00**		0.00	0.00	**0.00**

EXTERNAL AUDITOR

Table 71 - Identification of the External Auditor

Identification of the external auditor: Name of external auditor	OROC No.	CMVM No.	Contracting date	Contract duration	No. of years of services performed in the group	No. of years of services performed in the company
BDO & Associados, SROC, Lda. represented by:	29	20161384	2/8/2021	3 years	5	5
Mr. António José Correia de Pina Fonseca	949	20160566				

Table 72 - Annual amount of the service provision agreement of the External Auditor

Name of external auditor	Annual amount of the services provision agreement - 2021 (€)			Annual amount of additional services - 2021 (€)			
	Amount (1)	Reductions (2)	Final amount (3)=(1)-(2)	Service identification	Amount (1)	Reductions (2)	Final amount (3)=(1)-(2)
BDO & Associados, SROC, Lda.	30,479.40	0.00	**30,479.40**	-	0.00	0.00	**0.00**

7. Public manager statute

In 2021:

a. Under the terms of Articles 32 and 33 of the Public Manager Statute, no credit cards or other payment instruments were used by the members of the Board of Directors to incur expenses in the service of the Company;

b. There were no reimbursements of expenses made for personal representation purposes;

c. Amount for communication expenses:

Table 73 – Communication expenses

Members of the BD	Communication expenses (€)		
	Monthly defined limit	Annual amount	Notes
Eng. Vítor Manuel Jacinto Domingues dos Santos	80.00	268.92	
Eng. Maria Helena Arranhado Carrasco Campos	80.00	211.81	
Mr. Pedro Miguel de Bastos Veiga da Costa	80.00	284.21	
		764.94	

d. Monthly amount for fuel and tolls allocated to the service vehicles:

Table 74 - Annual vehicle expenses

Members of the BD	Monthly limit for fuel and tolls	Annual vehicle expenses (€)			
		Fuel	Tolls and parks	Total	Notes
Eng. Vítor Manuel Jacinto Domingues dos Santos	462.11 €	2,082.06 €	1,086.51 €	3,168.57 €	
Eng. Maria Helena Arranhado Carrasco Campos	369.69 €	2,690.48 €	2,176.79 €	4,867.27 €	Limit exceeded: €430.99 *
Dr. Pedro Miguel de Bastos Veiga da Costa	369.69 €	1,093.87 €	186.91 €	1,280.78 €	
				9,316.62 €	

** Regularised value.*

8. Non-documented or confidential expenses

Metropolitano de Lisboa complied with the provisions set out in Article 16(2) of Decree-Law No. 133/2013, of 3October, in the RJSPE and in Article 11 of the PMS, and no non-documented expenses were incurred.

9. Report on remunerations paid to women and men

Metropolitano de Lisboa is committed to promote a transparent remuneration policy based on the assessment of job components and based on objective criteria. At the same time, it repudiates the widespread and structural disadvantage of women in the labour market with regard to remunerations based on a broader context of gender inequality.

Therefore, pursuant to the Council of Ministers Resolution No. 18/2014, Metropolitano de Lisboa prepared and internally disclosed and made available on its website the ‘Report on Remuneration by Gender 2018’, aiming at diagnosing and preventing any unjustified differences in remuneration proven to exist in the company’s remuneration structure and in remuneration paid to women and men.

The drafting of this report has also posed as a measure to promote gender equality in the company, definitively eliminating any form of discrimination and to achieving full equality of opportunities between women and men.

In this Report, Metropolitano de Lisboa concluded that there are no situations of salary discrimination on the grounds of gender. Remuneration criteria are common to women and men, and remuneration differences do not constitute discrimination since they are based on objective criteria, common to women and men, inter alia, based on career development, performance, productivity, attendance or seniority.

Also in 2021, under the terms of Article 7(1) of Law No. 62/2017, of 1 August, in articulation with Normative Dispatch No. 23-A/2021, Metropolitano sent to CITE - Commission for Equality in Labour and Employment, the Plan for Equality between Women and Men for 2022.

10. Annual report on corruption prevention

Metropolitano de Lisboa has had a Plan for Preventing Risks of Corruption and Related Offences (PPRCRO) in place since 2009. Currently in its 6th edition (2020), the plan complies with the Recommendation of the Corruption Prevention Board (CPB), dated 1 July 2009. The PPRCRO is available on the company's website.

On a yearly basis, a PPRCRO Execution Report is prepared and duly published, pursuant to the provisions of Article 46(1) of the RJSPE, indicating the status of implementation of the measures listed in the said Plan in the preceding year. In 2021, as previously mentioned, the PPRCRO Execution Report for 2020 was prepared and approved, and was sent to the CPB, as well as to the supervisory, superintendent and control bodies, pursuant to the provisions of the law.

The PPRCRO and the respective Execution Report are available on the Company's website.[3]

11. Public procurement

In 2021, ML applied the Public Procurement Code (PPC), approved by Decree-Law No. 18/2008, of 29 January, in its current wording, to the public procurement subject to such legal regime.

ML also observed the guidelines established in Recommendation No. 1/2015, of 7 January, issued by the Corruption Prevention Board (Court of Auditors), supplied by means of Circular No. 4766, of 10 August, as well as the ones established in Order No. 438/10-SETF, of 10 May, supplied by means of Circular No. 6132, of 6 August 2010.

The Company complied with all applicable rules regarding procurement, notably the ones relative to the sounding of the Agency for Administrative Modernisation regarding the purchase of goods and services, under Decree-Law No. 107/2012, of 18 May, as amended by Law No. 83-C/2014, of 31 December, as well as under Decree-Law No. 151/2015, of 6 August, and complied also with the authorisation requests regarding multi-annual commitments, pursuant to Article 6 of Law No. 8/2012, of 21 February, as amended by Law No. 22/2015, of 17 March, and to Article 11 of Decree-Law No. 127/2012, of 21 June, as amended by Decree-Law No. 99/2015, of 2 June, and it has also complied with Article 66(2) of the State Budget for 2021, read in conjunction with Article 49 of Decree-Law No. 84/2019, of 28 June, regarding the requests for a preceding opinion to Parpública - Participações Públicas, SGPS, S. A., and also the communications regarding the procurement of external legal services with JurisAPP and the prior requests to Parpública - Participações Públicas, SGPS, S.A..

At an internal level, ML complied with the Purchase Process Manual provisions, and small purchases followed the procedural protocol, thus promoting greater transparency by means of a specially developed web application, which ensures the proposals' confidentiality until their submission term's conclusion.

A Platform for the registration and management of procurement procedures has been developed in the Company's information system. Such platform enables an effective monitoring of the status and registration of relevant information on the procurement procedures processed by ML (excluding small acquisitions). A report was also developed allowing for the consultation and reporting of management indicators and compliance with the obligations of such procedures.

Additionally to complying with the procurement rules, statistical reports on this matter have been prepared and submitted to the relevant authorities, as well as other procurement reports in the context of audits.

In addition, an agreement worth over 5,000,000 euros was signed in 2021, which, in compliance with the PPC and with Article 47 of the Law of Organisation and Process of the Court of Auditors (Lei de Organização e Processo do Tribunal de Contas - LOPTC), were subject to prior approval of this entity:

- Acquisition of a Heavy Roller Rail Grinding Machine for Metropolitano de Lisboa E.P.E., having obtained prior approval from the Court of Auditors, under reference number 999/2021;

[3] See https://www.metrolisboa.pt/institucional/informar/relatorios-e-documentos/

12. National public procurement system

In this regard, Metropolitano de Lisboa has been implementing the measures established in the Stability and Growth Pact (SGP) 2010-2013 since 2010 and has voluntarily adhered to the National Public Procurement System (NPPS).

It should be mentioned that, in the context of the new organisation model, the Corporate Management area responsible for Logistics began to centralise procurement procedures, seeking, where possible, to obtain the best purchase conditions regarding goods and services, entering into agreements by resorting to the method of aggregating contracting entities.

13. Measures to optimise the operating expenses structure

Table 75 - Operational efficiency

PRC	2021 Impl.	2021 Budg.	2020 Impl.	2019 Impl.	2021/2020 Absol. Δ	2021/2020 Var. %	2021/2019 Absol. Δ	2021/2019 Var. %
(0) EBITDA (corrected)	-14,416,821	-24,500,683	-30,613,090	-225,028	16,196,269	-53%	-14,191,794	6307%
1) CMVMC	2,530,223	3,630,256	2,613,840	3,596,083	-83,617	-3.2%	-1,065,860	-30%
2) FSE	32,717,165	38,351,245	36,134,918	36,878,739	-3,417,754	-9.5%	-4,161,575	-11%
(3) Personnel expenses	82,773,918	85,804,757	80,231,596	80,056,942	2,542,322	3.2%	2,716,976	3%
i) Indemnities paid due to termination	0	100,000	0	0	0	-	0	-
ii. Remuneration rises	0	0	438,678	0	-438,678	-100%	0	-
iii. Impact of IRCT application	1,091,484	1,160,066	1,137,320	1,173,821	-45,836	-4.0%	-82,337	-7%
iv. Integration of Ferconsult employees [a]	1,830,040	2,035,306						
(4) Personnel expenses without impacts i, ii, iii and iv	79,852,395	82,509,385	78,655,599	78,883,121	1,196,795	1.5%	969,273	1%
(5) Impacts of COVID-19 pandemic on operational expenses [b]	1,009,022	771,846	1,021,293	0	-12,271	-1%	1,009,022	-
(6) Operating expenses for the purpose of determining operating efficiency = (1)+(2)+(4)-(5)-(3.iv)	**115,182,245**	**124,979,106**	**116,383,065**	**119,357,944**	**-1,200,820**	**-1.0%**	**-2,974,879**	**-2.5%**
(7) Turnover (TO)	66,889,972	59,449,951	66,808,955	118,794,598	81,018	0.1%	-51,904,626	-44%
Operating grants	38,044,153	31,686,340	0	0	38,044,153	-	38,044,153	-
Compensatory indemnities	0	0	0	0	0	-	0	-
(8) Loss of revenue due to the COVID-19 [b] epidemic	54,114,816	64,110,217	48,663,010	0	5,451,807	11.2%	54,114,816	-
(9) Turnover for the purpose of determining operational efficiency = (7+8)	**121,004,788**	**123,560,168**	**115,471,964**	**118,794,598**	**5,532,824**	**4.8%**	**2,210,190**	**1.9%**
(10) Weight of expenses/TO = (6)/(9)	**95.2%**	**101.1%**	**100.8%**	**100.5%**	**-5.6 p.p.**	**-**	**-5.3 p.p.**	**-**
i) Expenses related to mission travelling (ESS)	1,821	33,500	7,473	40,013	-5,652	-75.6%	-38,192	-95%
ii. Daily allowance expenses (Personnel expenses)	1,977	5,258	2,068	6,857	-91	-4.4%	-4,880	-71%
iii. Expenses related to the vehicle fleet [c]	305,212	375,611	263,774	292,344	41,438	15.7%	12,868	4%
(11) Total = (i) + (ii) + (iii)	**309,009**	**414,369**	**273,314**	**339,213**	**35,695**	**13.1%**	**-30,204**	**-8.9%**
(12) Charges for contracting studies, opinions, projects and consulting	**1,440,154**	**2,660,283**	**3,089,203**	**1,614,032**	**-1,649,048**	**-53.4%**	**-173,877**	**-10.8%**
HR total number (CB+SP+Employees)	1,522	1,618	1,519	1,458	3	0%	64	4%
No. of corporate bodies (CB)	6	6	6	6	0	0%	0	0%
No. of senior positions (SP)	21	21	17	17	4	24%	4	24%
No. of employees (excluding CB and SP)	1,495	1,591	1,496	1,435	-1	0%	60	4%
No. of employees/No. of SP	71	76	88	84	-17	-19%	-13	-16%
No. of vehicles	47	47	47	39	0	0%	8	21%

(a) In order to be comparable with the 2019 actual amounts, the effect of the increase in personnel expenses with the integration of Ferconsult employees in ML is removed

b) [The impacts of measures taken to address the COVID-19 pandemic should be duly justified and itemised (if applicable), as well as the COVID-19 impacts on sales and services rendered items (if applicable)].

c) Expenses with vehicles include: rentals/amortisations, inspections, insurance, tolls, fuel, maintenance, repairs, tyres, fees and taxes.

Table 76 – Detail of the loss in fare revenue attributable to COVID-19

FARE REVENUE	Estimated ABP 2021	Actual 2021	Deviation Amount	Deviation %
Occasional passenger tickets (No.)	38,076,287	14,862,541	-23,213,746	-61%
Revenue from occasional tickets (€)	49,567,647 €	19,141,087 €	- 30,426,561 €	-61%
Average revenue from occasional tickets per passenger (€)	1.30 €	1.29 €	- 0.01 €	-1.1%
Passenger passes (No.)	152,099,221	62,313,523	-89,785,698	-59%
Revenue from monthly passes (€)	54,259,485 €	32,485,054 €	- 21,774,431 €	-40%
Average revenue from monthly passes per passenger (€)	0.36 €	0.52 €	0.16 €	46.1%
Loss of tariff revenue attributable to COVID-19 pandemic (deducted from PART compensation)		- 52,200,991.58 €		

Table 77 – Detail of the loss in non-fare revenue attributable to COVID-19

Unit: €

NON-FARE REVENUE	Estimated ABP 2021	Actual 2021	Deviation Amount	Deviation %
Viva Viagem cards	2,031,746	1,433,137	-598,609	-29%
LV customisation	482,856	262,819	-220,037	-46%
Commercial spaces	1,506,428	1,280,628	-225,800	-15%
Advertising	1,019,324	149,946	-869,378	-85%
Loss in fare revenue attributable to the COVID-19 pandemic		-1,913,824.43 €		

The Expense to Turnover ratio complies with what was established for operational efficiency, reaching 96.7%, with cost reductions in most of the items, with the exception of Personnel Expenses, which suffered an increase of 2.5 million euros and which is detailed on page 54;

The COVID-19 expenses are detailed in Table 28 - COVID-19 Operating Expenses - Individual Accounts, page 54;

The Operating grants, in the year under analysis, are separate and detailed on page 51;

Expenses with travel and accommodation registered a strong decrease (-75.6%) due to the restrictions caused by the COVID-19 pandemic, which was also reflected in daily allowance expenses (-4.4%).

Expenses associated with the vehicle fleet show an increase of 41 thousand euros due to the incorporation of the vehicles belonging to Ferconsult in ML assets. The deviation is -70.4 thousand euros, compared to the budget.

The variations identified are:

- Fuel (includes energy) 8.1 thousand euros; Conservation and Repair 18.8 thousand euros; Rents 6.9 thousand euros; Insurance 3.8 thousand euros and Tolls/Parking 3.9 thousand euros.

Deviations identified:

- Fuel (includes energy) 2.1 thousand euros; Rents -81.7 thousand euros; Insurance -4.8 thousand euros; Taxes -3.6 thousand euros and Tolls/Parking 18.0 thousand euros (there was a lapse in the budget process).

Charges with the contracting of studies, opinions, projects and consultancy services: variation of -1.6 million euros and deviation of -2.1 million euros, caused by delays in the tendering/contracting processes.

14. Procurement of studies, opinions, projects and consulting

In 2021, ML applied the Public Procurement Code (PPC), approved by Decree-Law No. 18/2008, of 29 January, in its current wording, to the public procurement subject to such legal regime.

ML also observed the guidelines established in Recommendation No. 1/2015, of 7 January, issued by the Corruption Prevention Board (Court of Auditors), supplied by means of Circular No. 4766, of 10 August, as well as the ones established in Order No. 438/10-SETF, of 10 May, supplied by means of Circular No. 6132, of 6 August 2010.

15. Principle of the State's treasury unity

Table 78 - Availabilities at the IGCP

IGCP	1st Quarter €	2nd Quarter €	3rd Quarter €	4th Quarter €
Cash and deposits	48,508,312	51,462,532	32,121,807	124,752,521
Financial investments	0	0	0	0
Total	**48,508,312**	**51,462,532**	**32,121,807**	**124,752,521**

Table 79 - Availabilities at the Commercial Banks

Commercial Banks	1st Quarter €	2nd Quarter €	3rd Quarter €	4th Quarter €
Wilmington Trust	24 966 310	24 966 310	24 966 310	24 966 310
Wells Fargo	29 096 203	23 395 629	23 395 629	23 395 629
Banco Português de Investimento	227 184	1 056 382	2 262 171	19 210
Banco Santander Totta	3 881	328	1 182	4 165
Caixa Banco Investimento	4 062	4 062	4 062	4 062
Millennium BCP	2 194	20 894	0	0
Caixa Geral de Depósitos	95 599	94 777	51 572	252
Total	**54 395 433**	**49 538 383**	**50 680 927**	**48 389 628**
Interest earned	0	0	0	0

Document 1702/2020 issued by the IGCP exempts ML from complying with the UTE, for the years 2020 and 2021, only for the amounts inherent to financing operations contracted with banks.

16. Audits carried out by the Court of Auditors in the last three years

- Financial public debt.
- Public financial assets.

17. Preparation and disclosure of the Equality plan

See point 9 Report on remunerations paid to women and men, page 83.

18. Preparation and disclosure of the non-financial statement

See pages 241 to 257.

19. Disclosure of information on the SEE website

Table 80 - Information disclosed on the SEE website

Information to appear on the SEE Website	Disclosure		Notes
	Y/N/N.A.	Revision date	
Statutes	Y	Nov/2020	
Company presentation	Y	Jan/2020	
Supervising and shareholding roles	Y	Jan/2020	
Governance model / Members of the corporate bodies	Y		
- Identification of Corporate Bodies	Y	Jan/2020	
- Fixed remuneration statute	Y	Jan/2020	
- Disclosure of remuneration earned by the corporate bodies	Y	Jan/2020	
- Identification of the roles and responsibilities of the members of the Board of Directors	Y	Jan/2020	
- Presentation of curricula summaries of the members of the corporate bodies	Y	Jan/2020	
Public financial effort	Y	Jan/2020	
Summary sheet	Y	Jan/2020	
Historical and current financial information	Y	Jul/2021	
Principles of good governance	Y		
- Internal and external regulations binding the company	Y	Nov/2018	
- Relevant transactions with related entities	Y	Nov/2018	
- Other transactions	Y	Nov/2018	
- Sustainability analysis of the company in the following areas:	Y	Nov/2018	
Economic	Y	Nov/2018	
Social	Y	Nov/2018	
Environmental	Y	Nov/2018	
- Assessment of compliance with the principles of good governan	Y	Nov/2018	
- Code of ethics	Y	Nov/2018	

Summary table – Compliance with legal guidelines

Table 81 - Summary table - Compliance with legal guidelines

Compliance with the Legal Guidelines - 2021	Compliance Y/N/N.A.	Quantification/ Identification	Justification/Reference to the report's item
Management objectives			
Management objectives set for 2021			Page 76
Targets to be achieved included in the 2021 ABP			
Investment	N	Status of implementation: 74.3%	Page 77
Level of indebtedness	N	Indebtedness variation: 3.37%	Page 79
Status of implementation of the budget uploaded on SIGO/SOE	Y	Revenue: 103.8% Expense: 85.5%	Page 78
Financial Risk Management	Y	3.93%	Page 79
Indebtedness Growth Limits	Y	3.37%	Page 79
Evolution of APP to suppliers	Y	-5 days	Page 79
Disclosure of Payments in Arrears	Y	€114,625	Page 79
Shareholder's recommendations from the last legal accounts reporting	N.A.	-	Page 79
Reserves issued in the last statutory auditor's report	N	4 Reservations	Page 209
Remunerations/fees			
No attribution of management bonuses	Y	-	Page 82
BD - remuneration reductions and reversals enforced in 2021	Y	€9,924.92	Page 80
Inspection (SB) - remuneration reductions enforced in 2021	N.A.	-	Page 81
External Auditor - remuneration reductions enforced in 2021	N.A.	-	Page 82
Public Manager Statute (PMS) - Articles 32 and 33 of the PMS			
No use of credit cards.	Y	-	Page 82
No reimbursement for personal representation expenses	Y	-	Page 82
Maximum amount for communication expenses	Y	-	Page 82
Maximum monthly amount for fuel and tolls allocated to the service vehicles	Y	430.99 exceeded plafond. Regularised value.	Page 83
Non-documented or confidential expenses - Article 16(2) of the RJSPE and Article 11 of the PMS			
Prohibition incurring in non-documented or confidential expenses	Y	-	Page 83
Promoting equality between women and men - paragraph 2 of the CMR No. 18/2014			
Preparation and disclosure of the report on remunerations paid to women and men	Y	Link	Page 83
Preparation of the annual report on corruption prevention	Y	Link	Page 84
Public procurement			
Enforcement of public procurement rules by the Company	Y	-	Page 84
Enforcement of public procurement rules by the Subsidiary Companies	Y	-	Page 84
Agreements are subject to prior approval of the Court of Auditors	Y	Contracts: 1; Value: €7,994,137	Page 84
Adhesion to the National Public Procurement System	Y		Page 85
Public Companies' Operating Expenses	Y		Page 85
Procurement of studies, opinions, projects and consulting (Article 49 of the Budget Implementation Decree-Law for 2019)	Y		Page86
Principle of Treasury Unity (Article 28 of the DL 133/2013)			
Resources and applications of funds centralised at the IGCP	Y	70.5%	Page 87
Resources and applications of funds at the Commercial Banks	Y	€52,240,774	Page 87
Interest earned in non-compliance with UTE and paid to the State	N.A.	-	Page 87
Audits by the Court of Auditors	N.A.	-	Page 87
Preparation of the equality plan as determined by Art. 7 of Law 62/2017, of 1 August	Y	-	Page 87
Presentation of the non-financial statement	Y	-	Page 87

VIII. SUMMARY OF RESULTS

1. Effects and impacts of the COVID-19 pandemic

The outbreak of the COVID-19 pandemic in March of 2020 inevitably impacted Portuguese society, the business fabric and Metropolitano was no exception. In fact, in 2021 the implementation of mitigation measures for the effects generated by COVID-19 was continued, strengthening and adjusting, where necessary, the contingency plans, measures and protocols adopted in 2020.

During the year 2021, Metropolitano was guided by a spirit of anticipation of more adverse scenarios, taking precautions with the acquisition of specific products to fight COVID-19 in order to reduce the risks both for its employees and for its customers. Invariably, the damage caused by the pandemic, whether physical and mental health or economic, has existed and continues to impact the way society behaves. The downward trajectory in the number of passengers carried continued and reached 50%, compared to 2019. The negative variation in turnover was also 43.8%, illustrating the effects produced in the current financial year by the pandemic on the company's operations.

2. Subsequent events

5th Wave of COVID-19 Pandemic

Since mid-2021, mass adherence to vaccination, combined with the maintenance of certain restrictions and preventive postures, allowed a greater degree of predictability regarding the behaviour of the pandemic, facilitating its control and anticipation of scenarios. Nevertheless, in late 2021 and early 2022 a fifth wave emerged. However, in contrast to previous waves, the pattern of restrictions was relaxed. A range of measures, such as compulsory teleworking, were reapplied, thus evidencing a lower mobility of the population during the month of January, even though, consequently, there was no significant slowdown in economic activity.

Russia's invasion of Ukraine

On 24 February 2022, Russia launched a large-scale military operation in Ukraine. Following the international community's condemnation of the event, Western countries and European Union member states, including Portugal, have been applying sanctions to the Russian Federation in various sectors of activity, including at the economic level, for example, the reduction in trade and exclusion from the SWIFT payment system. In the context of the global economy, the effects of a regional war, not only at a humanitarian but also at an economic level, spill over massively to the rest of the world. In 2021, Russia was one of the main producers of energy goods, and the third main supplier of natural gas to Portugal, so, despite the uncertainty that characterises the magnitude of the economic impact of the conflict, the replacement of Russian gas imports will possibly lead to increased costs, in addition to the other repercussions on global value chains, which will raise the costs of goods and services.

Price rise

Confirming the upward trend that had already been mapped out since 2021, the estimate for the change in the HICP for March 2022 was, according to the INE, 5.5%. The variation in the energy goods component has been one of the main drivers of this increase, with this aggregate undergoing a variation of 19.8%. In fact, the constraint and instability of supply chains, especially in the energy sector, exposure to geopolitical conflicts, namely the war in Ukraine, and the implications adjacent to them, generate an economic framework of uncertainty, causing marked volatility in commodity prices. As regards energy price fluctuations, its increase causes a spill over effect on the cost of goods and services, especially in sectors highly dependent on electricity to carry on their operations, as is the case of Metropolitano where a high increase in energy costs is expected, which will inevitably penalise ML's operating efficiency ratio.

3. Future prospects

Development of the operation

In the year under review, many were the challenges faced by Metropolitano, without, however, ML having deviated from the strategic objectives set and from its mission of providing an effective quality public service. Therefore, in addition to the strong commitment to the daily service provision, ML will continue to be strongly committed to its investment projects, namely the network modernisation and expansion projects, taking the Metro to more and more people and asserting itself as a true public service provider and active agent in a more sustainable mobility. Truly, ML intends to be at the forefront of urban mobility and with an innovative and continuous improvement attitude.

The Rato/Cais do Sodré extension, a fundamental axis in the formation of the future circular line, will be awarded Lot 4 in 2022 for the project's finishings, coatings and telecommunications. The projected circular ring will allow a more balanced offer and distribution of customers in Metropolitano de Lisboa's network.

Allied to the circular line project, the modernisation of the signalling system imposes itself as an essential project for the improvement of the public transport service, which will reduce waiting times, increase safety and consequently the availability of rolling stock in operation.

An integral part of the ML structuring investments, already contracted, will also be the extension between S. Sebastião and Alcântara financed by the Recovery and Resilience Plan. Effectively, this 4.1 km extension will serve the western part of the city, a dynamic area with strong travel activity and generation. Additionally, the Surface Light Metro project between Loures and Odivelas, also funded by the RRP, will play an essential role as an alternative medium of connection to the centre of Lisbon. This project aims to regenerate urban areas, consolidate existing urban system hubs, increasing the Public Transport offer to ensure greater territorial cohesion.

The Sustainable Intermodal Line (LIOS), which is based on intermodality as a foundation to reach areas with a lack of transport supply, will follow in 2022 with studies on the route.

In line with the goal set out to provide 100% of stations with mechanical accesses accessible to people with reduced mobility, ML will proceed with the works planned in its accessibility plan, stressing the importance of their execution to achieve full accessibility as soon as possible.

In parallel, it will continue with its investment policy of recovery and replacement of assets at the end of their useful life, whether workshop equipment (new grinder, new lathe), station comfort equipment (stairs and lifts), recovery of rolling stock (renovation of doors and on-board systems) or of the most varied existing infrastructure systems.

Finally, mention should be made of the expectation of the necessary recovery of ML's Human Resources, by hiring the necessary resources to face current and future challenges, namely in the operational and maintenance areas.

Recovery of demand

In contrast with the cyclical reduction in the use of public transport generated by the COVID-19 pandemic, the growing awareness of citizens regarding climate change together with ML's network expansion projects, which include investments in the climate transition framework, based on sustainable mobility and centred on decarbonisation, will play a decisive role in the recovery of the demand for public passenger transport in the short term, as well as in the retention of customers in the long term.

Added to this are the inflationary pressures and the generalised rise in the prices of goods and services, namely the price of fossil fuels, which may have a role in transferring people to public transport as an alternative for them to travel, to the detriment of individual transport.

These factors may be essential when analysing the demand data for the first quarter of 2022, where ML observed a strong recovery, with a year-on-year change of 146% in passengers carried, as well as 16% higher than forecast in the 2022 ABP.

4. Proposal for the appropriation of profits

In the financial year 2021, the Metropolitano de Lisboa group of companies reported a consolidated net loss of 22,901,284 euros, and a net loss in the individual accounts of 22,900,570 euros, which were the object of a proposal by the Management Board to be fully transferred to retained earnings.

The financial statements attached to this report show the loss of half of the share capital, as provided for in Article 35 of the Portuguese Companies Code.

The Board of Directors shall submit for the shareholder's deliberation the adoption of measures aimed at restoring the Company's share capital.

The Board of Directors

Vitor Manuel Jacinto Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

Lisbon, 31 May 2022

IX. Appendices

i. Final Remarks

Pursuant to the relevant legal provisions, the Board of Directors declares that:

1. In addition to the aforementioned facts and those which are presented in greater detail in the documents accompanying the Financial Statements for 2021, it is not aware of the occurrence of any other situations after the end of the financial year that, due to their special importance, should be highlighted;

2. Pursuant to article 21 of Decree-Law no. 441/91, there are no outstanding debts to Social Security;

3. Pursuant to article 324(2) of the Portuguese Companies Code, there was no movement of purchases and sales of own or other shares during the current financial year;

4. No business was entered into between the directors and company during the period under review.

The Board of Directors

Vitor Manuel Jacinto Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

Lisbon, 31 May 2022

ii. Appendix to the Annual Management Report (Board of Directors, article 447(5) of the Portuguese Companies Code)

Pursuant to the provisions of article 447(5) of the Portuguese Companies Code, we hereby disclose that, as at 31 December 2021, the members of the Board of Directors did not hold any shares representing the company's share capital.

The Board of Directors

Vitor Manuel Jacinto Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

Lisbon, 31 May 2022

iii. Appendix to the Annual Management Report (Supervisory Board, article 447(5) of the Portuguese Companies Code)

Pursuant to the provisions of article 447(5) of the Portuguese Companies Code, we hereby disclose that, as at 31 December 2021, the Supervisory Board members did not hold any shares representing the company's share capital.

The Supervisory Board

José Carlos Pereira Nunes

Cristina Maria Pereira Freire

Margarida Carla Campos Freitas Taborda

Lisbon, 31 May 2022

iv. Financial Statements and their Appendices

INDIVIDUAL BALANCE SHEET AS AT 31 DECEMBER 2021

Monetary Unit (Euro)

Items	Notes	31 December 2021	31 December 2020
ASSETS			
Non-current assets			
Long-term infrastructure investments	5	5,400,543,332	5,390,701,851
Property, plant and equipment	6	118,351,247	98,448,584
Investment property	7	13,353,294	12,621,462
Intangible assets	8	1,721,469	1,830,425
Financial interests - equity method	9	42,655,774	33,832,449
Other financial assets	10	52,218,573	54,065,280
Total non-current assets		**5,628,843,688**	**5,591,500,051**
Current assets			
Inventories	11	9,771,398	10,836,101
Customers	12	2,059,472	1,718,818
State and other public entities	13	7,891,979	3,815,038
Other credit receivable	14	16,308,269	10,929,504
Deferrals	15	30,809,340	30,388,665
Cash and bank deposits	16	124,800,233	47,271,470
Total current assets		**191,640,691**	**104,959,596**
Total assets in long-term infrastructure investments		5,400,543,332	5,390,701,851
Total assets allocated to the operation		419,941,048	305,757,796
TOTAL ASSETS		**5,820,484,379**	**5,696,459,647**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	17	3,667,903,891	3,413,998,982
Legal reserves		21,597	21,597
Other reserves		1,501,878	1,501,878
Retained earnings	17	(1,940,806,395)	(1,883,675,004)
Revaluation surplus		37,234,076	37,234,076
Adjustments / other changes in equity	17	18,104,175	(7,181,254)
		1,783,959,221	**1,561,900,274**
Net income for the period		(22,900,570)	(57,131,391)
Total equity		**1,761,058,651**	**1,504,768,883**
Liabilities			
Non-current liabilities			
Long-term infrastructure investments	5	1,730,374,092	1,946,015,681
Provisions	18	1,701,241	40,313,289
Loans received	19	144,565,037	151,382,336
Liabilities due to post-employment benefits	20	270,784,682	274,600,485
Other financial liabilities	21	19,263,628	43,363,932
Total non-current liabilities		**2,166,688,680**	**2,455,675,724**
Current liabilities			
Long-term infrastructure investments	5	1,169,078,940	1,056,477,888
Suppliers	22	1,177,892	7,230,978
State and other public entities	13	3,254,811	3,150,333
Loans received	19	659,648,495	605,259,449
Other debts payable	23	59,576,911	63,896,392
Total current liabilities		**1,892,737,048**	**1,736,015,040**
Total liabilities in long-term infrastructure investments		2,899,453,031	3,002,493,569
Total liabilities allocated to the operation		1,159,972,697	1,189,197,195
Total liabilities		**4,059,425,728**	**4,191,690,764**
TOTAL EQUITY AND LIABILITIES		**5,820,484,379**	**5,696,459,647**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

INDIVIDUAL INCOME STATEMENT BY NATURE
Period ended on 31 December 2021

Monetary Unit (Euro)

INCOME AND EXPENSES	Notes	2021	2020
Sales and services rendered	24	66,889,972	66,808,955
Operating grants	25	38,044,153	21,740,836
Gains/losses in subsidiaries, associates and joint ventures	26	(4,601,985)	(4,138,648)
Own work capitalised	5.1 & 6	5,825,053	4,652,146
Cost of goods sold and materials consumed	11	(2,530,223)	(2,613,840)
External supplies and services	27	(32,717,165)	(36,134,918)
Personnel expenses	28	(82,773,918)	(80,231,596)
Inventory impairment (losses/reversals)	11	-	299,936
Impairment of debts receivable (losses/reversals)	12 & 14	1,213	313,925
Provisions (increases/reductions)	18	40,500	(70,000)
Fair value increases/reductions	10 & 21	24,005,699	16,130,888
Other income	29	7,017,606	2,727,645
Other expenses	30	(3,053,133)	(6,737,947)
Earnings before interest, taxes, depreciation and amortization		**16,147,772**	**(17,252,620)**
Depreciation and amortization expenses/reversals	6 to 8	(14,995,928)	(15,179,029)
Impairment of depreciable/amortizable investments (losses/reversals)	6 to 8	1,187,407	(318,005)
Operating results (earnings before interest and taxes)		**2,339,251**	**(32,749,653)**
Interest and similar expenses incurred	31	(25,234,460)	(24,380,720)
Profit before tax		**(22,895,209)**	**(57,130,373)**
Income tax for the period	32	(5,361)	(1,018)
Net income for the period		**(22,900,570)**	**(57,131,391)**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

INDIVIDUAL STATEMENT OF CHANGES IN EQUITY

Monetary Unit (Euro)

	Notes	Subscribed capital	Legal reserves	Other reserves	Retained earnings	Revaluation surplus	Adjustments / other changes in equity	Net income for the period	Total	Total equity
Position as at 1 January 2020		3,093,575,218	21,597	1,501,878	(1,866,801,728)	37,234,076	2,306,279	(16,873,277)	1,250,964,043	1,250,964,043
Changes in the period										
Appropriation of the net income for the period ended on 31 December 2019	17				(16,873,277)			16,873,277	-	-
Defined benefit plan - actuarial gains and losses	20						(8,244,433)		(8,244,433)	(8,244,433)
Other changes recognised in equity	29						(1,243,100)		(1,243,100)	(1,243,100)
		-	-	-	(16,873,277)	-	(9,487,533)	16,873,277	(9,487,533)	(9,487,533)
Net income for the period ended on 31 December 2020								(57,131,391)	(57,131,391)	(57,131,391)
Comprehensive income								(66,618,924)	(66,618,924)	(66,618,924)
Transactions with equity holders in the period										
Capital subscriptions	17	320,423,764							320,423,764	320,423,764
		320,423,764	-	-	-	-	-	-	320,423,764	320,423,764
Position as at 31 December 2020		3,413,998,982	21,597	1,501,878	(1,883,675,004)	37,234,076	(7,181,254)	(57,131,391)	1,504,768,883	1,504,768,883
Position as at 1 January 2021		3,413,998,982	21,597	1,501,878	(1,883,675,004)	37,234,076	(7,181,254)	(57,131,391)	1,504,768,883	1,504,768,883
Changes in the period										
Appropriation of the net income for the period ended on 31 December 2020	17				(57,131,391)			57,131,391	-	-
Defined benefit plan - actuarial gains and losses	20						(1,612,620)		(1,612,620)	(1,612,620)
Other changes recognised in equity	17						26,898,049		26,898,049	26,898,049
		-	-	-	(57,131,391)	-	25,285,429	57,131,391	25,285,429	25,285,429
Net income for the period ended on 31 December 2021								(22,900,570)	(22,900,570)	(22,900,570)
Comprehensive income								2,384,859	2,384,859	2,384,859
Transactions with equity holders in the period										
Capital subscriptions	17	253,904,909							253,904,909	253,904,909
		253,904,909	-	-	-	-	-	-	253,904,909	253,904,909
Position as at 31 December 2021		3,667,903,891	21,597	1,501,878	(1,940,806,395)	37,234,076	18,104,175	(22,900,570)	1,761,058,651	1,761,058,651

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

INDIVIDUAL STATEMENT OF CASH FLOWS

Monetary Unit (Euro)

	Notes	2021	2020
Cash flows from operating activities			
Revenues from customers		80,429,312	66,669,577
Payments to suppliers		(46,919,571)	(47,940,571)
Payments to personnel		(85,286,826)	(82,455,389)
Cash generated by operations		**(51,777,085)**	**(63,726,382)**
Revenues from 'Support for restoring the supply of public transport'		31,088,003	20,299,084
Income tax payment/revenue		1,444,924	-
Other revenues/payments		1,953,907	2,125,526
Cash flows from operating activities [1]		**(17,290,251)**	**(41,301,773)**
Cash flows from investing activities			
Revenues from:			
Financial investments		799,150	257,345
Investment grants		153,517,599	31,474,692
Payments related to:			
Property, plant and equipment		(150,753,911)	(73,905,447)
Cash flows from investing activities [2]		**3,562,837**	**(42,173,409)**
Cash flows from financing activities			
Revenues from:			
Loans received		119,187,522	203,813,049
Capital increases and other equity instruments		253,904,909	320,423,764
Payments related to:			
Loans received		(139,863,958)	(216,514,597)
Interest and similar expenses		(141,972,295)	(206,705,313)
Cash flows from financing activities [3]		**91,256,178**	**101,016,903**
Variation of cash and cash equivalents [4]=[1]+[2]+[3]		**77,528,764**	**17,541,721**
Cash and cash equivalents at the beginning of the period		**47,271,470**	**29,729,749**
Cash and cash equivalents at the end of the period	16	**124,800,233**	**47,271,470**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

1. INTRODUCTORY NOTE

Metropolitano de Lisboa, E.P.E. (hereinafter referred to as ‘ML’ or ‘Company’) is a public business entity, incorporated in 1949, with its corporate headquarters at Av. Fontes Pereira de Melo, no. 28, in Lisbon, the current legal regime and Statutes of which have been approved by Decree-Law no. 148-A/2009 of 26 June. Its main purpose consists of providing activities and services focused on the metropolitan public transport of passengers in the city of Lisbon and neighbouring municipalities of Greater Lisbon, in light of the concession agreement entered into with the Portuguese State on 23 March 2015.

In 2021, ML maintained the necessary measures to mitigate the adverse effects and the economic and financial impacts of the COVID-19 pandemic on its activity. However, the results of 2021 continued well below those observed in the same period of 2019, with reductions of more than 50% in demand and 44% in turnover.

The financial statements, which include the balance sheet, the income statement by nature, the statement of changes in equity, the statement of cash flows and these notes, were approved by the Board of Directors and authorized for issuance on 31 May 2022, although they are still subject to approval by the sectoral and financial supervision authorities, under the terms of the Legal Regime of the Public Business Sector.

The financial statements of the financial year ended on 31 December 2020 have not yet been formally approved by the supervision authorities. The Board of Directors has recorded the proposed appropriation of profits for that financial year in the accounts, pursuant to the proposal included in the Management Report, due to considering that those financial statements and that proposed appropriation of profits will be approved without significant changes.

The Board of Directors declares that, to the best of its knowledge, the information in these financial statements was prepared in accordance with the applicable accounting standards, giving a true and fair view of ML’s financial position as at 31 December 2021 and of its financial performance and cash flows for the year ended on that date.

Pursuant to Decree-Law no. 158/2009 of 13 July, in addition to these individual financial statements, the Company is subject to the preparation of consolidated financial statements.

2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

2.1. BASIS OF PRESENTATION

These financial statements were prepared pursuant to the Portuguese Accounting Standards System (SNC), as approved by Decree-Law no. 158/2009 of 13 July, and subsequently amended and republished by Decree-Law no. 98/2015 of 2 June.

ML has no obligation to apply the Portuguese Accounting Standardization System for Public Administrations (SNC-AP), given that in light of the provisions in article 3(3) of Decree-Law no. 192/2015 of 11 September, as amended by article 164 of Decree-Law no. 33/2018 of 15 May, hereinafter referred to as the Budget Implementation Decree-Law, the financial accounting subsystem of the SNC-AP does not apply to reclassified public entities (RPE) under the Portuguese Securities Market Commission (CMVM) supervision, notwithstanding the compliance with the provisions relating to the Central Chart of Accounts of the Ministry of Finance, pursuant to the provisions of article 26 of the Budget Implementation Decree-Law, and of the budget accounting, as set forth in the Public Accounting Standard (PAS) 26 - Accounting and Budgetary Reporting.

2.2. DEROGATIONS FROM THE SNC

No derogations from the SNC provisions have been made.

2.3. COMPARABILITY

The information contained in the financial statements is fully comparable with that of the previous period.

3. FIRST-TIME IMPLEMENTATION OF THE NCRF - TRANSITIONAL DISCLOSURE

The Company effected the transition to the Portuguese Accounting Standards for Financial Reporting (NCRF) on 1 January 2009, and the first financial statements according to the NCRF have been presented for the year ended on 31 December 2010.

4. MAIN ACCOUNTING POLICIES

The main accounting policies used in the preparation of the financial statements are as follows:

4.1. BASIS OF MEASUREMENT

The amounts presented, unless otherwise stated, are expressed in euro (EUR). The financial statements have been prepared on a going concern basis and according to the accrual basis of accounting, based on the accounting books and records, kept in accordance with the accounting principles generally accepted in Portugal.

4.2. LONG-TERM INFRASTRUCTURE (LTI) INVESTMENT ACTIVITIES

Throughout the years, the Company has been responsible for the construction, renovation and management of long-term infrastructure associated with the regular operation of the collective public passenger transport services on the basis of the exploitation of the Lisbon underground and its neighbouring areas. This is an activity developed in compliance with State instructions, and its financing is guaranteed by grants and loans which are mostly secured by the State.

In light of the provisions of the Decree-Law no. 196/80 of 20 June, the Government is committed to the principle that it is the Portuguese State's role to finance the long-term infrastructure built by the Company, having defined the following types of investments:

- Studies for the development of the network;
- Tunnels, stations and other ancillary or supplementary constructions;
- Railway tracks;
- High and low power networks;
- Telecommunication and control systems;
- Ventilation and pumping equipment;
- Mechanical accesses.

The aforementioned principle was implemented in practice through non-repayable grants awarded by the Portuguese State for investments made until 31 December 1980 and for the financial costs incurred up to then incurred with those investments. On that date, the amount of investments made and the sum of the awarded grants were concordant and were reflected in the accounts, correspondingly, in the assets financed by the State and in the investment reserves.

The Decree-Law referred to above included a clause which laid down its revision until the end of its duration on 31 December 1980. However, as this revision has not taken place, from that date onwards, the funds were allocated on the basis of one-off legislation framed within the State Business Sector's Investment Plans and in the form of contributions for statutory equity or for general grants for investments and financial restructuring. As a result, the investments made and the grants awarded do not coincide.

Up to 2009, the Company recognized the assets and liabilities allocated to LTI in its balance sheet pursuant to the interpretation of the Decree-Law no. 196/1980 of 20 June, according to which the Portuguese State committed to restructure the Company economically and financially, notably by bearing the costs related to LTI investments made up to 31 December

1978. This Decree-Law also provided that, regarding investments made after 1 January 1979, the State would establish the amounts in debt which it would take on, but this provision has never been issued. In 2010 and 2011, the Directors deemed that it was more appropriate to cancel the assets and liabilities allocated to the LTI; therefore, the Company's total balance sheet in those financial years was significantly reduced. During 2012, following Order no. 1491/12 issued by the Secretariat of State for Treasury and Finances, the Directors decided to resume the recording of the assets and liabilities related to the LTI in the Company's balance sheet.

Thus, all the flows arising from this activity are recorded in the balance sheet under the items 'Long-term infrastructure investments', which include the following elements:

<u>In assets</u>:

- The public domain long-term infrastructure (LTI) built by the Company and regarding which it holds the right of access for purposes of providing 'Passenger transport' and 'Infrastructure management' services, which include free revaluations performed in the preceding years;
- The materials acquired related to LTI construction/repair, of an inventory nature;
- The grant amounts received for purposes of co-financing the construction of LTI to be deducted from the investments in LTI;
- The internal operating expenses of the different management services which are not exclusively intended for investment purposes;
- The financial costs directly borne with the agreed financing for LTI construction and repair activities, corresponding to interest, guarantee fee and stamp duty arising from the activity performed on behalf of the State, which have not been capitalized in the LTI cost during its construction period;
- Derivative financial instruments contracted by the Company aimed at dealing with interest rate changes in the loans received to finance the LTI activity, which are recognized in assets at fair value, if their fair value is positive.

- It should be noted that the property, plant and equipment disclosed in the item LTI are not being depreciated/amortized.

<u>In liabilities</u>:

- The balances payable to the service providers regarding the construction of LTI;
- The loans contracted to finance LTI construction and repair, particularly those guaranteed by the State;
- Derivative financial instruments agreed by the Company aimed at hedging interest rate changes in the loans received to finance the LTI activity, which are recognized in liabilities at fair value, if their fair value is negative.

Expenses related to maintenance and repair which do not increase these assets' useful life are recorded in the income statement of the year in which they occur, as they arise from the Company's infrastructure management activity.

As a result of the recognition policy's modification upon transition to the Portuguese Accounting Standards System (SNC), the Company has measured the financial costs related to interest, stamp duty, guarantee fee and expenses incurred with the establishment of the financing in the preceding years, and not borne by the State, and allocated them to the item 'Long-term infrastructure investments'.

4.3. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recorded at acquisition or production cost, which includes the acquisition cost, financial costs and expenses directly attributable to the necessary activities to place the assets in the necessary location and conditions to operate as intended and, where applicable, the initial expenses estimate regarding the assets' decommissioning and removal, as well as the restoration of their corresponding installation/operation sites, expected to be incurred by the Company, net of accumulated depreciation and accumulated impairment losses.

Depreciation is calculated subsequently to the moment when the good is ready to be used, on a straight-line basis over 12-month periods, according to the estimated useful life of each asset group:

Asset class	Years
Buildings and other constructions	10 - 50
Basic equipment	
Operating rolling stock	15 - 28
Support rolling stock	20
Other basic equipment	4 - 20
Transport equipment	4
Office equipment	3 - 10
Tools and utensils	4 - 8
Other tangible assets	3 - 4

Expenses related to maintenance and repair which do not increase these assets' useful life are recorded in the income statement in the period in which they occur. Expenses related to major repairs are included in the asset's carrying value when these are expected to generate additional future economic benefits.

Gains or losses arising from the disposal or write-off of property, plant and equipment are determined as the difference between the fair value of the amount received or receivable in the transaction and the asset's net carrying value, net of accumulated depreciation, being recognized in profit or loss in the period in which they occur.

4.4. LEASES

Leases are classified as financial where, in light of the corresponding terms, all the risks and benefits related to the asset's ownership are substantially transferred to the lessee. All other leases are classified as operating. Lease classification is based on their substance rather than their contractual form.

Assets acquired by means of finance lease agreements, and their corresponding liabilities, are recorded when the lease starts lease at the lower between the assets' fair value and the present value of the minimum lease payments. Finance lease payments are divided into financial costs and deduction from the liability, thus obtaining a regular interest rate on the outstanding balance of the liability.

Operating lease payments are recognized as expenses on a straight-line basis during the lease period. Incentives received are recorded as a liability, with their aggregate amount being recognized as a reduction to the lease expense, also on a straight-line basis over the leasing period. Incentives received are recorded as a liability, with the aggregate amount of these being recognized as a reduction to lease expenses also on a straight-line basis.

Contingent rents are recognized as expenses in the financial year in which they are incurred.

4.5. INTANGIBLE ASSETS

Intangible assets are recorded at cost net of any accumulated amortizations and impairment losses.

The overheads with research activities are recorded as expenses in the period in which they are incurred.

Amortization of intangible assets is recognized on a straight-line basis, according to their estimated useful lives, as follows:

Asset class	Years
Industrial property and other rights	3 - 10

4.6. INVESTMENT PROPERTY

Investment property is measured at cost net of accumulated depreciation and impairment losses.

Depreciation is calculated subsequently to the moment when the good is ready to be used, on a straight-line basis over 12-month periods, according to the estimated useful life of each asset group.

The depreciation rates used reflect the following estimated useful life periods:

Asset class	Years
Buildings and other constructions	10 - 50
Other equipment	4 - 20

Expenses incurred in relation to investment property, notably maintenance, repairs, insurance and taxes, shall be recognized as expenses in the financial year to which they refer. Improvements or upgrades to investment property which are expected to generate additional future economic benefits are capitalized under the item 'Investment property'.

4.7. FINANCIAL INTERESTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Financial interests in subsidiaries, associates and joint ventures are recorded pursuant to the equity method and are initially recognized at cost and subsequently adjusted in light of the changes observed, after the acquisition, in the investor or the venturer's share in the net assets of the investee or jointly controlled entity. The net income of the investor or venturer include their corresponding share of the net income of the investee or jointly controlled entity. Dividends received from these companies are recorded as a decrease in the financial investment's value.

When the Company's proportion in the investee's accumulated losses is greater than the amount at which the investment was recorded, the investment is reported at zero value, except when the Company has undertaken commitments to cover the investee's losses, in which case the additional losses give rise to the recognition of a liability. If the investee reports profits at a subsequent stage, the Company resumes the recognition of its share in these profits only to the extent that its share of profits equals the part of the unrecognized losses.

Unrealized gains on transactions with subsidiaries, associates and joint ventures are eliminated in proportion to the Company's interest in those entities against the corresponding investment item Unrealized losses are eliminated in a similar manner, but only to the extent that the loss does not derive from a situation in which the transferred asset is impaired.

All other financial investments are recorded at acquisition cost, which shall be lower than their market value.

4.8. NON-CURRENT ASSET IMPAIRMENTS

On each reporting date, the net carrying values of the Company's assets are reviewed in order to determine the presence of any impairment indicator. Should there be any indicators, the corresponding assets' (or the cash-generating units') recoverable amount is estimated in order to determine the extent of the impairment loss (if applicable).

The asset's (or the cash-generating unit's) recoverable amount corresponds to the greater amount between: (i) its fair value minus selling costs; and (ii) its value in use. When determining the value in use, the estimated future cash flows are discounted using a discount rate which reflects the market's expectations in what regards the time value of money (which in the case of the Company was considered not to exist) and the asset's (or the cash-generating unit's) specific risks in relation to which the estimates of future cash flows were not subject to adjustments.

Whenever the asset's (or the cash-generating unit's) net carrying value is greater than its recoverable amount, an impairment loss is recognized. The impairment loss is immediately recorded in the income statement, except if this loss offsets a revaluation surplus recorded in equity. In case of the latter, this loss will be deemed as a decrease in the said revaluation.

The reversal of impairment losses recognized in previous financial years is recorded whenever there is evidence that the previously recognized impairment losses have ceased to exist or have decreased. The reversals of the impairment loss are performed up to the amount that would be recognized (net of depreciation) if the previous impairment loss had not been recorded.

4.9. BORROWING COSTS

Financial costs related to loans received are recognized as expenses as they are incurred.

Financial costs related to loans received directly associated with asset acquisition and construction are capitalized, and are an integral part of the asset's cost. The beginning of these costs' capitalization shall start after the beginning of the preparation of the asset's construction activities and shall be interrupted following the start of use or completion of the asset or when the relevant asset is suspended. Any income generated by loans received in advance associated with a specific investment is deducted from the financial costs eligible for capitalization.

4.10. INVENTORIES

Inventories are measured at the smaller value between their cost and net realization value. Raw materials, other raw materials and consumables are recorded at cost of acquisition, which shall not exceed their corresponding market value.

The net realization value represents the estimated selling price net of all estimated expenses necessary to complete the inventories and sell them. If the cost value exceeds the net realization value, an impairment loss is recorded for the corresponding difference.

The inventories cost method used by the Company corresponds to the average weighted cost.

4.11. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial assets and liabilities are recognized in the balance sheet when the Company enters into the corresponding contractual provisions as a party.

Therefore, the financial assets and liabilities are measured in light of the following criteria: (i) amortized cost minus impairment losses and (ii) fair value, with their changes being recognized in the income statement.

(i) Amortized cost minus impairment losses

Financial assets which meet the conditions set out below are measured 'at amortized cost minus impairment losses':

- They are in sight or have a defined maturity;
- They are related to a fixed or determinable yield; and
- They do not contain any agreement clause which could derive in a nominal value loss for their holder.

With the exception of the financial liabilities classified as held for trading, all financial liabilities must be measured at amortized cost.

The amortized cost is determined by means of the effective interest method. The effective interest is calculated through the rate which accurately discounts future estimated payments or receipts during the financial instrument's useful life from the financial asset or financial liability's net carrying value (effective interest rate).

As a consequence, this category includes the following financial assets and financial liabilities:

a) Customers and other credit receivable

Balances related to customers and other credit receivable are recorded at amortized cost minus any impairment losses. Normally, the amortized cost of these financial assets does not differ from their nominal value.

b) Cash and bank deposits

The amounts included in the item 'Cash and bank deposits' reflect the amounts of cash, bank deposits and savings deposits and other treasury applications which mature in less than twelve months. Normally, the amortized cost of these financial assets does not differ from their nominal value.

c) Suppliers and other debts payable

Balances regarding suppliers and other debts payable are recorded at amortized cost. Normally, the amortized cost of these financial liabilities does not differ from their nominal value.

d) Loans received

Loans received are recorded as a liability at amortized cost.

Any expenses incurred with these loans, in particular bank fees and stamp duty, as well as interest and similar expenses, are recognized using the effective interest method through profit or loss for the year throughout the life period of these loans. Until the expenses referred to above are recognized, they are presented as a deduction in the item 'Loans received'. The interest incurred but not yet paid is presented under the item 'Other debts payable'.

(ii) At fair value, with changes being recognized in the income statement

All financial assets and financial liabilities which were not classified in the category ‘at amortized cost’ are included in the category ‘at fair value, with their changes being recognized in the income statement’.

These financial assets and financial liabilities are measured at fair value, with fair value variations being recorded through profit or loss.

This category includes (i) collateral given as security for loans, recorded under the asset item ‘Other financial assets’; (ii) derivative financial instruments, recorded under the liability item ‘Other financial liabilities’, which do not meet the conditions for hedge accounting under the provisions of NCRF 27 – Financial Instruments.

In accordance with the above, the financial assets and financial liabilities have been classified as follows:

Financial assets	**Notes**	**2021**		**2020**	
		Fair value	**Amortized cost**	**Fair value**	**Amortized cost**
Non-current					
Other financial assets	10	52,218,573	-	54,065,280	-
		52,218,573	**-**	**54,065,280**	**-**
Current					
Customers	12	-	2,059,472	-	1,718,818
State and other public entities	13	-	7,891,979	-	3,815,038
Other credit receivable	14	-	16,308,269	-	10,929,504
Cash and bank deposits	16	-	124,800,233	-	47,271,470
		-	**151,059,953**	**-**	**63,734,831**
		52,218,573	**151,059,953**	**54,065,280**	**63,734,831**

Financial Liabilities	**Notes**	**2021**		**2020**	
		Fair value	**Amortized cost**	**Fair value**	**Amortized cost**
Non-current					
Loans received	19	-	144,565,037	-	151,382,336
Other financial liabilities	21	19,263,628	-	43,363,932	-
		19,263,628	**144,565,037**	**43,363,932**	**151,382,336**
Current					
Suppliers	22	-	1,177,892	-	7,230,978
State and other public entities	13	-	3,254,811	-	3,150,333
Loans received	19	-	659,648,495	-	605,259,449
Other debts payable	23	-	59,576,911	-	63,896,392
		-	**723,658,109**	**-**	**679,537,152**
		19,263,628	**868,223,146**	**43,363,932**	**830,919,489**

4.12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, bank deposits, other short-term and high-liquidity investments with initial maturities of up to three months and bank overdrafts, with no significant risk of variation in value. Bank overdrafts are disclosed in the balance sheet, in current liabilities, under the item ‘Loans received’.

4.13. GOVERNMENT GRANTS

Government grants are only recognized when there is a reasonable certainty that the Company will meet the conditions of attribution and that they will be received.

Government grants associated with the acquisition or production of non-current assets are initially recognized through equity and are subsequently recognized on a systematic basis (in proportion to the depreciation of the underlying assets) as income for the financial year during the useful lives of the assets to which they refer.

Other Government grants are generally recognized as income in a systematic manner in the periods necessary to balance them with the expenses they are intended to compensate. Government grants which are intended to compensate losses already incurred or which do not have associated future costs are recognized as income of the period in which they become receivable.

4.14. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions are recorded when the Company has a present (legal or constructive) obligation derived from a past event, it is probable that the settlement of this obligation shall give rise to an outflow of resources and the amount of the obligation can be reasonably estimated. Provisions are reviewed on each balance sheet date and adjusted in order to reflect the best estimate on that date.

Contingent liabilities are not recognized in the financial statements and are disclosed whenever there is a non-remote likelihood of an outflow of resources comprising economic benefits. Contingent assets are not recognized in the financial statements and are disclosed when it is likely that there will be a future economic inflow of resources.

4.15. POST-EMPLOYMENT BENEFITS

Defined benefit plan

The Company has a defined benefit plan for supplementing the retirement pensions (due to old age, disability and survivors), in addition to the amount paid by Social Security. The Company's liabilities related to this plan are determined by the projected unit credit method, with the corresponding actuarial assessments performed on each reporting date, which is carried out according to internationally accepted actuarial methods and assumptions, thus revealing the value of the liabilities on the balance sheet date and the expense related to pensions to be recorded in the period.

The liability related to the guaranteed benefits recognized in the balance sheet reflect the corresponding obligation's present value, adjusted for actuarial gains and losses and for unrecognized past service expenses, deducted from the fair value of the plan's assets.

Actuarial gains and losses are recognized on an annual basis in equity.

The granted benefit plans identified by the Company for purposes of determining these liabilities are:

- Retirement, disability and survivor pension supplements;
- Early-retirement pensions.

Health care

The Company has also assumed liabilities for the payment of health care benefits to its employees, up to their retirement age, which are not recorded in the balance sheet as at 31 December 2021. In order to meet these liabilities, the Company has guaranteed a collective health insurance to its active employees, which grants them access to medical services subsidized by the Company. These costs are recorded in the income statement of the period in which they are paid.

4.16. REVENUE

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

Revenue arising from the provision of public transport public services results from the division of the revenues derived from the sale of tickets enabling access to the mode operated by Metropolitano de Lisboa, E.P.E. It is recognized to the extent all the following conditions are met:

- The revenue amount can be measured in a reliable manner;
- It is likely that future economic benefits connected to the transaction flow into the Company;
- The expenses incurred or to be incurred with the transaction can be measured in a reliable manner.

The Fare Reduction Support Programme (PART) came into force in April 2019, under the terms of the State Budget Law for 2019 (Law no. 71/2018 of 31 December) and pursuant to Regulation no. 278-A/2019 of 27 March.

The PART created a ‘single metropolitan monthly pass’, common to all transport operators operating in the Lisbon Metropolitan Area (AML), consequently leading to the end of almost all inter-modal and combined monthly passes. The ‘municipal’ and ‘metropolitan’ monthly passes are available at significantly lower prices to stimulate demand for public transport. The PART has also simplified the process of monthly revenue clearance, by establishing that:

- Revenues arising from the sale of PART monthly passes are the property of the operators effecting the sale;
- The AML pays operators financial compensations for the fulfilment of public service obligations, according to the model defined in the Regulation no. 278-A/2019 of 27 March, which secures the maintenance of the Operators’ financial balance, ensuring they do not experience loss of revenue in comparison to a pre-established reference value;
- The value of monthly payments on account is established on a quarterly basis, corresponding to the difference between the amounts received (sales revenue and grants from the State) and the estimated reference value for each Operator;
- The model also defines rules for the distribution of benefits arising from an upside in the AML transport system’s overall revenue, resulting from a sustained increase in the use of public transport, favouring the operators with the highest growth in demand;
- The computing of the final value of each Operator’s compensations, taking into account the actual total sales amount and the validations made by all AML operators, is performed in the first quarter of the subsequent year.

Non-refundable fare compensations are attributed to the Company by the State in order to compensate its operation in compliance with the public service obligations, which are recorded in the period in which they are attributed.

The interest revenue is recognized using the effective interest method, provided it is likely that economic benefits will flow to the Company and their amount can be measured in a reliable manner.

4.17. INCOME TAX

Income tax for the period is calculated based on the Company’s taxable profit.

Current tax payable is calculated based on taxable profit. Taxable profit differs from the accounting profit as it excludes several expenses and income which shall only be deductible or taxable in other financial years, as well as expenses and income which will never be deductible or taxable.

The Company has not recorded deferred taxes and, on the present date, they are not entirely measured. The deferred tax assets would correspond to tax losses carried forward and to provisions not deductible for tax purposes, while the deferred tax liabilities would correspond to depreciations of revalued assets not accepted for tax purposes and to capital gains and losses with deferred taxation.

4.18. CLASSIFICATION OF THE BALANCE SHEET

Assets that are realizable and liabilities that are payable for a period exceeding one year after the reporting date are classified as non-current assets and non-current liabilities, respectively.

4.19. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Transactions in foreign currency (in a currency different from the Company's functional currency) are recorded at the exchange rates in force at the transaction dates. At each reporting date, the carrying values of monetary items denominated in foreign currency are updated at the exchange rates in force on that date.

The exchange differences assessed on the date of receipt or payment of the transactions in foreign currency and those derived from the updates referred above are recorded in the income statement of the period in which they are generated.

The foreign exchange rates used to convert transactions expressed in currencies other than the euro or to update balances expressed in foreign currency, were as follows:

Country	Currency	Average price value 2021	Final price value 31/12/2021	Average price value 2020	Final price value 31/12/2020
United States of America	USD	1.18	1.13	1.14	1.23
United Kingdom	GBP	0.86	0.84	0.89	0.90

Source: Banco de Portugal

4.20. ACCRUAL BASIS (ECONOMIC HISTORICAL PERIODS)

The Company records its income and expenses based on the accrual principle, according to which income and expenses are recognized as they are generated, irrespective of the time when they are received or paid. The differences between the amounts received and paid and the corresponding generated income and expenses are recorded as assets or liabilities.

4.21. RISK MANAGEMENT POLICY

In pursuing its business, the Company is exposed to a range of risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall risk management programme is focused on the unpredictability of financial markets, seeking to minimize the adverse effects on its financial performance arising thereof.

Risk management is controlled by the Company's financial department, pursuant to policies approved by the Board of Directors. In this regard, the Board of Directors has defined the key principles for a comprehensive risk management, as well as specific policies for certain areas, such as hedging of exchange rate risk, interest rate risk and credit risk.

a) Foreign exchange rate risk

The Company's operating activity is performed in Portugal and, as a consequence the vast majority of its transactions are denominated in euro. The hedging policy for this specific risk consists of avoiding, to the extent possible, entering into agreements on services denominated in foreign currency.

b) Liquidity risk

Treasury needs are managed in an appropriate manner, managing liquidity surpluses and deficits, which are covered by funding guaranteed or granted by the Portuguese State through non-refundable compensatory indemnities and capital allocations.

c) Interest rate risk

The Company's revenues and cash flows are influenced by interest rate variations, as the Company's resources and any loans granted depend on the evolution of interest rates in euro, which show a low historical volatility.

Interest rate sensitivity analysis

The sensitivity analysis below was calculated based on the exposure to interest rates for the existing derivative financial instruments on the reporting date. With respect to assets and liabilities with variable rates, the following assumptions have been taken into consideration:

- Changes in market interest rates affect the amounts of interest receivable or payable, of financial instruments indexed to variable rates and, in the case of fixed rates agreed in the period under review, changes in interest rates also affect this component;
- Changes in market interest rates only affect the amount of interest receivable or payable of the financial instruments with fixed rates if they are recorded at fair value;
- The changes in market interest rates affect the derivatives' fair value;
- The fair value of the derivative financial instruments and other financial assets and financial liabilities are estimated by discounting the future cash flows for the present moment, at the market interest rates existing by the end of each year; and,
- For purposes of the sensitivity analysis, this analysis is performed based on all the existing financial instruments during the financial year.

The sensitivity analyses assume the change in one variable, while all the other are kept constant. In fact, this assumption hardly occurs, and the changes in certain assumptions may be correlated.

Under these assumptions, an increase or decrease of 1% in market rates for the derivative financial instruments, as at 31 December 2021, would give rise to, respectively, an increase of 59,157,597.1 euros or a decrease of 97,378,979.2 euros in profit before tax and before allocation of the LTI item.

4.22. CRITICAL JUDGEMENTS AND MAIN SOURCES OF UNCERTAINTY ASSOCIATED WITH ESTIMATES

The preparation of these financial statements involves making judgements and estimates, and using various assumptions that affect the reported values of the assets and liabilities, as well as the reported values of income and expenses of the period.

The estimates and the underlying assumptions were established as at the reporting date based on the best existing knowledge on the date of approval of the financial statements of the events and transactions in progress, as well as of the experience of past and/or current events. Nonetheless, there may be situations in subsequent periods which, due to not been expected to occur at the date of approval of the financial statements, were considered in these estimates. Changes to estimates which occur after the date of the financial statements shall be corrected prospectively, pursuant to NCRF 4. For this reason and given the associated uncertainty level, the actual profit or loss of the transactions in question may differ from the corresponding estimates.

The main judgements and estimates used in the preparation of the financial statements were the following:

a) Useful lives and impairment analysis of the property, plant and equipment;

b) Impairment losses of accounts receivable – calculated considering the overall collection risk of the balances receivable;

c) Determination of the derivative financial instruments' fair value – determined at the end of each financial year by the entity with which they were contracted;

d) Determination of the liabilities related to retirement benefits – an actuarial assessment of the liabilities related to pension supplements prepared by the actuary is obtained at the end of each financial year.

4.23. EVENTS OCCURRED AFTER THE BALANCE SHEET DATE

Events occurred after the balance sheet date which provide additional information about the existing conditions on the balance sheet date (adjusting events) are reflected in the financial statements. Events which provide information about the conditions occurred after the reporting date (non-adjusting events) are disclosed in the financial statements, if considered material.

5. LONG-TERM INFRASTRUCTURE INVESTMENTS

The balance evidenced in the item 'Long-term infrastructure investments' derives from the Company's infrastructure investment activity, broken down into the following asset and liability items:

	Notes	31-dez-2021	31-dez-2020
Non-current assets			
Property, plant and equipment	5.1	3,214,911,914	3,156,568,295
Investment property	5.2	1,804,209	1,804,209
Intangible assets	5.3	7,356,629	7,276,591
Other financial assets	5.4	14,556,063	13,650,808
Customers	5.5	-	2,041,708
Account receivable from the State	5.6	3,212,263,064	3,210,869,766
Grants	5.7	(1,050,348,548)	(1,001,509,526)
		5,400,543,332	**5,390,701,851**
Total Assets		**5,400,543,332**	**5,390,701,851**
Non-current liabilities			
Provisions	5.8	8,590,197	6,190,197
Loans received	5.9	1,604,823,112	1,701,605,301
Other financial liabilities	5.4	116,960,782	238,220,183
		1,730,374,092	**1,946,015,681**
Current liabilities			
Loans received	5.9	997,631,809	969,097,803
Suppliers	5.10	3,514,041	3,222,914
Other debts payable	5.11	167,933,090	84,157,171
		1,169,078,940	**1,056,477,888**
Total liabilities		**2,899,453,031**	**3,002,493,569**
Total net LTI		**2,501,090,300**	**2,388,208,282**

5.1. PROPERTY, PLANT AND EQUIPMENT

	31 December 2021					
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets						
Opening balance	13,511,055	2,662,794,728	459,111,558	19,222,052	2,708,933	**3,157,348,327**
Acquisitions	-	446,671	428,790	40,062,186	22,483,741	**63,421,389**
Disposals	-	-	-	-	-	-
Transfers	-	9,546,232	2,613,137	(12,241,918)	(4,945,219)	**(5,027,768)**
Write-offs	-	-	(12,308)	-	-	**(12,308)**
Closing balance	**13,511,055**	**2,672,787,632**	**462,141,178**	**47,042,320**	**20,247,455**	**3,215,729,639**
Impairment losses						
Opening balance	-	780,032	-	-	-	**780,032**
Increases	-	37,693	-	-	-	**37,693**
Reversals	-	-	-	-	-	-
Closing balance	-	**817,725**	-	-	-	**817,725**
Total net property, plant and equipment (LTI)	**13,511,055**	**2,671,969,906**	**462,141,178**	**47,042,320**	**20,247,455**	**3,214,911,914**

	31 December 2020					
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets						
Opening balance	13,511,055	2,653,301,758	450,151,959	18,662,425	1,259,504	**3,136,886,699**
Acquisitions	-	727,141	718,908	17,390,120	1,504,010	**20,340,179**
Disposals	-	-	-	-	-	-
Transfers	-	8,765,829	8,240,692	(16,830,492)	(54,580)	**121,448**
Write-offs	-	-	-	-	-	-
Closing balance	**13,511,055**	**2,662,794,728**	**459,111,558**	**19,222,052**	**2,708,933**	**3,157,348,327**
Impairment losses						
Opening balance	-	597,082	-	-	-	**597,082**
Increases	-	185,650	-	-	-	
Reversals	-	(2,700)	-	-	-	**(2,700)**
Closing balance	-	**780,032**	-	-	-	**780,032**
Total net property, plant and equipment (LTI)	**13,511,055**	**2,662,014,696**	**459,111,558**	**19,222,052**	**2,708,933**	**3,156,568,295**

The additions observed in the year ended on 31 December 2021 under the sub-item 'Property, plant and equipment in progress', amounting to 40,062,186 euros, essentially refer to the Circle Line venture and to Arroios station extension and refurbishment, amounting to 29,710,204 euros and 4,847,066 euros, respectively.

The additions occurred in the year ended on 31 December 2021 under the item 'Advances on account of property, plant and equipment', amounting to 22,483,741 euros, refer to advances granted under the Circle Line venture and the implementation of the Communications Based Train Control (CBTC) system in the Blue Line, amounting to 19,190,961 euros and 3,292,780 euros, respectively. The transfers occurred in the same item, 4,945,219 euros, essentially refer to the same projects, 3,082,268 euros and 1,843,956 euros, respectively.

The transfers observed in the year ended on 31 December 2021 under the sub-item 'Property, plant and equipment in progress', amounting to 12,241,918 euros, essentially refer to the recognition in the property, plant and equipment of the Arroios station extension and refurbishment intervention.

During the years ended on 31 December 2021 and 2020, department expenses were capitalized in the cost of property, plant and equipment amounting to 5,738,784 euros and 3,907,206 euros, respectively.

5.2. INVESTMENT PROPERTY

	31 December 2021					31 December 2020				
	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value
Praça General Humberto Delgado	1,804,209	-	-	1,804,209	7,545,202	1,804,209	-	-	1,804,209	7,543,032
	1,804,209			1,804,209	7,545,202	1,804,209			1,804,209	7,543,032

5.3. INTANGIBLE ASSETS

	31 December 2021			
	Research and development costs	Set-up costs	Intangible assets in progress	Total
Assets				
Opening balance	5,138,543	2,019,827	118,221	**7,276,591**
Acquisitions		-	80,038	**80,038**
Transfers	-	-	-	-
Closing balance	**5,138,543**	**2,019,827**	**198,259**	**7,356,629**
Total intangible assets (LTI)	**5,138,543**	**2,019,827**	**198,259**	**7,356,629**

	31 December 2020			
	Research and development costs	Set-up costs	Intangible assets in progress	Total
Assets				
Opening balance	5,138,543	2,019,827	16,188	**7,174,558**
Acquisitions	-	-	106,237	**106,237**
Transfers	-	-	(4,204)	**(4,204)**
Closing balance	**5,138,543**	**2,019,827**	**118,221**	**7,276,591**
Total intangible assets (LTI)	**5,138,543**	**2,019,827**	**118,221**	**7,276,591**

5.4. OTHER FINANCIAL ASSETS AND LIABILITIES

This item includes interest rate swaps related to loans received to meet long-term infrastructure investments. The breakdown by swap agreement is as follows:

Other financial assets

Swap	Entity	Maturity	Original notional	Current notional	Fair value	
					31/12/2021	31/12/2020
40#METLIS CGDBI Jun2022	CGDBI	6/15/2022	12,545,916	5,913,283	50,000	420,000
66#METLIS CGDBI Dec2026	CGDBI	12/4/2026	100,000,000	100,000,000	14,506,063	13,230,808
					14,556,063	**13,650,808**

Other financial liabilities

Swap	Entity	Maturity	Original notional	Current notional	Fair value	
					31/12/2021	31/12/2020
32#METLIS BSN Jun2022	BSN	6/15/2022	40,000,000	14,666,667	353,604	1,155,422
38#METLIS BSN Jun2022	BSN	6/15/2022	4,280,559	11,826,567	10,869,952	58,263,897
52#METLIS BSN Jul2024	BSN	7/22/2024	100,000,000	100,000,000	14,904,060	21,409,134
58#METLIS ML Dec2026	ML	12/4/2026	30,000,000	30,000,000	45,711,032	79,202,910
59#METLIS CGD Dec2026	CGD	12/4/2026	30,000,000	30,000,000	45,122,134	78,188,820
					116,960,782	**238,220,183**

5.5. CUSTOMERS

As at 31 December 2021, this item includes a value of 2,041,708 euros related to a contractual penalty debited following delays in delivering the contract for the Areeiro station extension and refurbishment, with an impairment loss of the entire amount referred to above having been recorded.

5.6. ACCOUNT RECEIVABLE FROM THE STATE

This item includes the expenses, net of any income, associated with long-term infrastructure investment activities, broken down as follows:

	31/12/2021	31/12/2020
Corrected start balance in the transition to the NCRF	289,555,301	289,555,301
Interest, guarantee fee and stamp duty	2,787,190,643	2,668,112,090
Issuance costs	20,230,150	20,230,150
Derivative financial instruments	102,404,719	224,569,375
External supplies and services	2,563,836	2,563,836
Provisions	10,954,197	8,554,197
Impairment losses in property, plant and equipment	817,725	780,032
Impairment losses in debts receivable	2,041,708	-
Land disposal	(3,495,216)	(3,495,216)
	3,212,263,064	**3,210,869,766**

Corrected start balance in the transition to the NCRF

The financial costs borne with LTI which could not be potentially capitalized up to 31 December 2008 were recognized in the income statement. During the transition to the NCRF, the Company decided to recapture the value of these financial costs for the purpose of adding them to the LTI item following the principle described in Note 4.2. The financial costs incurred between 1995 and 2008, amounting to approximately 1,017,000,000 euros, were measured by the Company based on the available accounting records. Concerning the financial costs incurred up to 31 December 1994, due to the clear difficulty in their measurement, the Board of Directors decided to record the value of 289,555,301 euros, corresponding to the net balance between the LTI asset and liability items, as at 31 December 2009.

External supplies and services

Following legal proceedings pending at a Court in London, initiated by a financial institution against the Portuguese State, lawyers' fees related to the derivative financial instruments allocated to the LTI activity were recognized in 2016, of the total value of 2,563,836 euros.

Land disposal

This sub-item includes the income recorded with the transfer to the Portuguese State, through transfer in lieu of payment, of the land parcel included in Cais do Sodré River Platform.

5.7. GRANTS

	31/12/2021	31/12/2020
ERDF	(229,464,397)	(229,464,397)
PIDDAC	(184,639,717)	(183,839,717)
Cohesion Fund	(418,469,502)	(379,786,103)
Environmental Fund	(13,209,536)	(3,853,912)
Miscellaneous grants	(204,565,396)	(204,565,396)
	(1,050,348,548)	**(1,001,509,526)**

5.8. PROVISIONS

This item includes the movements (creation/use/reversal) of provisions for pending legal proceedings related to LTI activity.

5.9. LOANS RECEIVED

	Funding entity	31 December 2021				31 December 2020			
		Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
Bonds:									
Metro 2025 issue	DBI, AG	110,000,000	-	110,000,000	110,000,000	110,000,000	-	110,000,000	110,000,000
Metro 2026 issue	JP Morgan	400,000,000	-	400,000,000	400,000,000	400,000,000	-	400,000,000	400,000,000
Metro 2027 issue	BNPP	400,000,000	-	400,000,000	400,000,000	400,000,000	-	400,000,000	400,000,000
			-	910,000,000	910,000,000		-	910,000,000	910,000,000
Bank loans:									
ML I/3	EIB	124,699,474	-	-	-	124,699,474	21,204,453	-	21,204,453
ML I/3B	EIB	74,819,685	10,630,313	-	10,630,313	74,819,685	23,504,930	10,630,313	34,135,243
ML II/C	EIB	54,867,769	1,828,926	-	1,828,926	54,867,769	3,657,851	1,828,926	5,486,777
ML V/B	EIB	80,000,000	-	-	-	80,000,000	80,000,000	-	80,000,000
ML V/C	EIB	68,503,276	68,503,276	-	68,503,276	80,000,000	11,496,724	68,503,276	80,000,000
LT Loan 613.9 MEUR	DGTF (part)	507,957,564	253,978,782	-	253,978,782	507,957,564	253,978,782	-	253,978,782
LT Loan 648.6 MEUR	DGTF (part)	237,747,877	178,310,908	-	178,310,908	237,747,877	178,310,908	-	178,310,908
LT Loan 412.9 MEUR	DGTF (part)	282,974,244	282,974,244	-	282,974,244	282,974,244	282,974,244	-	282,974,244
LT Loan 32.6 MEUR	DGTF (part)	17,158,204	11,438,803	5,719,401	17,158,204	17,158,204	8,579,102	8,579,102	17,158,204
LT Loan 421.97 MEUR	DGTF (part)	262,008,399	131,004,199	131,004,199	262,008,399	262,008,399	87,336,133	174,672,266	262,008,399
LT Loan 131.88 MEUR	DGTF (part)	108,328,053	36,109,351	72,218,702	108,328,053	108,328,053	18,054,675	90,273,377	108,328,053
LT Loan 154.51 MEUR	DGTF (part)	137,118,041	22,853,007	114,265,034	137,118,041	137,118,041	-	137,118,041	137,118,041
LT Loan 100.86 MEUR	DGTF (part)	71,615,776	-	71,615,776	71,615,776				
			997,631,809	394,823,112	1,392,454,921		969,097,803	491,605,301	1,460,703,104
Other loans received:									
Schuldschein	ABN AMRO	300,000,000	-	300,000,000	300,000,000	300,000,000	-	300,000,000	300,000,000
			-	300,000,000	300,000,000		-	300,000,000	300,000,000
Total loans received			997,631,809	1,604,823,112	2,602,454,921		969,097,803	1,701,605,301	2,670,703,104

The ‘Metro 2025’ bond loan agreement was entered into on 23 December 2010, for a fifteen-year term, bullet, at a fixed rate, and the State granted a personal guarantee. Portuguese Law is applicable, with the exception of the ‘subscription agreement’, which is governed by English Law.

The ‘Metro 2026’ bond loan agreement was entered into on 4 December 2007, for a twenty-year term, bullet, at a fixed rate, and the State granted a personal guarantee. Portuguese Law is applicable, with the exception of the ‘subscription agreement’, which is governed by English Law.

The 'Metro 2027' bond loan agreement was entered into on 7 December 2007, for a twenty-year term, bullet, at a fixed rate, with a personal guarantee granted by the State. Portuguese Law is applicable, with the exception of the 'subscription agreement', which is governed by English Law. The issue was listed on Euronext Lisbon.

During the financial year ended on 31 December 2011, the Company entered into a loan agreement of 613,932,000 euros with the Directorate General of Treasury and Finance (DGTF), of which 507,957,564 euros refer to LTI liabilities, for a 5-year period, repayable in 8 equal and half-yearly instalments, with the first having fallen due in May 2013.

During the financial year ended on 31 December 2012, the Company entered into a loan agreement of 648,581,846 euros with the DGTF, of which 237,747,877 euros refer to LTI liabilities, for a 5-year period, repayable in 8 equal and half-yearly capital instalments, with the first having fallen due in May 2014.

During the financial year ended on 31 December 2013, the Company entered into a loan agreement of 412,860,000 euros with the DGTF, of which 282,974,244 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly and successive capital instalments, with the first having fallen due in May 2015.

During the financial year ended on 31 December 2017, the Company entered into a loan agreement of 32,584,270 euros with the DGTF, of which 17,158,204 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2019.

During the financial year ended on 31 December 2018, the Company entered into a loan agreement of 421,973,931 euros with the DGTF, of which 262,008,399 euros refer to with LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2020.

During the financial year ended on 31 December 2019, the Company entered into a loan agreement of 131,884,780 euros with the DGTF, of which 108,328,053 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2021.

During the financial year ended on 31 December 2020, the Company entered into a loan agreement of 154,513,049 euros with the DGTF, of which 137,118,041 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2022.

During the financial year ended on 31 December 2021, the Company entered into a loan agreement of 100,855,699 euros with the DGTF, of which 71,615,776 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2023.

Since 30 November 2014, the deferral of the payment of the debt service of the loans raised from the DGTF listed above has been successively authorized, with no interest being charged, with the last moratorium having been authorized by Order no. 254/2022-SET of 8 March, with deferral until 31 May 2022.

As at 31 December 2021, loans classified as non-current have the following repayment plan:

Year	Value
2023	99,371,412
2024	399,371,412
2025	206,511,711
2026 and following	899,568,577
	1,604,823,112

As at 31 December 2021, the loans received tied to covenants, notably those associated with the Portuguese Republic's rating or those with holding clauses, are detailed below:

AGREEMENT	Outstanding Debt as at 31-12-2021 (€)	MATURITY DATE	NEGATIVE PLEDGE (YES /NO)	PARI PASSU (YES/NO)	OWNERSHIP CLAUSE (YES/NO)	RATING DOWNGRADE (YES/NO)	GROSS UP (YES/NO)	CROSS DEFAULT	EXPENSES/STAMP DUTY (YES/NO)	OTHER RELEVANT CLAUSES / COMMENTS
Loan Agreement concluded with the European Investment Bank, in 1997, subject to Portuguese law and Lisbon District Court jurisdiction ("ML I/3 B"), amended on 10 March 2006	10,630,313.44	15 June 2022	NO	NO	NO	NO	NO	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic
Loan Agreement concluded with the European Investment Bank, on 14 July 1997, subject to Portuguese law and Lisbon District Court jurisdiction ("ML II/C")	1,828,925.57	15 June 2022	NO	NO	NO	NO	NO	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic
Loan Agreement concluded with the European Investment Bank, on 9 May 2003, subject to Portuguese law and Lisbon District Court jurisdiction ("ML V/C"), amended on 10 March 2006	68,503,276.05	15 June 2022	NO	NO	NO	NO	NO	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic
Schuldschein Loan Agreement concluded with ABN Amro Bank, NV on 20 July 2004, subject to German law and the courts of Frankfurt am Main	300,000,000.00	20 July 2024	YES (see Annex D)	YES	NO	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic / No substantial change of the company's nature or corporate purpose
EUR 110,000,000.00 7.30% Guaranteed Notes due 2025 . Deutsche Bank AG / December 2010, subject to Portuguese law and Portuguese court jurisdiction, except for the Subscription Agreement, regulated by English law and English court jurisdiction	110,000,000.00	23 December 2025	NO	YES	YES - Loss of Public Company status (State holding less than 51%)	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Republic / No substantial change of the company's nature or corporate purpose
EUR 400,000,000.00 4.061% Guaranteed Notes due 2026 . JP Morgan Securities Ltd / December 2006, subject to Portuguese law and Portuguese court jurisdiction, except for the Subscription Agreement, regulated by English law and English court jurisdiction	400,000,000.00	4 December 2026	NO	YES	YES - Loss of Public Company status (State holding less than 51%)	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Republic / No substantial change of the company's nature or corporate purpose
EUR 400,000,000.00 4.799% Guaranteed Notes due 2027. BNP Paris / December 2007, subject to Portuguese law and Portuguese court jurisdiction, except for the Subscription Agreement, regulated by English law and English court jurisdiction	400,000,000.00	7 December 2027	NO	YES	YES - Loss of Public Company status (State holding less than 51%)	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Republic / No substantial change of the company's nature or corporate purpose
TOTAL	**1,290,962,515**									

5.10. SUPPLIERS

The item 'Suppliers' primarily consists of current debts generated by the network expansion and modernization/refurbishment works.

5.11. OTHER DEBTS PAYABLE

The item 'Other debts payable' includes expenses with interest arising from loans, interest of derivative financial instruments and guarantee fees to be paid during the following period, as well as the portion of the investment grants received but still without implemented expenses.

6. PROPERTY, PLANT AND EQUIPMENT

31 December 2021	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other property, plant and equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets									
Opening balance	20,967,185	216,344,779	498,489,746	129,208	22,787,881	21,476,942	2,942,975	29,973	783,168,689
Acquisitions	-	65,502	333,252	-	296,232	42,218	11,519,799	30,518,581	42,775,585
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	230,822	2,482,155	-	45,079	-	(2,758,056)	(8,462,954)	(8,462,954)
Write-offs	-	-	(1,883,069)	-	(104,017)	(9,618)	-	-	(1,996,705)
Closing balance	**20,967,185**	**216,641,104**	**499,422,083**	**129,208**	**23,025,175**	**21,509,542**	**11,704,718**	**22,085,600**	**815,484,614**
Accumulated depreciation									
Opening balance	-	(208,146,100)	(438,394,283)	(129,208)	(21,724,515)	(16,325,998)	-	-	(684,720,106)
Depreciation of the period	-	(706,962)	(12,942,173)		(419,523)	(67,277)	-	-	(14,135,936)
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1,609,305	-	103,800	9,568	-	-	1,722,674
Closing balance	**-**	**(208,853,063)**	**(449,727,151)**	**(129,208)**	**(22,040,238)**	**(16,383,707)**	**-**	**-**	**(697,133,367)**
Impairment losses									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-
	20,967,185	**7,788,041**	**49,694,932**	**-**	**984,937**	**5,125,835**	**11,704,718**	**22,085,600**	**118,351,247**

31 December 2020	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other property, plant and equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets									
Opening balance	20,967,185	215,329,854	497,212,042	129,208	24,723,036	24,458,741	1,559,888	29,973	784,409,927
Acquisitions	-	37,760	445,043	-	373,017	74,677	4,191,610	-	5,122,108
Disposals	-	-	-	-	-	-	-	-	-
Transfers		977,165	1,809,081	-	(2,282,811)	(3,056,476)	(2,808,523)	-	(5,361,564)
Write-offs	-	-	(976,421)	-	(25,361)	-	-	-	(1,001,782)
Closing balance	**20,967,185**	**216,344,779**	**498,489,746**	**129,208**	**22,787,881**	**21,476,942**	**2,942,975**	**29,973**	**783,168,689**
Accumulated depreciation									
Opening balance	-	(207,420,149)	(426,361,129)	(129,208)	(21,914,840)	(15,943,282)	-	-	(671,768,609)
Depreciation of the period	-	(725,951)	(12,810,445)	-	(538,751)	(382,716)	-	-	(14,457,864)
Disposals	-		-	-	-	-	-	-	-
Transfers	-	-	-	-	705,464	-	-	-	705,464
Write-offs	-	-	777,291	-	23,612	-	-	-	800,903
Closing balance	**-**	**(208,146,100)**	**(438,394,283)**	**(129,208)**	**(21,724,515)**	**(16,325,998)**	**-**	**-**	**(684,720,106)**
Impairment losses									
Opening balance	-	(130,518)	-	-	-	-	-	-	(130,518)
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	130,518	-	-	-	-	-	-	130,518
Closing balance	-	-	-	-	-	-	-	-	-
	20,967,185	**8,198,679**	**60,095,462**	**-**	**1,063,366**	**5,150,944**	**2,942,975**	**29,973**	**98,448,584**

The additions observed in the year ended on 31 December 2021 under the sub-item ‘Property, plant and equipment in progress’, amounting to 11,519,799 euros, essentially refer to the implementation of the Communications Based Train Control system in the Depot and Workshops (PMO) and in 70 Triple Units (UT) of the current fleet, amounting to 6,360,817 euros and 2,102,138 euros, respectively.

The additions observed in the year ended on 31 December 2021 under the sub-item ‘Advances on account of property, plant and equipment in progress’, amounting to 30,518,581 euros, essentially refer to the acquisition of 14 new Triple Units (UT) and to the implementation of the Communications Based Train Control system in the Depot and Workshops (PMO), amounting to 16,802,999 euros and 7,893,867 euros, respectively.

During the year ended on 31 December 2021, a spare parts reclassification movement took place in the sub-item ‘Basic equipment’, against ‘Other property, plant and equipment’, of the value of 17,305,903 euros, and respective depreciation, of the value of 13,042,161 euros. The remaining value of transfers occurred in ‘Basic equipment’, of 2,482,155 euros, and write-offs, of the value of 1,883,069 euros, primarily refer to mid-useful life interventions of operating rolling stock, namely redesign of the door and seating system.

During the years ended on 31 December 2021 and 2020, department expenses were capitalized in the cost of property, plant and equipment amounting to 68,910 euros and 710,479 euros, respectively.

7. INVESTMENT PROPERTY

	31 December 2021					31 December 2020				
	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value
Properties leased to third parties	22,094,744	9,986,185	2,385,820	9,722,739	10,155,500	22,094,744	9,544,255	3,573,227	8,977,262	9,339,900
Praça General Humberto Delgado	22,309,373	18,678,818	-	3,630,555	93,297,798	22,309,373	18,665,173	-	3,644,200	93,270,968
	44,404,117	28,665,003	2,385,820	13,353,294	103,453,298	44,404,117	28,209,428	3,573,227	12,621,462	102,610,868

The real estate properties leased to third parties held by the Company refer to 34 properties located in Lisbon Metropolitan Area, for resettlement of low-income families affected by the network expansion programme and for an office building in Lisbon, which are being depreciated over a 50-year period.

The investment property's fair value was based on an assessment made by a specialized and independent entity.

As at 31 December 2021 and 2020, the following income and expenses related to investment property were recognized through profit or loss:

	31 December 2021				31 December 2020			
	Rent income (Note 29)	Direct expenses	Depreciation of the period	Net	Rent income (Note 29)	Direct expenses	Depreciation of the period	Net
Properties leased to third parties	579,860	143,620	441,930	(5,689)	593,215	148,921	441,482	2,811
Praça General Humberto Delgado	-	358,644	13,645	(372,289)	-	213,046	13,694	(226,740)
	579,860	502,264	455,575	(377,979)	593,215	361,967	455,176	(223,929)

8. INTANGIBLE ASSETS

	31 December 2021			31 December 2020		
	Industrial property and other rights	Intangible assets in progress	Total	Industrial property and other rights	Intangible assets in progress	Total
Assets						
Opening balance	2,799,477	2,400	2,801,877	-	-	-
Acquisitions	213,251	82,210	295,461	493,575	2,400	495,975
Transfers	84,610	(84,610)	-	2,305,902	-	2,305,902
Closing balance	3,097,339	-	3,097,339	2,799,477	2,400	2,801,877
Accumulated depreciation						
Opening balance	(971,452)	-	(971,452)	-	-	-
Amortization of the period	(404,417)	-	(404,417)	(265,988)	-	(265,988)
Transfers	-	-	-	(705,464)	-	(705,464)
Closing balance	(1,375,870)	-	(1,375,870)	(971,452)	-	(971,452)
	1,721,469	-	1,721,469	1,828,025	2,400	1,830,425

9. FINANCIAL INTERESTS

	31 December 2021					
	Assets	Liabilities	Equity	Net income	Holding	Financial investment
Subsidiaries						
Ferconsult	645,036	1,664,403	(1,019,367)	74,663	100%	- (a)
Metrocom	3,850,398	629,112	3,221,287	(24,241)	100%	**3,221,287**
TREM	40,557	49,725,549	(49,684,992)	70,323	90%	**26,981,675** (b)
TREM II	1,338,969	108,605,997	(107,267,028)	4,879,240	90%	**12,362,602** (c)
Associates						
Publimetro	3,642,687	3,670,874	(28,186)	559,048	40%	- (a)
Joint ventures						
OTLIS (under liquidati	6,225,526	510,430	5,715,096	5,433,696	14.29%	**90,211** (d)
Ensitrans	183,593	195,573	(11,980)	(11,980)	5%	- (a)
						42,655,774

	31 December 2020					
	Assets	Liabilities	Equity	Net income	Holding	Financial investment
Subsidiaries						
Ferconsult	1,823,036	2,917,066	(1,094,030)	285,758	100%	- (a)
Metrocom	3,983,304	737,776	3,245,528	22,531	100%	**3,245,528**
TREM	43,111	49,798,426	(49,755,315)	594,082	90%	**30,244,685** (b)
TREM II	3,400,274	115,546,542	(112,146,268)	5,547,453	90%	-
Associates						
Publimetro	3,027,078	3,614,312	(587,234)	(633,109)	40%	- (a)
Joint ventures						
OTLIS	3,989,890	1,594,236	2,395,655	510,430	14.29%	**342,236**
Ensitrans	185,919	550,523	(364,604)	(364,604)	5%	- (a)
						33,832,449

Notes:

(a) Liability due to the potential effect of negative equity recognized in the item 'Provisions'.

(b) Liability for the potential effect of negative equity, 100% accepted at the parent company, adjusted for the recognition of an impairment loss in an account receivable of M€ 50 relative to ML's refunding as guarantor of TREM bonds, of the last instalment of the loan agreement concluded by ACE with a bank entity, and of the standardization of TREM's financial statements with the Group's accounting policies, namely concerning depreciation of the rolling stock recorded in its assets on a straight-line basis.

(c) Liability for the potential effect of negative equity, 100% accepted at the parent company, adjusted for the recognition of an impairment loss in an account receivable of M€ 52.8 relative to ML's refunding as guarantor of TREM II bonds, of the last instalment of the loan agreement (first tranche) concluded by ACE with a bank entity, and of the standardization of TREM II's financial statements with the Group's accounting policies, namely concerning depreciation of the rolling stock recorded in its assets on a straight-line basis.

(d) Proportion in OTLIS equity as at 31/12/2021 adjusted for the appropriation of net income for 2020 and the consideration paid by TML for the entire transfer of OTLIS assets.

10. OTHER FINANCIAL ASSETS

	31/12/2021	31/12/2020
Bank of America Leasing & Capital, LCC – Collateral		
Opening balance	**29,096,203**	**31,593,901**
Change in fair value	11,791	172,245
Exchange rate differences	2,427,681	(2,669,943)
Closing balance	**31,535,674**	**29,096,203**
Wilmington Trust – Collateral		
Opening balance	**24,966,310**	**26,501,456**
Disbursement	(5,809,761)	-
Change in fair value	(106,395)	704,444
Exchange rate differences	1,627,257	(2,239,590)
Closing balance	**20,677,410**	**24,966,310**
Work Compensation Fund	**5,489**	**2,767**
Total	**52,218,573**	**54,065,280**

As a result of the downgrades in the rating attributed to the Company, it was necessary to set up two collaterals in 2009 and 2013, the first in favour of Bank of America Leasing & Capital, LCC and the second in favour of Wilmington Trust. Regarding the latter, in June 2021, ML requested Stichting CBL Finance IV to disburse the surplus deposited value (M€ 5.8), on that date, to cover the guarantee under TREM II - Operating lease of rolling stock – ML 90.

11. INVENTORIES

	31 December 2021			31 December 2020		
	Gross value	Impairment losses	Net Value	Gross value	Impairment losses	Net Value
Raw, subsidiary and consumable materia						
Materials	8,468,130	-	8,468,130	9,144,951	-	9,144,951
Tools	35,390	-	35,390	48,844	-	48,844
Cleaning products	83,518	-	83,518	24,358	-	24,358
Office material	57,916	-	57,916	65,896	-	65,896
Fuel	14,996	-	14,996	27,934	-	27,934
Tickets and passes	766,954	-	766,954	1,014,608	-	1,014,608
Other materials	308,281	-	308,281	476,523	-	476,523
Promotional articles/publications	36,213	-	36,213	32,988	-	32,988
	9,771,398	**-**	**9,771,398**	**10,836,101**	**-**	**10,836,101**

Cost of goods sold and materials consumed	**Raw, subsidiary and consumable materials**	
	2021	**2020**
Opening balance	10,836,101	8,037,681
Purchases	1,614,634	2,370,960
Adjustments	(149,114)	3,041,300
Closing balance	9,771,398	10,836,101
	2,530,223	**2,613,840**

12. CUSTOMERS

	31/12/2021	31/12/2020
Publimetro	1,275,503	1,640,838
Ar Telecom	463,383	463,383
Câmara Municipal de Loures	218,562	-
Associação de Turismo de Lisboa	217,534	32,793
Câmara Municipal de Lisboa	105,095	-
Other	558,252	347,425
	2,838,329	**2,484,439**
Impairment losses	(778,856)	(765,621)
	2,059,472	**1,718,818**

Impairment losses – customers	**31/12/2021**	**31/12/2020**
Opening balance	**(765,621)**	**(829,451)**
Increases	(13,666)	(41,740)
Reversals	-	101,267
Uses	431	4,303
Closing balance	**(778,856)**	**(765,621)**

13. STATE AND OTHER PUBLIC ENTITIES

	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Corporate income tax	2,809,000	250	2,816,356	125
Personal income tax	21,667	1,141,311	18,516	1,153,069
Value added tax	5,061,311	86,727	980,167	-
Social Security contributions	-	1,523,892	-	1,495,085
Other taxes	-	502,632	-	502,054
	7,891,979	**3,254,811**	**3,815,038**	**3,150,333**

14. OTHER CREDIT RECEIVABLE

	31/12/2021	31/12/2020
TREM II - Aluguer de Material Circulante, A.C.E.	52,777,778	-
TREM - Aluguer de Material Circulante, A.C.E.	50,000,000	50,000,000
Accrued income	12,608,172	4,796,467
Traffic revenues	1,265,279	2,721,705
CP - Comboios de Portugal, E.P.E.	790,120	779,357
Ferconsult - Consultoria, Estudos e Projectos de Engenharia de Transport	530,407	333,296
Personnel	502,432	675,969
Serviços Municipais Transportes Coletivos Barreiro	125,159	325,165
Financial compensation 4_18, Sub23, Social +	-	573,272
Other	880,717	1,133,169
	119,480,063	**61,338,400**
Impairment losses	(103,171,794)	(50,408,896)
	16,308,269	**10,929,504**

Impairment losses - other credit receivable	31/12/2021	31/12/2020
Opening balance	**(50,408,896)**	**(3,443,768)**
Increases	(52,781,129)	(50,004,583)
Reversals	18,230	258,981
Uses	-	2,780,474
Closing balance	**(103,171,794)**	**(50,408,896)**

The balance of 52.8 million euros receivable from the subsidiary TREM II refers to the transfer by ML, as guarantor, of the amount equivalent to the last instalment of the loan agreement concluded in September 2001, for the acquisition of 19 cars. However, considering the low expectation of actually receiving that receivable, due to the fact that TREM II is currently without any operational activity, an impairment loss was recorded for the entire amount receivable, which is included in the income statement under the item 'Gains/losses in subsidiaries, associates and joint ventures'.

The value of 12,608,172 euros recorded as additional revenues comprises, with respect to the Fare Reduction Support Programme (PART):

(i) the value of 1,622,440 euros (excluding VAT) relative to the adjustment of the variable part of 2020;
(ii) the value of 7,901,943 euros (excluding VAT) corresponding to the estimate for the months of September to December 2021, both still receivable.

The PART estimate for the months of September to December 2021 consists of two components:

(i) Fixed PART, representing the fare compensation attributed to the adhering operators of Lisbon Metropolitan Area amounting to 2,680,316 euros (excluding VAT), as disclosed in Note 24.
(ii) Variable PART, attributed under the support for restoring supply following Decree-Law no. 6-B/2021 of 15 January, which extended, up to the end of 2021, the enforcement of the rules for attributing funds and compensations to essential transport operators, in the context of the COVID-19 pandemic, with a value of 5,221,627 euros (excluding VAT), as disclosed in Note 25.

Both the calculations indicated above were validated by Transportes Metropolitanos de Lisboa (TML), based on the provisions in Decree-Law no. 14-C/2020 of 7 April, and correspond to a compensation attributed to the operators for the purpose of giving them financial support to enable their pursuit of government directives concerning mobility, qualifying them to recognize this compensation in the current year, regardless of part of its payment taking place in subsequent periods.

15. DEFERRALS

	31/12/2021	31/12/2020
Work carried out on behalf of third parties	30,372,966	30,372,966
Transtejo	22,529,809	22,529,809
Infraestruturas de Portugal	7,208,573	7,208,573
Águas do Tejo Atlântico	634,584	634,584
Lease agreement charges	27,787	102,777
Other	1,043,171	547,506
	31,443,924	31,023,249
Impairment losses	(634,584)	(634,584)
	30,809,340	30,388,665

The sub-item 'Works carried out on behalf of third parties' includes the amounts related to the construction works made by the Company on behalf of entities from the State Business Sector, with the Board of Directors promoting actions in order to settle this situation. In brief:

- Transtejo: Following SET Order no. 22-XII_93 of 24 September, ML was mandated to study, design and construct the Terreiro do Paço Interface. The work was carried out but no protocol was actually signed with Transtejo relative to the expenses incurred and the expense division method used.

- Infraestruturas de Portugal: Following Order no. 75-XII/92 of 17 December, and Letter no. 420 of 10/02/2000, of the Secretary of State for Transport, ML and the then REFER, E.P. signed the Protocol for Construction of the River Platform and Cais do Sodré Interface on 29 September 2004.

- Águas do Tejo Atlântico: In September 2009, based on SET Order no. 22-XII_93 of 24 September, ML and the then Simtejo signed a Protocol framing ML as the owner of the work of the "construction of the underground valve chamber and pumping station".

16. CASH AND CASH EQUIVALENTS

	31/12/2021	31/12/2020
Cash	19,827	18,291
Sight deposits	124,780,406	47,253,179
Cash and bank deposits	**124,800,233**	**47,271,470**

17. EQUITY INSTRUMENTS

As at 31 December 2021, the Company's equity, subscribed and paid-up, amounted to 3,667,903,891 euros, being fully held by the Portuguese State.

During the financial year ended on 31 December 2021, capital increases were made of the overall value of 253,904,909 euros.

In line with the proposed appropriation of profits, the net loss for the year of 2020, amounting to 57,131,391 euros, was transferred to the item 'Retained earnings'.

The variation recorded in the item 'Adjustments/other changes in equity' is due to the: (i) recognition of 28,141,149 euros relative to the grant attributed by the Environmental Fund for the «*Modernization of Signalling Systems – 1st Phase*» project; (ii) actuarial losses in liabilities related to post-employment benefits (Note 20); and (iii) imputation of grants to investment (Note 29).

18. PROVISIONS

	31 December 2021				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings underwa	710,500	30,000	(70,500)	-	670,000
Coverage of losses					
Ferconsult	1,094,030	-	(74,663)	-	1,019,367
TREM	-	-	-	-	-
TREM II	38,257,379	-	(38,257,379)	-	-
Publimetro	233,150	-	(221,875)	-	11,275
Ensitrans	18,230	599	-	(18,230)	599
	40,313,289	**30,599**	**(38,624,417)**	**(18,230)**	**1,701,241**

	31 December 2020				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings underwa	640,500	70,000	-	-	710,500
Coverage of losses					
Ferconsult	1,379,788	-	(285,758)	-	1,094,030
TREM	17,016,064	-	(17,016,064)	-	-
TREM II	36,767,795	1,489,584	-	-	38,257,379
Publimetro	-	233,150	-	-	233,150
Ensitrans	2,878	18,230	-	(2,878)	18,230
	55,807,026	**1,810,964**	**(17,301,822)**	**(2,878)**	**40,313,289**

The reversal of the provision created to cover liabilities for the potential effect of the negative equity of the subsidiary TREM II is due to the adjustments made in the recording of the financial interest by the equity method, which is disclosed in Note 9.

19. LOANS RECEIVED

		31 December 2021			31 December 2020		
		Value used			Value used		
	Funding entity	Limit	Current	Non-current	Limit	Current	Non-current
Bank loans							
LT Loan 613.9 MEUR	DGTF 2011 (part)	105,974,436	52,987,218	-	105,974,436	52,987,218	-
LT Loan 648.6 MEUR	DGTF 2012 (part)	410,833,969	308,125,476	-	410,833,969	308,125,476	-
LT Loan 412.9 MEUR	DGTF 2013 (part)	129,885,756	129,885,756	-	129,885,756	129,885,756	-
LT Loan 32.6 MEUR	DGTF 2017 (part)	15,426,066	10,284,044	5,142,022	15,426,066	7,713,033	7,713,033
LT Loan 421.97 MEUR	DGTF 2018 (part)	159,965,533	79,982,767	79,982,767	159,965,533	53,321,844	106,643,689
LT Loan 131.88 MEUR	DGTF 2019 (part)	23,556,727	7,852,242	15,704,485	23,556,727	3,926,121	19,630,606
LT Loan 154.51 MEUR	DGTF 2020 (part)	17,395,008	2,899,168	14,495,840	17,395,008	-	17,395,008
LT Loan 100.86 MEUR	DGTF 2021 (part)	29,239,923	-	29,239,923	-	-	-
Shareholders' loans 49.3 MEUR	DGTF	49,300,000	49,300,000	-	49,300,000	49,300,000	-
Shareholders' loans 18.33 MEUR	DGTF	18,331,823	18,331,823	-	-	-	-
			659,648,495	**144,565,037**		**605,259,449**	**151,382,336**

Further information regarding the loans raised from the DGTF is disclosed in Note 5.9.

The Company's Board of Directors understands that the repayment of its liabilities, notably regarding loans received repayable in the short-term, will continue to be performed, notably by obtaining additional funding lines in coordination with its shareholder.

Loans received by maturity

Year	Value
2023	40,930,543
2024	40,930,543
2025 and following	62,703,951
	144,565,037

20. POST-EMPLOYMENT BENEFITS – DEFINED BENEFIT PLANS

As mentioned in Note 4.15, the Company has undertaken to grant employees financial allowances for their retirement, disability and survivor pension supplements. As at 31 December 2021, the number of active employees and retirees/pensioners amounted to 967 and 1,336, respectively (978 and 1,363 as at 31 December 2020).

The allowances mentioned above correspond to pension supplements guaranteed by the Social Security scheme, which are determined according to the number of years of service at the Company, Social Security contributions and the last wage earned on the retirement date.

In 2004, the Company decided and agreed with the trade unions that all employees recruited after 31 December 2003 would no longer be covered by this pension plan.

In the financial year ended on 31 December 2021, an actuarial assessment was carried out by an independent entity regarding the plan's assets and present value of the liability and defined benefits.

Pursuant to the actuarial studies reported as at 31 December 2021 and 2020, the current value of the Company's liabilities for its active and retired employees' past services was estimated at:

	31/12/2021	31/12/2020
Active workers	110,919,404	110,797,640
Retired employees	159,865,278	163,802,846
	270,784,682	**274,600,485**

The reduction in total liabilities is essentially due to the increase in the yield rate, which shifted from 1% to 1.1%.

The actuarial study reported as at 31 December 2021 was carried out using the 'Projected Unit Credit' method, which took into consideration the following assumptions and technical and actuarial bases:

	31/12/2021	31/12/2020
Mortality tables		
Male Mortality Table	TV88/90	TV73/77-1
Female Mortality Table	TV88/90	TV88/90
Disability Tables	EKV80	EKV80
Rates		
Technical Pension Rate	1.10%	1.00%
Wage Growth Rate	1.50%	1.50%
Discount rate	1.10%	1.00%

The evolution in the Company's liabilities related to pensions was as follows:

	31/12/2021	31/12/2020
Total liabilities at the beginning of the period	274,600,485	271,350,648
Current service costs	3,915,954	3,787,688
Interest costs	2,705,336	3,527,558
Benefits paid in the year	(12,049,714)	(12,309,842)
Actuarial (gains) losses of the year	1,612,620	8,244,433
Total liabilities at the end of the period	**270,784,682**	**274,600,485**

The cost of current services and the cost of interest for 2021, correspondingly, amounting to 3,915,954 euros and to 2,705,336 euros, were recognized in the income statement in the item 'Personnel expenses'.

The evolution of actuarial gains/losses, recognized under the item 'Adjustments/other changes in equity' in the financial years ended on 31 December 2021 and 2020 is as follows:

	31/12/2021	31/12/2020
Other changes in equity		
Opening balance	**(43,802,617)**	**(35,558,185)**
Actuarial gain	-	-
Actuarial loss	(1,612,620)	(8,244,433)
Closing balance	**(45,415,238)**	**(43,802,617)**

As at 31 December 2021, the actuarial losses primarily arise from the change of the mortality table for the male population, although mitigated by the rise of the discount rate.

As 31 December 2021, the Company had not established any funds to deal with these liabilities, which are recorded in the balance sheet.

21. OTHER FINANCIAL LIABILITIES

This item includes interest rate swaps related to loans received. The breakdown by swap agreement is as follows:

Swap	Entity	Maturity	Original notional	Current notional	Fair value 31/12/2021	Fair value 31/12/2020
26#METLIS BSN Set2022	BSN	9/23/2022	99,240,295	56,099,878	19,263,628	43,363,932
					19,263,628	**43,363,932**

22. SUPPLIERS

	31/12/2021	31/12/2020
TML - Transportes Metropolitanos de Lisboa, EMT, S.A.	435,111	-
GEOCONTROLE - Geotecnia e Estruturas de Fundação, S.A.	213,540	-
Iberdrola Clientes Portugal, Unipessoal, Lda.	193,753	-
CP - Comboios de Portugal, E.P.E.	70,006	10
Stap - Reparação, Consolidação e Modificação de Estruturas, S.A.	68,584	-
LIMPERSADO - Limpeza, Máquinas e Transportes, S.A.	57,549	130,835
ISS Facility Services - Gestão e Manutenção de Edifícios, Lda.	12,608	311,381
CARRIS - Companhia Carris de Ferro de Lisboa, E.M., S.A.	9,192	3,392,967
Transportes Rodrigues & Lourenço, Lda.	2,066	81,893
2045 Empresa de Segurança, S.A.	915	970,432
IP Património, S.A.	-	148,845
SISCOG, LINK, TECMIC, A.C.E.	-	142,696
Schmitt - Elevadores, Lda.	-	98,038
TST - Transportes Sul do Tejo, S.A.	-	97,654
Exide Technologies, Lda.	-	92,250
Siemens Mobility Unipessoal, Lda.	-	89,569
GRUPO 8 - Vigilância e Prevenção Electrónica, Lda.	-	80,039
Otlis - Operadores de Transportes da Região de Lisboa, A.C.E.	-	70,416
Other	114,568	1,523,954
	1,177,892	**7,230,978**

23. OTHER DEBTS PAYABLE

	31/12/2021	31/12/2020
Accrued expenses - Interest payable	28,445,860	27,257,350
Accrued expenses - Remunerations payable	10,130,175	10,220,080
Grants - Recovery and Resilience Plan (PRR)	5,512,000	-
Investment suppliers	4,496,286	5,263,649
Income to be recognized - Protocols	2,917,597	-
Grants - Environmental Fund	2,441,792	14,125,183
Tickets and passes	1,655,677	206,641
Advances from customers	-	239,510
Other	3,977,523	6,583,979
	59,576,911	**63,896,392**

24. REVENUE

	2021	2020
Sales	47,919	27,282
Income from services		
Tickets	19,141,087	16,848,492
Passes	32,485,054	33,208,552
Cards	1,433,137	1,103,881
Lisboa Viva Personalization	262,819	157,201
AML fare compensation	7,940,398	8,903,066
Financial compensation 4_18, Sub23, Social +	3,574,453	3,458,364
Commercial spaces	1,280,628	1,169,004
Advertising operation	149,946	1,349,782
Other	574,532	583,329
	66,889,972	**66,808,955**

The revenue recognized in 2021 arising from Lisbon Metropolitan Area fare compensation includes the value of 2,680,316 euros relative to payments on account (fixed PART) for the months of September to December 2021, the receipt of which is pending approval of the application submitted on 31 January 2022 by Transportes Metropolitanos de Lisboa, E.M.T., S.A. (TML) to the Environmental Fund, as disclosed in Note 14. The Board of Directors firmly believes that this value, based on calculations validated by TML, is due under the terms of the legislation in force and shall be received as soon as the necessary sums to make the outstanding payments are provided to Lisbon Metropolitan Area/TML. This Fare Reduction Support Programme (PART) corresponds to compensation attributed to the operators for the purpose of providing financial support to the adherent transport operators in Lisbon Metropolitan Area, in which ML is framed.

25. OPERATING GRANTS

	2021	2020
AML - Support for restoring the supply of public transport	36,718,196	21,451,009
PRR - Alcântara Red Line extension	1,135,080	-
Environmental Fund - Rato/Cais do Sodré extension	94,252	70,050
PRR - Loures-Odivelas Light Surface Metro	68,125	-
Environmental Fund - Modernization of Signalling Systems Project (CBTC)	28,500	132,977
Lisbon City Council - People, Processes & Technology Project	-	86,800
	38,044,153	**21,740,836**

The sum attributed to ML under the support for restoring supply, of the value of 36,718,196 euros, arises from Decree-Law no. 6-B/2021 of 15 January, which extended, up to the end of 2021, the enforcement of the rules for attributing funds and compensations to essential transport operators, in the context of the COVID-19 pandemic. This value includes 5,221,627 euros relative to payments on account (variable PART) for the months of September to December 2021, pending receipt, as disclosed in Note 24, and an adjustment of 460,223 euros relative to the PART variable portion for 2020, amounting to 1,622,440 euros, as disclosed in Note 14. This Fare Reduction Support Programme (PART) corresponds to compensation attributed to the operators for the purpose of providing financial support to the adherent transport operators in Lisbon Metropolitan Area, in which ML is framed.

26. GAINS/LOSSES FROM FINANCIAL INVESTMENTS

	2021	2020
Subsidiaries		
Ferconsult - Consultoria, Estudos e Projectos de Engenharia de Transportes, S.A.	74,663	285,758
Metrocom - Exploração de Espaços Comerciais, S.A.	(24,241)	22,531
TREM - Aluguer de Material Circulante, A.C.E.	(3,263,010)	(2,739,251)
TREM II - Aluguer de Material Circulante, A.C.E.	(2,157,797)	(1,489,584)
Associates		
Publimetro - Publicidade em Meios de Transporte e Outros, S.A.	221,875	(272,790)
Joint ventures		
OTLIS - Operadores de Transportes da Região de Lisboa, A.C.E.	547,124	72,919
Ensitrans - Engenharia e Sistemas de Transporte, A.E.I.E.	(599)	(18,230)
	(4,601,985)	**(4,138,648)**

27. EXTERNAL SUPPLIES AND SERVICES

	2021	2020
Electricity	(7,067,753)	(8,538,914)
Hire and rental charges	(5,194,304)	(6,523,042)
Maintenance and repair	(5,041,692)	(4,593,344)
Cleaning, hygiene and comfort	(4,881,108)	(4,277,191)
Surveillance and security	(6,100,436)	(6,145,316)
Specialised work	(1,440,154)	(3,089,203)
Other	(2,991,718)	(2,967,909)
	(32,717,165)	**(36,134,918)**

28. PERSONNEL EXPENSES

	2021	2020
Remunerations of governing bodies	(276,174)	(275,419)
Remunerations of personnel	(59,139,857)	(56,827,711)
4.15 Post-employment benefits	(6,625,935)	(7,315,831)
Charges on remunerations	(13,675,211)	(12,916,436)
Work accident and occupational disease insurance	(770,821)	(809,610)
Social action expenses	(1,049,103)	(943,682)
Health insurance	(889,393)	(862,092)
Other personnel expenses	(347,426)	(280,816)
	(82,773,918)	**(80,231,596)**

The average number of employees working at the Company in 2021 was 1,513 (1,467 in 2020). The total number of employees as at 31 December 2021 stood at 1,516 (1,513 in 2020).

29. OTHER INCOME

	2021	2020
Favourable exchange rate differences	4,054,938	1,111
Investment grants	1,243,100	1,243,100
Corrections relative to previous years	800,597	595,084
Real estate property rents	600,479	593,215
Energy assignment	84,299	171,201
Surplus tax estimate	-	353
Other	234,193	123,580
	7,017,606	2,727,645

The sub-item 'Investment grants' includes the allocation of grants from the European Regional Development Fund (ERDF) – Operational Programme to Develop Accessibilities (PRODAC) 1993 and Community Support Framework 1995 and 1997. These grants aimed to finance investments made by the Company in the Depot and Workshops (PMO) II and III and the 17 Triple Unit (UT) interim series, the 20 UT complementary 95 series and PMO III. This income is allocated on a systematic basis in order to balance it with the depreciation expenses of the associated property, plant and equipment.

30. OTHER EXPENSES

	2021	2020
Corrections relative to previous years	(1,964,966)	(659,504)
Taxes	(491,884)	(521,092)
Losses in non-financial investments	(368,888)	(200,878)
Levies	(103,029)	(138,344)
Inventory losses	(56,621)	(222,543)
Unfavourable exchange rate differences	-	(4,909,534)
Other	(67,744)	(86,052)
	(3,053,133)	(6,737,947)

31. INTEREST AND SIMILAR EXPENSES INCURRED

	2021	2020
Interest - swaps	(23,840,096)	(22,427,142)
Interest - loans received	(1,195,836)	(1,689,330)
Other interest	(198,528)	(264,248)
	(25,234,460)	(24,380,720)

32. INCOME TAX

The Company is subject to Corporate Income Tax (IRC) at the rate of 21%, plus a maximum surcharge of 1.5% levied on taxable profit, thus resulting in an aggregate tax rate of 22.5%.

Pursuant to article 88 of the Corporate Income Tax Code (CIRC), the Company is subject to autonomous taxation for a set of charges, levied at the rates established in that article.

Under the legislation currently in force, the Company's tax returns are subject to review and correction by the tax authorities for a period of four years (five years in case of Social Security), unless tax losses have been assessed, tax benefits have been granted, or there are pending tax audits, claims or appeals, in which cases, in light of the circumstances, the deadlines may be extended or suspended. The Board of Directors considers that any potential corrections arising from reviews/tax audits performed by the tax authorities on those tax returns shall not significantly affect the financial statements as at 31 December 2021.

Tax losses generated in financial years started on or after 1 January 2014 may be carried forward for a period of 12 years, and tax losses generated in financial years started on or after 1 January 2016 may be carried forward for a period of 5 years. Furthermore, article 11(1) of Law no. 27-A/2020 of 24 July stipulates that tax losses calculated for the tax periods of 2020 and 2021 should be deducted in one or more of the following 12 tax periods, even if the company is not classified as a small or medium-sized enterprise. On the other hand, article 11(3) of this Law establishes that the calculation of the reporting time limit for tax losses in force on the first business day of the 2020 tax period should be suspended during that tax period and the following. Thus, the deadlines for carrying forward ML's deductible tax losses are as follows:

	2021		2020	
	Value	Limit	Value	Limit
Generated in 2014	3,496,721	2028	3,496,721	2028
Generated in 2017	39,093,595	2024	39,093,595	2024
Generated in 2018	21,012,509	2025	21,012,509	2025
Generated in 2019	12,972,374	2026	12,972,374	2026
Generated in 2020	41,815,801	2027	-	-
	118,390,999		**76,575,198**	

The reconciliation between the nominal income tax rate and the effective tax rate is as follows:

	2021	2020
Profit before tax	**(22,895,209)**	**(57,130,373)**
Permanent differences	6,487,056	4,325,843
Taxable profit	**(16,408,154)**	**(52,804,530)**
Tax losses deducted	-	-
Tax base	-	-
Nominal tax rate	21.00%	21.00%
Tax due	-	-
Autonomous taxation	(5,361)	(1,018)
Income tax	**(5,361)**	**(1,018)**
Effective tax rate	-	-

33. LEASES

As at 31 December 2021, the Company had two operational lease agreements entered into with TREM II, A.C.E., the liabilities of which, not recognized in the balance sheet, amounted to 56,099,875 euros.

The minimum payments for the operating leases as at 31 December 2021 and 2020 were as follows:

	31/12/2021	31/12/2020
Up to 1 year	56,099,875	59,440,693
1 to 5 years	-	56,099,875
	56,099,875	**115,540,568**

34. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

2021	Assets	Liabilities	Income	Expenses
Shareholder				
Portuguese State	-	2,115,705,938	-	-
Subsidiaries				
Ferconsult	530,407	14,732	-	(1,418)
Metrocom	-	-	1,294,544	(3,670)
TREM	-	275,951	-	-
TREM II	-	285,305	-	(4,845,003)
Associates				
Publimetro	1,275,503	-	852,416	-
Joint ventures				
OTLIS (under liquidation)	-	-	555,161	(17,435)
Ensitrans	-	-	-	-
Key management personnel				
Board of Directors	-	-	-	(285,252)

2020	Assets	Liabilities	Income	Expenses
Shareholder				
Portuguese State	-	1,996,518,416	-	-
Subsidiaries				
Ferconsult	333,296	18,563	17,265	(1,475,295)
Metrocom	-	320	1,262,208	(3,407)
TREM	-	275,951	-	(678,282)
TREM II	-	274,658	-	(5,518,768)
Associates				
Publimetro	1,640,838	-	1,754,189	-
Joint ventures				
OTLIS	145,410	70,849	3,326,261	(89,629)
Ensitrans	-	-	-	-
Key management personnel				
Board of Directors	-	-	-	(293,156)

The transactions recorded with the members of the Board of Directors in 2021 and 2020 refer to their remunerations, contributions and non-monetary benefits, with no post-employment benefits, of long-term nature, severance pay or remuneration in equity having been granted.

35. GUARANTEES PROVIDED

			2021	2020
Entity	Start Date	Beneficiary	Value	Value
Banco BPI	10-03-2006	TRIB.ADM.F.LX-2°JUÍZO	7,494	7,494
Banco BPI	11-05-2006	FINANCE 4TH TAX DISTRICT	95,482	95,482
Banco BPI	30-06-2010	TRIB.TRIBUT.2ª.INST.LIS	-	1,583
Banco BPI	17-08-2011	LISBON CITY COUNCIL	7,661	7,661
Banco BPI	17-06-2014	PETROGAL	7,500	7,500
Banco BPI	03-07-2015	Lisbon Judicial District Central Inst. 1 Labour	438,047	438,047
Banco BPI	28-04-2016	Lisbon Judicial District Central Inst. 1 Labour	760,610	760,610
			1,316,795	1,318,377

36. CONTINGENT LIABILITIES

As at 31 December 2021, there are indemnity claims for damages sent to the Company amounting to 18,049 euros, concerning legal proceedings for expropriations and damages caused by construction works related to the network expansion plan.

37. DISCLOSURES REQUIRED BY LAW

For the purpose of compliance with the provisions of article 66-A(1)(b) of the Portuguese Companies Code, it is hereby declared that the total fees invoiced during the financial year by the audit firm, for the annual statutory audit, amounted to 27,360 euros.

38. SUBSEQUENT EVENTS

5Th Wave of the COVID-19 Pandemic

Since mid-2021, the mass adherence to vaccination, combined with the maintenance of certain restrictions and preventive attitudes, has enabled a higher degree of predictability as to the pandemic's behaviour, facilitating its control and anticipation of scenarios. Nevertheless, the evolution of a fifth wave was experienced towards the end of 2021 and in early 2022. However, in contrast to the earlier waves, the severity of restrictions was alleviated. A number of measures, such as mandatory telework, were re-enforced; thus, giving rise to the population's lower mobility during the month of January, although there was no significant slowdown of economic activity.

Russia's Invasion of Ukraine

Russia spearheaded a large-scale military operation against Ukraine on 24 February 2022. Following the international community's widespread condemnation of the event, western countries and Member States of the European Union, including Portugal, have progressively been applying sanctions to various business sectors of the Russian Federation. The sanctions at an economic level include, for example, reduction of trade and exclusion from the SWIFT payments system. In the context of the global economy, the effects of this regional war have massively spilled over the borders worldwide, not just in the humanitarian sphere but also in the economic. In 2021, Russia featured as one of the key players in energy production, being the third most important supplier of natural gas to Portugal. Therefore, notwithstanding the uncertainty currently enshrouding the economic impact of the conflict, the substitution of Russian gas imports may possibly lead to extra costs being incurred, in addition to all the other repercussions in global value chains, which will push up the price of products and services.

Price Increase

Confirming the upward trend that had been evident since 2021, the estimated variation of the Harmonised Index of Consumer Prices (HICP) for the month of March 2022 stood at 5.5%, according to the Portuguese National Institute of Statistics (INE). The variation of the energy product component has proved to be one of the main drivers of this increase, with this aggregate component having increased by 19.8%. In fact, the constraints and instability of supply chains, especially in the energy sector, the exposure to geopolitical conflicts, especially the war in Ukraine, and its adjacent implications, are generating an economic scenario of uncertainty, triggering strong volatility of commodity prices. The increased fluctuations of energy prices have had a spillover effect in the cost of products and services, especially in sectors highly dependent on electrical energy for pursuing their operations. This is the case of Metropolitano de Lisboa, where a heavy exacerbation of energy expenses is expected, which will inevitably penalize ML's operating efficiency (cost-to-income) ratio.

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Monetary Unit (Euro)

Items	Notes	31 December 2021	31 December 2020
ASSETS			
Non current assets			
Long-term infrastructure investments	5	5,400,543,332	5,390,701,851
Property, plant and equipment	6	212,414,861	202,822,908
Right-of-use assets	7	240,899	181,232
Investment property	8	13,353,294	12,621,462
Intangible assets	9	1,721,469	1,830,771
Financial interests - equity method	10	90,211	342,236
Other financial assets	11	52,218,573	54,065,280
Deferred tax assets		8,996	-
Total non-current assets		**5,680,591,634**	**5,662,565,741**
Current assets			
Inventories	12	9,771,398	10,836,101
Customers	13	2,398,124	3,181,426
State and other public entities	14	8,600,729	4,748,628
Other credit receivable	15	47,398,324	41,047,678
Cash and bank deposits	16	128,371,394	51,625,304
Total current assets		**196,539,968**	**111,439,137**
Total assets in long-term infrastructure investments		5,400,543,332	5,390,701,851
Total assets allocated to the operation		476,588,271	383,303,026
TOTAL ASSETS		**5,877,131,602**	**5,774,004,878**
EQUITY AND LIABILITIES			
Equity			
Subscribed capital	17	3,667,903,891	3,413,998,982
Legal reserves		21,597	21,597
Other reserves		1,501,878	1,501,878
Retained earnings		(1,940,806,395)	(1,883,675,004)
Revaluation surplus		37,234,076	37,234,076
Adjustments / other changes in equity	17	(12,533,620)	(10,921,000)
		1,753,321,427	**1,558,160,529**
Net income for the period		(22,901,284)	(57,133,727)
Total equity		**1,730,420,142**	**1,501,026,801**
Liabilities			
Non-current liabilities			
Long-term infrastructure investments	5	1,730,374,092	1,946,015,681
Provisions	18	959,382	1,398,069
Loans received	19	144,565,037	207,482,211
Lease liabilities	7	98,312	2,661
Liabilities due to post-employment benefits	20	270,784,682	274,600,485
Other financial liabilities	21	48,789,088	45,860,577
Total non-current liabilities		**2,195,570,592**	**2,475,359,685**
Current liabilities			
Long-term infrastructure investments	5	1,169,078,940	1,056,477,888
Suppliers	22	1,935,236	9,046,753
State and other public entities	14	3,411,610	3,550,718
Loans received	19	715,748,370	664,700,142
Lease liabilities	7	143,301	180,908
Other debts payable	23	60,823,411	63,661,984
Total current liabilities		**1,951,140,868**	**1,797,618,392**
Total liabilities in long-term infrastructure investments		2,899,453,031	3,002,493,569
Total liabilities allocated to the operation		1,247,258,429	1,270,484,507
Total liabilities		**4,146,711,460**	**4,272,978,076**
TOTAL EQUITY AND LIABILITIES		**5,877,131,602**	**5,774,004,878**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

CONSOLIDATED INCOME STATEMENT BY NATURE

PERIOD ENDED ON 31 DECEMBER 2021

Monetary Unit (Euro)

INCOME AND EXPENSES	Notes	2021	2020
Sales and services rendered	24	67,430,724	67,524,950
Operating grants	25	38,044,153	21,740,836
Gains/losses in subsidiaries, associates and joint ventures	26	927,081	(331,929)
Own work capitalised	5.1 & 6	5,825,053	4,923,254
Cost of goods sold and materials consumed	12	(2,530,223)	(2,613,840)
External supplies and services	27	(27,999,647)	(29,017,161)
Personnel expenses	28	(82,981,182)	(82,335,816)
Inventory impairment (losses/reversals)	12	-	299,936
Impairment of debts receivable (losses/reversals)	13 & 15	(9,902)	535,309
Provisions (increases/reductions)	18	40,500	240,363
Fair value increases/reductions	11 & 21	24,005,699	16,130,888
Other income	29	7,227,154	3,045,838
Other expenses	30	(3,156,314)	(6,770,851)
Earnings before interest, taxes, depreciation and amortization		**26,823,095**	**(6,628,223)**
Depreciation and amortization expenses/reversals	6 a 9	(25,617,836)	(25,741,819)
Impairment of depreciable/amortizable investments (losses/reversals)	6 a 9	1,187,407	(318,005)
Operating results (earnings before interest and taxes)		**2,392,665**	**(32,688,047)**
Interest and similar expenses incurred	31	(25,259,247)	(24,408,480)
Profit before tax		**(22,866,582)**	**(57,096,527)**
Income tax for the period	32	(34,703)	(37,200)
Net income for the period		**(22,901,284)**	**(57,133,727)**
Net income for the period attributable to:			
Equity holders of the parent company		(22,901,284)	(57,133,727)
Non-controlling interests		-	-
		(22,901,284)	**(57,133,727)**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

PERIODS ENDED ON 31 DECEMBER 2020 AND 31 DECEMBER 2021

Monetary Unit (Euro)

	Notes	ubscribed capita	Legal reserves	Other reserves	Retained earnings	Revaluation surplus	Adjustments / other changes in equity	Net income for the period	Total	Total equity
Position as at 1 January 2020		3,093,575,218	21,597	1,501,878	(1,871,784,573)	37,234,076	2,306,278	(16,879,256)	**1,245,975,218**	**1,245,975,218**
Changes in the period										
Appropriation of the net income for the period ended on 31 December 2019					(16,879,256)			16,879,256	-	-
Defined benefit plan - actuarial gains and losses	20						(8,244,433)		**(8,244,433)**	**(8,244,433)**
Other changes recognized in equity					4,988,825		(4,982,845)		**5,979**	**5,979**
		-	-	-	**(11,890,431)**	-	**(13,227,278)**	**16,879,256**	**(8,238,453)**	**(8,238,453)**
Net income for the period ended on 31 December 2020								(57,133,727)	**(57,133,727)**	**(57,133,727)**
Comprehensive income					(11,890,431)		(13,227,278)	(40,254,471)	**(65,372,181)**	**(65,372,181)**
Transactions with equity holders in the period										
Capital increases		320,423,764							**320,423,764**	**320,423,764**
		320,423,764	-	-	-	-	-	-	**320,423,764**	**320,423,764**
Position as at 31 December 2020		**3,413,998,982**	**21,597**	**1,501,878**	**(1,883,675,004)**	**37,234,076**	**(10,921,000)**	**(57,133,727)**	**1,501,026,801**	**1,501,026,801**
Position as at 1 January 2021		3,413,998,982	21,597	1,501,878	(1,883,675,004)	37,234,076	(10,921,000)	(57,133,727)	**1,501,026,801**	**1,501,026,801**
Changes in the period										
Appropriation of the net income for the period ended on 31 December 2020					(57,133,727)			57,133,727	-	-
Defined benefit plan - actuarial gains and losses	20						(1,612,620)		**(1,612,620)**	**(1,612,620)**
Other changes recognized in equity	17				2,336				**2,336**	**2,336**
		-	-	-	**(57,131,391)**	-	**(1,612,620)**	**57,133,727**	**(1,610,284)**	**(1,610,284)**
Net income for the period ended on 31 December 2021								(22,901,284)	**(22,901,284)**	**(22,901,284)**
Comprehensive income					(57,131,391)		(1,612,620)	34,232,443	**(24,511,569)**	**(24,511,569)**
Transactions with equity holders in the period										
Capital increases		253,904,909							**253,904,909**	**253,904,909**
		253,904,909	-	-	-	-	-	-	**253,904,909**	**253,904,909**
Position as at 31 December 2021		**3,667,903,891**	**21,597**	**1,501,878**	**(1,940,806,395)**	**37,234,076**	**(12,533,620)**	**(22,901,284)**	**1,730,420,142**	**1,730,420,142**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

CONSOLIATED COMPREHENSIVE INCOME STATEMENT

PERIOD ENDED ON 31 DECEMBER 2021

Monetary Unit (Euro)

	Notes	2021	2020
Net income for the period		**(22,901,284)**	**(57,133,727)**
Other comprehensive income for the period			
Defined benefit plan - actuarial losses	20	(1,612,620)	(8,244,433)
Other changes recognized in equity	17	2,336	5,979
		(1,610,284)	**(8,238,453)**
Total comprehensive income for the period		**(24,511,569)**	**(65,372,181)**
Attributable to:			
Equity holders of the parent company		(24,511,569)	(65,372,181)
Non-controlling interests		-	-
		(24,511,569)	**(65,372,181)**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

CONSOLIDATED STATEMENT OF CASH FLOWS

PERIOD ENDED ON 31 DECEMBER 2021

Monetary Unit (Euro)

	Notes	2021	2020
Cash flows from operating activities			
Revenues from customers		81,855,785	67,079,254
Payments to suppliers		(47,646,380)	(46,620,972)
Payments to personnel		(85,645,404)	(84,161,972)
Cash generated by operations		**(51,435,999)**	**(63,703,691)**
Revenues from 'Support for restoring the supply of public transport'		31,088,003	20,299,084
Income tax payment/revenue		1,932,782	(298,564)
Other revenues/payments		1,735,197	1,716,797
Cash flows from operating activities [1]		**(16,680,017)**	**(41,986,375)**
Cash flows from investing activities			
Revenues from:			
Financial investments		799,150	257,345
Investment grants		153,517,599	31,474,692
Interest and similar income		20,053	71,272
Payments related to:			
Property, plant and equipment		(151,069,301)	(73,923,477)
Intangible assets		-	(700)
Cash flows from investing activities [2]		**3,267,501**	**(42,120,868)**
Cash flows from financing activities			
Revenues from:			
Loans received		119,187,522	203,813,049
Capital increases and other equity instruments		253,904,909	320,423,764
Payments related to:			
Loans received		(199,304,651)	(274,682,375)
Interest and similar expenses		(83,625,243)	(149,935,057)
Cash flows from financing activities [3]		**90,162,537**	**99,619,382**
Variation of cash and cash equivalents [4]=[1]+[2]+[3]		**76,750,022**	**15,512,138**
Effect of exchange rate differences		**(3,932)**	
Cash and cash equivalents at the beginning of the period		**51,625,304**	**36,113,165**
Cash and cash equivalents at the end of the period	16	**128,371,394**	**51,625,304**

THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021

1. INTRODUCTORY NOTE

Metropolitano de Lisboa, E.P.E. (hereinafter referred to as 'ML' or 'Company') is a public business entity, incorporated in 1949, with its corporate headquarters at Av. Fontes Pereira de Melo, no. 28, in Lisbon, the current legal regime and Statutes of which have been approved by Decree-Law no. 148-A/2009 of 26 June. Its main purpose consists of providing activities and services focused on the metropolitan public transport of passengers in the city of Lisbon and neighbouring municipalities of Greater Lisbon, in light of the concession agreement entered into with the Portuguese State on 23 March 2015.

ML is the parent company of the Metropolitano de Lisboa Group (ML Group or simply Group) composed of ML and its subsidiaries (Note 3.2).

In 2021, the Group maintained the necessary measures to mitigate the adverse effects and the economic and financial impacts of the COVID-19 pandemic on its activity. However, the results of 2021 continued well below those observed in the same period of 2019, with reductions of more than 50% in demand and 44% in turnover.

The consolidated financial statements, which include the balance sheet, the income statement by nature, the statement of changes in equity, the statement of cash flows and these notes, were approved by the Board of Directors and authorized for issuance on XX May 2022, although they are still subject to approval by the sectoral and financial supervision authorities, under the terms of the Legal Regime of the Public Business Sector.

The financial statements of the financial year ended on 31 December 2020 have not yet been formally approved by the supervision authorities. However, the Board of Directors expects that these financial statements shall be approved without significant changes.

The Board of Directors declares that, to the best of its knowledge, the information in these consolidated financial statements was prepared in accordance with the applicable accounting standards, giving a true and fair view of the Group's financial position as at 31 December 2021 and of its financial performance and cash flows for the year ended on that date.

2. ACCOUNTING STANDARDS USED TO PREPARE THE FINANCIAL STATEMENTS

These financial statements were prepared in accordance with the international accounting standards as endorsed in the European Union, in force for financial years started on 1 January 2021. These standards correspond to the International Financial Reporting Standards (IAS/IFRS) issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) or by the former Standing Interpretations Committee (SIC).

3. MAIN ACCOUNTING POLICIES

The main accounting policies used by the Group the preparation of the consolidated financial statements are described below. These policies have been applied consistently in all the financial years presented, unless indicated otherwise.

3.1. BASIS OF PRESENTATION

The amounts presented, unless otherwise stated, are expressed in euro (EUR). The consolidated financial statements were prepared on a going concern basis and according to the accrual basis of accounting, based on the accounting books and records of the companies included in the consolidation, kept in accordance with the accounting principles generally accepted in Portugal, adjusted in the consolidation process, so as to ensure that the consolidated financial statements are in conformity with the international accounting standards as endorsed in the European Union.

3.1.1. New standards, amendments and interpretations adopted by the Group

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by the EU	Issue date	Mandatory application date in years started on or after
Regulation 2097/2020	IFRS 4 Insurance contracts (to be replaced by IFRS 17): Extension of the temporary exemption from applying IFRS 9 (amendments)	June 2020	1-Jan-2021
Regulation 25/2021	IFRS 9 Financial instruments; IAS 39 Financial instruments: Recognition and measurement; IFRS 7 Financial instruments: Disclosures; IFRS 4 Insurance contracts; and IFRS 16 Leases - Interest rate benchmark reform – phase 2 (amendments)	August 2020	1-Jan-2021
Regulation 1421/2021	IFRS 16 Leases: COVID-19-related rent concessions beyond 30 June 2021 (amendments)	March 2021	1-Jan-2021

The Group has implemented the changes indicated above, which did not have a significant impact on the consolidated financial statements.

3.1.2. New standards, amendments and interpretations endorsed by the EU but without effective application for the financial year started on 1 January 2020 and not applied in advance

In 2021, the EU endorsed a new standard and a series of amendments issued by the IASB, applicable in subsequent periods:

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by the EU	Issue date	Mandatory application date in years started on or after
Regulation 1080/2021	IFRS 3 Business combinations: Reference to the conceptual framework (amendments) IAS 16 Property, plant and equipment: Proceeds before intended use (amendments) IAS 37 Provisions, contingent liabilities and contingent assets: Cost of fulfilling an onerous contract (amendments) Improvements to IFRS 2018-2020 cycle: IFRS 1 First-time adoption of the international financial reporting standards, IFRS 9 Financial instruments, IFRS 16 Leases and IAS 41 Agriculture (amendments)	May 2020	1-Jan-2022
Regulation 2036/2021	IFRS 17 Insurance contracts (new)	May 2017 June 2020	1-Jan-2023

These amendments are effectively applicable for annual periods starting on or after 1 January 2022 and were not applied in the preparation of these consolidated financial statements. It is not expected that these amendments shall have a significant impact on the Group's consolidated financial statements.

3.1.3. New standards, amendments and interpretations issued by the IASB and IFRIC but that have not yet endorsed by the EU

The IASB issued the following amendments between January 2020 and December 2021 which are still in the process of endorsement by the EU:

IASB Standard or IFRIC Interpretation	Issue date	Mandatory application date in years started on or after
IAS 1 Presentation of financial statements: Classification of liabilities as current and non-current (amendments)	January and July 2020	1-Jan-2023
IAS 1 Presentation of financial statements: Disclosure of accounting policies (amendments)	February 2021	1-Jan-2023
IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates (amendments)	February 2021	1-Jan-2023
IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (amendments)	May 2021	1-Jan-2023
IFRS 17 Insurance contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information (amendments)	December 2021	1-Jan-2023

The Board of Directors is assessing the impact of the future adoption of this new standard and of the amendments to the standards already in force, which are not currently expected to create a significant impact on the Group's consolidated financial statements.

3.2. CONSOLIDATION PRINCIPLES

Financial interests in subsidiary companies

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by it (its subsidiaries). Control is deemed to exist when the Company has the power to define the financial and operational policies of an entity, in order to gain benefits arising from its activities, normally associated with direct or indirect control of more than half of its voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered in the assessment of the Company's control over an entity.

The subsidiaries are included in the consolidated financial statements by the fully consolidation method from the date Company assumes control over its financial and operational activity until the date that this control ceases to exist.

The profit or loss of subsidiaries acquired or disposed of during the financial year are included in the comprehensive income statement from their acquisition date or up to the date of their disposal.

Interests in the net assets of subsidiaries that do not belong to the Group (non-controlling interests) are presented in the equity, separately from the equity attributable to the shareholders of the parent company, in the item 'Non-controlling interests'. Non-controlling interests consist of the value of these interests on the acquisition date and in their proportion in the changes in equity of subsidiaries acquired after the acquisition date.

The net income of each of the comprehensive income components are attributed to the Group and non-controlling interests in proportion to the stake held (ownership interest), even if this gives rise to a deficit balance of the non-controlling interests. Transactions (including any capital gains or losses derived from disposals between Group companies), balances and dividends distributed among Group companies are eliminated in the consolidation process.

Changes in the Group's ownership interest in the subsidiary that do not give rise to loss of control are recorded as transactions in equity.

In situations in which the Group substantially holds the control over other entities created for a specific purpose (special purpose vehicles), even if it does not have equity holdings directly in these entities, are consolidated by the full consolidation method. As at the reporting date of these financial statements there are no entities in this situation.

The following companies are included in the consolidation perimeter (full consolidation method), by majority of voting rights:

Company	Head office	% capital held	
		2021	2020
Parent company:			
Metropolitano de Lisboa, E.P.E.	Lisbon	-	-
Subsidiaries:			
Ferconsult - Consultoria, Estudos e Projectos de Engenharia de Transportes, S.A.	Lisbon	100.00%	100.00%
Metrocom - Exploração de Espaços Comerciais, S.A.	Lisbon	100.00%	100.00%
TREM - Aluguer de Material Circulante, A.C.E.	Lisbon	100.00%	100.00%
TREM II - Aluguer de Material Circulante, A.C.E.	Lisbon	100.00%	100.00%

Joint ventures and associates

Joint control of an entity arises from a particular form of joint venture, reflected in the creation of an entity that, via contractual means, is jointly controlled by various venturers.

The classification of financial investments: in joint ventures is determined based on shareholders' agreements that regulate the joint control and require unanimity in decision-making.

An associate is an entity in which the Group exercises a significant influence, presumed when the voting rights are more than 20%, or when the Group has the power to participate in the entity's financial and operational policy decisions, without, however, exercising control or joint control of those policies.

Financial interests in joint ventures and associates are included in the consolidated financial statements by the equity method.

The following entities qualify as joint ventures and associates:

Company	Head office	% capital held	
		2021	2020
Publimetro - Publicidade em Meios de Transporte e Outros, S.A.	Lisbon	40.00%	40.00%
Ensitrans - Engenharia e Sistemas de Transporte, A.E.I.E.	Lisbon	50.00%	50.00%
OTLIS - Operadores de Transportes da Região de Lisboa, A.C.E.	Lisbon	14.29%	14.29%

In the specific case of Ensitrans – Engenharia e Sistemas de Transporte, A.E.I.E., although the Group holds 50%, the Board of Directors considers that the Group does not control it. Therefore, the Group's stake was recognized pursuant to the equity method.

3.3. LONG-TERM INFRASTRUCTURE (LTI) INVESTMENT ACTIVITIES

Throughout the years, the Company has been responsible for the construction, renovation and management of long-term infrastructure associated with the regular operation of the collective public passenger transport services on the basis of the use of the underground layers of Lisbon and its neighbouring areas. This is an activity developed in compliance with State instructions, and its financing is guaranteed by grants and loans which are mostly secured by the State.

In light of the provisions of the Decree-Law no. 196/80 of 20 June, the Government is committed to the principle that it is the Portuguese State's role to finance the long-term infrastructure built by the Company, having defined the following types of investments:

- Studies for the development of the network;
- Tunnels, stations and other ancillary or supplementary constructions;
- Railway tracks;
- High and low power networks;
- Telecommunication and control systems;
- Ventilation and pumping equipment;
- Mechanical accesses.

The aforementioned principle was implemented in practice through non-repayable grants awarded by the Portuguese State for investments made until 31 December 1980 and for the financial costs incurred up to then incurred with those investments. On that date, the amount of investments made and the sum of the awarded grants were concordant and were reflected in the accounts, correspondingly, in the assets financed by the State and in the investment reserves.

The Decree-Law referred to above included a clause which laid down its revision until the end of its duration on 31 December 1980. However, as this revision has not taken place, from that date onwards, the funds were allocated on the basis of one-off legislation framed within the State Business Sector's Investment Plans and in the form of contributions for statutory equity or for general grants for investments and financial restructuring. As a result, the investments made and the grants awarded do not coincide.

Up to 2009, the Company recognized the assets and liabilities allocated to LTI in its balance sheet pursuant to the interpretation of the Decree-Law no. 196/1980 of 20 June, according to which the Portuguese State committed to restructure the Company economically and financially, notably by bearing the costs related to LTI investments made up to 31 December 1978. This Decree-Law also provided that, regarding investments made after 1 January 1979, the State would establish the amounts in debt which it would take on, but this provision has never been issued. In 2010 and 2011, the Directors deemed that it was more appropriate to cancel the assets and liabilities allocated to the LTI; therefore, the Company's total balance sheet in those financial years was significantly reduced. During 2012, following Order no. 1491/12 issued by the Secretariat of State for Treasury and Finances, the Directors decided to resume the recording of the assets and liabilities related to the LTI in the Company's balance sheet.

Therefore, all the flows derived from this activity are recorded in the balance sheet under the items of 'Long-term infrastructure investments', and these include the following elements:

In assets:

- The public domain long-term infrastructure ('LTI') built by the Company and regarding which it holds the right of access for purposes of providing 'Passenger transport' and 'Infrastructure management' services, which include free revaluations performed in the preceding years;
- The materials acquired related to LTI construction/repair, of an inventory nature;
- The grant amounts received for purposes of co-financing the construction of LTI to be deducted from the investments in LTI;
- The internal operating expenses of the different management services which are not exclusively intended for investment purposes;

- The financial costs directly borne with the agreed financing for LTI construction and repair activities, corresponding to interest, guarantee fee and stamp duty arising from the activity performed on behalf of the State, which have not been capitalized in the LTI cost during its construction period;
- Derivative financial instruments contracted by the Company aimed at dealing with interest rate changes in the loans received to finance the LTI activity, which are recognized in assets at fair value, if their fair value is positive.

It should be noted that the property, plant and equipment disclosed in the item LTI are not being depreciated/amortized.

In liabilities:

- The balances payable to the service providers regarding the construction of LTI;
- The loans raised to finance the construction and repair of LTI, particularly those guaranteed by the State;
- Derivative financial instruments agreed by the Company aimed at hedging interest rate changes in the loans received to finance the LTI activity, which are recognized in liabilities at fair value, if their fair value is negative.

Expenses related to maintenance and repair which do not increase these assets' useful life are recorded in the income statement of the year in which they occur, as they arise from the Company's infrastructure management activity.

As a result of the recognition policy's modification upon transition to the Portuguese Accounting Standards System (SNC), the Company has measured the financial costs related to interest, stamp duty, guarantee fee and expenses incurred with the establishment of the financing in the preceding years, and not borne by the State, and allocated them to the item 'Long-term infrastructure investments'.

3.4. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are initially recorded at acquisition or production cost, which includes the acquisition cost, financial costs and expenses directly attributable to the necessary activities to place the assets in the necessary location and conditions to operate as intended and, where applicable, the initial expenses estimate regarding the assets' decommissioning and removal, as well as the restoration of their corresponding installation/operation sites, expected to be incurred by the Group net of accumulated depreciation and accumulated impairment losses.

Depreciation is calculated subsequently to the moment when the good is ready to be used, on a straight-line basis over 12-month periods, according to the estimated useful life of each asset group:

Asset class	Years
Buildings and other constructions	10 - 50
Basic equipment	
Operating rolling stock	15 - 28
Support rolling stock	20
Other basic equipment	4 - 20
Other property, plant and equipment	3 - 10

Expenses related to maintenance and repair which do not increase these assets' useful life are recorded in the income statement in the period in which they occur. Expenses related to major repairs are included in the asset's carrying value when they are expected to generate additional future economic benefits.

Gains or losses arising from the disposal or write-off of property, plant and equipment are determined as the difference between the fair value of the amount received or receivable in the transaction and the asset's net carrying value, net of accumulated depreciation, being recognized in profit or loss in the period in which they occur.

3.5. LEASES

In conformity with IFRS 16, the Group assesses whether a contract contains a lease, i.e., whether the contract establishes the right to control the use of a specific asset, for a defined period of time in exchange for a payment.

Accounting in lessees:

Lease assets

On the lease start date, the Group recognizes a lease asset at its cost value, which corresponds to the initial value of the lease liability adjusted for any payments made in the meantime and any lease incentives received plus additional direct costs incurred and an estimate of the removal and/or restoration of the underlying asset and/or restoration of the site where it is located. The right of use is subsequently depreciated on a straight-line basis from its start date until the end of the lease. Furthermore, the lease asset is periodically reduced by impairment losses, if existent, and adjusted for any remeasurement of the lease liability.

Lease liabilities

On the lease start date, the Group recognizes lease liabilities measured at the present value of the future lease payments, which include fixed payments minus any incentives, lease variable payments and values that are expected to be paid as the guaranteed residual value. Lease payments also include the exercise price of purchase or renewal options whose exercise by the Group is reasonably certain or payment of penalties for cancellation of leases, if the lease period reflects the Group's option to cancel the contract.

In calculating the present value of the future lease payments, the Group uses its incremental borrowing rate if the implicit interest rate in the lease is not easily determinable. Subsequently, the value of the lease liabilities is incremented by the value of the interest and reduced by the lease payments.

In lease contracts in which the Group is the lessee and whose underlying assets are of little value, and in short-term lease contracts (12 months or less), the recognition and measurement of the lease is not made as described above, with the lease payments being recognized as an expense on a straight-line basis during the lease period in the income statement item 'External supplies and services – Hire and rental charges'.

Accounting in lessors:

The accounting in lessors is not changed with IFRS 16. Hence, leases are recorded as a finance lease or operating lease pursuant to the former IAS 17:

- Finance lease: if the lease substantially transfers all the risks and rewards incidental to ownership of the underlying asset;
- Operating lease: if the lease does not substantially transfer all the risks and rewards incidental to ownership of the underlying asset.

Lessors are not permitted to use the practical expedient to deal with the non-lease component as a lease.

In a finance lease, the lessor recognizes a financial asset at amortized cost in the balance sheet and recognizes the income from its interest in the income statement.

In an operating lease, the lessor recognizes the lease revenue as income on a straight-line basis.

The Group is only a lessor in operating leases.

3.6. INTANGIBLE ASSETS

Intangible assets are recorded at cost net of any accumulated amortizations and impairment losses.

Overheads with research activities are recorded as expenses in the period in which they are incurred.

Amortization of intangible assets is recognized on a straight-line basis, according to their estimated useful lives, as follows:

Asset class	Years
Industrial property and other rights	3 - 10

3.7. INVESTMENT PROPERTY

Investment property is measured at cost net of accumulated depreciation and impairment losses.

Depreciation is calculated subsequently to the moment when the good is ready to be used, on a straight-line basis over 12-month periods, according to the estimated useful life of each asset group.

The depreciation rates used reflect the following estimated useful life periods:

Asset class	Years
Buildings and other constructions	10 - 50
Other equipment	4 - 20

The expenses incurred in relation to the investment property, notably maintenance, repairs, insurance and taxes, shall be recognized as expenses in the financial year to which they refer. The improvements or upgrades to investment property which are expected to generate additional future economic benefits are capitalized under the item 'Investment property'.

3.8. FINANCIAL INTERESTS IN ASSOCIATES AND JOINT VENTURES

Financial interests in associates and joint ventures are recorded pursuant to the equity method and are initially recognized at cost and subsequently adjusted in light of the changes observed, after the acquisition, in the investor or the venturer's share in the net assets of the investee or jointly controlled entity. The net income of the investor or venturer include their corresponding share of the net income of the investee or jointly controlled entity. Dividends received from these companies are recorded as a decrease in the financial investment's value.

When the Group's proportion in the investee's accumulated losses is greater than the amount at which the investment was recorded, the investment is reported at zero value, except when the Company has undertaken commitments to cover the investee's losses, in which case the additional losses give rise to the recognition of a liability. If the investee subsequently reports profits, the Group resumes the recognition of its share in these profits only to the extent that its share of profits equals the part of the unrecognized losses.

Unrealized gains on transactions with associates and joint ventures are eliminated in proportion to the Group's interest in those entities against the corresponding investment item. Unrealized losses are eliminated in a similar manner, but only to the extent the loss does not derive from a situation in which the transferred asset is impaired.

All other financial investments are recorded at acquisition cost, which shall be lower than their market value.

3.9. NON-CURRENT ASSET IMPAIRMENT

The net carrying values of the Group's assets are reviewed on each reporting date, in order to determine the presence of any impairment indicator. Should there be any indicators, the corresponding assets' (or the cash-generating units') recoverable amount is estimated in order to determine the extent of the impairment loss (if applicable).

The asset's (or the cash-generating unit's) recoverable amount corresponds to the greater amount between: (i) its fair value minus selling costs; and (ii) its value in use. When determining the value in use, the estimated future cash flows are discounted using a discount rate which reflects the market's expectations in what regards the time value of money (which in the case of the Company was considered not to exist) and the asset's (or the cash-generating unit's) specific risks in relation to which the estimates of future cash flows were not subject to adjustments.

Whenever the asset's (or the cash-generating unit's) net carrying value is greater than its recoverable amount, an impairment loss is recognized. The impairment loss is immediately recorded in the income statement, except if this loss offsets a revaluation surplus recorded in equity. In case of the latter, this loss will be treated as a decrease in that revaluation.

The reversal of impairment losses recognized in previous financial years is recorded whenever there is evidence that the previously recognized impairment losses have ceased to exist or have decreased. The reversals of the impairment loss are performed up to the amount that would be recognized (net of depreciation) if the previous impairment loss had not been recorded.

3.10. BORROWING COSTS

Financial costs related to loans received are recognized as expenses as they are incurred.

Financial costs related to loans received directly associated with asset acquisition and construction are capitalized, and are an integral part of the asset's cost. The beginning of these costs' capitalization shall start after the beginning of the preparation of the asset's construction activities and shall be interrupted following the start of use or completion of the asset or when the relevant asset is suspended. Any income generated by loans received in advance associated with a specific investment is deducted from the financial costs eligible for capitalization.

3.11. INVENTORIES

Inventories are measured at the smaller value between their cost and net realization value. Raw materials, other raw materials and consumables are recorded at cost of acquisition, which shall not exceed their corresponding market value.

The net realization value represents the estimated selling price net of all estimated expenses necessary to complete the inventories and sell them. If the cost value exceeds the net realization value, an impairment loss is recorded for the corresponding difference.

The inventories cost method used by the Group corresponds to the average weighted cost.

3.12. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognized in the consolidated statement of financial position when the Company enters into the corresponding contractual provisions as a party.

Therefore, the financial assets and liabilities are measured in light of the following criteria: (i) amortized cost minus impairment losses and (ii) fair value, with their changes being recognized in the consolidated income statement.

(i) Amortized cost minus impairment losses

The financial assets which meet the conditions set out below are measured 'at amortized cost minus impairment losses':

- They are in sight or have a defined maturity;
- They are related to a fixed or determinable yield; and
- They do not contain any agreement clause which could derive in a nominal value loss for their holder.

With the exception of the financial liabilities classified as held for trading, all financial liabilities must be measured at amortized cost.

The amortized cost is determined by means of the effective interest method. The effective interest is calculated through the rate which accurately discounts future estimated payments or receipts during the financial instrument's useful life from the financial asset or financial liability's net carrying value (effective interest rate).

Consequently, this category includes the following financial assets and financial liabilities:

a) Customers and other credit receivable

Balances related to customers and other credit receivable are recorded at amortized cost minus any impairment losses. Normally, the amortized cost of these financial assets does not differ from their nominal value.

b) Cash and bank deposits

The amounts included in the item 'Cash and bank deposits' reflect the amounts of cash, bank deposits and savings deposits and other treasury applications which mature in less than twelve months. Normally, the amortized cost of these financial assets does not differ from their nominal value.

c) Suppliers and other debts payable

The balances of suppliers and other debts payable are recorded at amortized cost. Normally, the amortized cost of these financial liabilities does not differ from their nominal value.

d) Loans received

Loans received are recorded as a liability at amortized cost.

Any expenses incurred with these loans, in particular bank fees and stamp duty, as well as interest and similar expenses, are recognized using the effective interest method through profit or loss for the year throughout the life period of these loans. Until the expenses referred to above are recognized, they are presented as a deduction in the item 'Loans received'. The interest incurred and not yet paid is evidenced under the item 'Other debts payable'.

(ii) At fair value, with their changes being recognized in the consolidated income statement

All financial assets and liabilities which were not classified in the category of 'at amortized cost' are included in the category 'at fair value, with their changes being recognized in the income statement'.

These financial assets and liabilities are measured at fair value, with changes in fair value recorded through profit or loss.

This category includes (i) the collateral given as security for financing, recorded under the asset item ‘Other financial assets’; (ii) the derivative financial instruments, recorded under the liability item ‘Other financial liabilities’, which do not meet the conditions for hedge accounting under the provisions of the IAS 39 – Financial Instruments.

In accordance with the above, the financial assets and liabilities have been classified as follows:

Financial Assets	Notes	2021		2020	
		Fair value	Amortized cost	Fair value	Amortized cost
Non-current:					
Other financial assets	11	52,218,573	-	54,065,280	-
		52,218,573	-	54,065,280	-
Current:					
Customers	13		2,398,124		3,181,426
State and other public entitie:	14		8,600,729		4,748,628
Other credit receivable	15		47,398,324		41,047,678
Cash and bank deposits	16		128,371,394		51,625,304
		-	186,768,571	-	100,603,036
		52,218,573	186,768,571	54,065,280	100,603,036

Financial Liabilities	Notes	2021		2020	
		Fair value	Amortized cost	Fair value	Amortized cost
Non-current:					
Loans received	19		144,565,037	-	207,482,211
Other financial liabilities	21	19,263,628	1,384,310	43,363,932	2,496,645
		19,263,628	145,949,347	43,363,932	209,978,856
Current:					
Suppliers	22		1,935,236	-	9,046,753
State and other public entitie:	14		3,411,610	-	3,550,718
Loans received	19		715,748,370	-	664,700,142
Other debts payable	23		60,823,411	-	63,661,984
		-	781,918,627	-	740,959,596
		19,263,628	927,867,974	43,363,932	950,938,453

3.13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash, bank deposits, other short-term and high-liquidity investments with initial maturities of up to three months and bank overdrafts, with no significant risk of variation in value. Bank overdrafts are presented in the consolidated statement of financial position, in current liabilities, under the item ‘Loans received’.

3.14. GOVERNMENT GRANTS

Government grants are only recognized when there is reasonable certainty that the Group will meet the conditions of attribution and that they will be received.

Government grants associated with the acquisition or production of non-current assets are initially recognized through equity and are subsequently recognized on a systematic basis (in proportion to the depreciation of the underlying assets) as income for the financial year during the useful lives of the assets to which they refer.

Other Government grants are generally recognized as income in a systematic manner in the periods necessary to balance them with the expenses they are intended to compensate. Government grants which are intended to compensate losses already incurred or which do not have associated future costs are recognized as income of the period in which they become receivable.

3.15. PROVISIONS, CONTINGENT ASSETS AND LIABILITIES

Provisions are recorded when the Group has a present (legal or constructive) obligation derived from a past event, it is probable that the settlement of this obligation shall give rise to an outflow of resources and the amount of the obligation can be reasonably estimated. Provisions are reviewed on the date of each consolidated statement of financial position and adjusted in order to reflect the best estimate on that date.

Contingent liabilities are not recognized in the financial statements and are disclosed whenever there is a non-remote likelihood of an outflow of resources comprising economic benefits. Contingent assets are not recognized in the financial statements and are disclosed when it is likely that there will be a future economic inflow of resources.

3.16. POST-EMPLOYMENT BENEFITS

Defined benefit plan

The Company has a defined benefit plan for supplementing the retirement pensions (due to old age, disability and survivors), in addition to the amount paid by Social Security. The Company's liabilities related to this plan are determined by the projected unit credit method, with the corresponding actuarial assessments performed on each reporting date, which is carried out according to internationally accepted actuarial methods and assumptions, thus revealing the value of the liabilities on the balance sheet date and the expense related to pensions to be recorded in the period.

The liability related to the guaranteed benefits recognized in the balance sheet reflect the corresponding obligation's present value, adjusted for actuarial gains and losses and for unrecognized past service expenses, deducted from the fair value of the plan's assets.

Actuarial gains and losses are recognized on an annual basis in equity.

The granted benefit plans identified by the Company for purposes of determining these liabilities are:

- Retirement, disability and survivor pension supplements;
- Early-retirement pensions.

Health care

The Company has also assumed liabilities for the payment of health care benefits to its employees, up to their retirement age, which are not recorded in the consolidated statement of financial position as at 31 December 2021. In order to meet these liabilities, the Company has guaranteed a collective health insurance to its active employees, which grants them access to medical services subsidized by the Company. These costs are recorded in the consolidated income statement of the period in which they are paid.

3.17. REVENUE

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

Revenue arising from the provision of public transport public services results from the division of the revenues derived from the sale of tickets enabling access to the mode operated by Metropolitano de Lisboa, E.P.E. It is recognized to the extent all the following conditions are met:

- The revenue amount can be measured in a reliable manner;
- It is likely that future economic benefits connected to the transaction flow into the Company;
- The expenses incurred or to be incurred with the transaction can be measured in a reliable manner.

The Fare Reduction Support Programme (PART) came into force in April 2019, under the terms of the State Budget Law for 2019 (Law 71/2018 of 31 December) and pursuant to Regulation no. 278-A/2019 of 27 March.

The PART created a 'single metropolitan monthly pass', common to all transport operators operating in the Lisbon Metropolitan Area (AML), consequently leading to the end of almost all inter-modal and combined monthly passes. The 'municipal' and 'metropolitan' monthly passes are available at significantly lower prices to stimulate demand for public transport. The PART has also simplified the process of monthly revenue clearance, by establishing that:

- Revenues arising from the sale of PART monthly passes are the property of the operators effecting the sale;
- The AML pays operators financial compensations for the fulfilment of public service obligations, according to the model defined in the Regulation no. 278-A/2019 of 27 March, which secures the maintenance of the Operators' financial balance, ensuring they do not experience loss of revenue in comparison to a pre-established reference value;
- The value of monthly payments on account is established on a quarterly basis, corresponding to the difference between the amounts received (sales revenue and grants from the State) and the estimated reference value for each Operator;
- The model equally defines rules for the distribution of benefits arising from an increase (upside) in the overall revenue of Lisbon Metropolitan Area's transport system, derived from a sustained increase in the use of public transport, favouring the operators with the highest growth in demand;
- The computing of the final value of each Operator's compensations, bearing in mind the actual total sales and validations made by Lisbon Metropolitan Area operators as a whole, is performed in the first quarter of the subsequent year.

Non-refundable fare compensations are attributed to the Company by the State in order to compensate its operation in compliance with the public service obligations, which are recorded in the period in which they are attributed.

The interest revenue is recognized using the effective interest method, provided it is likely that economic benefits will flow to the Group and their amount can be measured in a reliable manner.

3.18. INCOME TAX

Income tax for the period is calculated based on the Group's taxable profit.

Current tax payable is calculated based on taxable profit. Taxable profit differs from the accounting profit as it excludes several expenses and income which shall only be deductible or taxable in other financial years, as well as expenses and income which will never be deductible or taxable.

The Group has only recorded one deferred tax asset related to the expected recovery of the tax loss recorded in 2021 in the subsidiary Metrocom. For the rest, the Group has not recorded deferred taxes and, on the present date, they are not entirely measured. The deferred tax assets would correspond to tax losses carried forward and to provisions not deductible for tax purposes, while the deferred tax liabilities would correspond to depreciations of revalued assets not accepted for tax purposes and to capital gains and losses with deferred taxation.

3.19. CLASSIFICATION OF THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

The assets subject to realization and the liabilities payable for a period exceeding one year after the reporting date are classified, correspondingly, as non-current assets and non-current liabilities.

3.20. TRANSACTIONS AND BALANCES IN FOREIGN CURRENCY

Transactions in foreign currency (in a currency different from the Company's functional currency) are recorded at the exchange rates in force at the transaction dates. At each reporting date, the carrying values of monetary items denominated in foreign currency are updated at the exchange rates in force on that date.

The exchange differences assessed on the date of receipt or payment of the transactions in foreign currency and those derived from the updates referred above are recorded in the income statement of the period in which they are generated.

The foreign exchange rates used to convert transactions expressed in currencies other than the euro or to update balances expressed in foreign currency, were as follows:

Country	Currency	Average rate 2021	Closing rate 31/12/2021	Average rate 2020	Closing rate 31/12/2020
United States of America	USD	1.18	1.13	1.14	1.23
United Kingdom	GBP	0.86	0.84	0.89	0.90
Brazil	BRL	6.38	6.31	5.89	6.37
Algeria	DZD	159.66	157.84	144.83	161.33

Source: Banco de Portugal / Exchange Rates UK

3.21. ACCRUAL BASIS (ECONOMIC HISTORICAL PERIODS)

The Group records its income and expenses based on the accrual principle, according to which income and expenses are recognized as they are generated, irrespective of the time when they are received or paid. The differences between the amounts received and paid and the corresponding generated income and expenses are recorded as assets or liabilities.

3.22. RISK MANAGEMENT POLICY

In pursuing its business, the Group is exposed to range of risks: market risk (including exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme is focused on the unpredictability of financial markets, seeking to minimize the adverse effects on its financial performance arising thereof.

Risk management is controlled by the Company's financial department, pursuant to policies approved by the Board of Directors. In this regard, the Board of Directors has defined the key principles for a comprehensive risk management, as well as specific policies for certain areas, such as hedging of exchange rate risk, interest rate risk and credit risk.

a) Foreign exchange rate risk
The Group's operating activity is performed in Portugal and, as a consequence the vast majority of its transactions are denominated in euro. The hedging policy for this specific risk consists of avoiding, to the extent possible, entering into agreements on services denominated in foreign currency.

b) Liquidity risk
Treasury needs are managed in an appropriate manner, managing liquidity surpluses and deficits, which are covered by funding guaranteed or granted by the Portuguese State through non-refundable compensatory indemnities and capital allocations.

c) Interest rate risk
The Group's revenues and cash flows are influenced by interest rate variations, as the Group's resources and any loans granted to Group companies depend on the evolution of interest rates in euro, which show a low historical volatility.

Interest rate sensitivity analysis

The sensitivity analysis below was calculated based on the exposure to interest rates for the existing derivative financial instruments on the reporting date. With respect to assets and liabilities with variable rates, the following assumptions have been taken into consideration:

- Changes in market interest rates affect the amounts of interest receivable or payable, of financial instruments indexed to variable rates and, in the case of fixed rates agreed in the period under review, changes in interest rates also affect this component;
- Changes in market interest rates only affect the amount of interest receivable or payable of the financial instruments with fixed rates if they are recorded at fair value;
- The changes in market interest rates affect the derivatives' fair value;
- The fair value of the derivative financial instruments and other financial assets and financial liabilities are estimated by discounting the future cash flows for the present moment, at the market interest rates existing by the end of each year; and,
- For purposes of the sensitivity analysis, this analysis is performed based on all the existing financial instruments during the financial year.

The sensitivity analyses assume the change in one variable, while all the remaining ones are kept constant. In fact, this assumption hardly occurs, and the changes in certain assumptions may be correlated.

Under these assumptions, an increase or decrease of 1% in market rates for the derivative financial instruments, as at 31 December 2021, would give rise to, respectively, an increase of 59,157,597.1 euros or a decrease of 97,378,979.2 euros in profit before tax and before allocation of the LTI item.

3.23. CRITICAL JUDGEMENTS AND MAIN SOURCES OF UNCERTAINTY ASSOCIATED WITH ESTIMATES

The preparation of the attached consolidated financial statements involves making judgements and estimates, and using various assumptions that affect the reported values of the assets and liabilities, as well as the reported values of income and expenses of the period.

The estimates and the underlying assumptions were established as at the reporting date based on the best existing knowledge on the date of approval of the consolidated financial statements of the events and transactions in progress, as well as of the experience of past and/or current events. Nonetheless, there may be situations in subsequent periods which, due to not been expected to occur at the date of approval of the financial statements, were considered in these estimates. Changes to estimates which occur after the date of the consolidated financial statements shall be corrected prospectively, pursuant to IAS 8. For this reason and given the associated uncertainty level, the actual profit or loss of the transactions in question may differ from the corresponding estimates.

The main judgements and estimates used in the preparation of the attached consolidated financial statements were the following:

a) Useful lives and impairment analysis of the property, plant and equipment;
b) Impairment losses of accounts receivable – calculated considering the overall collection risk of the balances receivable;
c) Determination of the derivative financial instruments' fair value – determined at the end of each financial year by the entity with which they were contracted.
d) Determination of the liabilities related to retirement benefits – an actuarial assessment of the liabilities related to pension supplements prepared by the actuary is obtained at the end of each financial year.

3.24. SUBSEQUENT EVENTS

Events occurred after the reporting date which provide additional information about the existing conditions on the reporting date (adjusting events) are reflected in the consolidated financial statements. Events which provide information about the conditions occurred after the reporting date (non-adjusting events) are disclosed in the consolidated financial statements, if considered material.

4. SEGMENTAL REPORTING

Pursuant to the disclosures required by IFRS 8 – Operating Segments, the Metropolitano de Lisboa Group has identified the business area of 'Passenger transport and infrastructure management'.

Information about other business areas is presented in the category of 'Other segments'.

Transactions between segments are conducted under normal market conditions, following the same accounting policies used by the Group in the treatment of transactions with unrelated entities.

The Group's financial information by business segment, for the periods ended on 31 December 2021 and 2020, is as follows:

FINANCIAL YEAR 2021

INCOME AND EXPENSES	Passenger transport and infrastructure management	Other segments	Total Consolidated
Sales and services rendered	65,609,288	1,821,436	67,430,724
Operating grants	38,044,153	-	38,044,153
Gains/losses in subsidiaries, associates and joint ventures	768,401	158,681	927,081
Own work capitalised	5,825,053	-	5,825,053
Cost of goods sold and materials consumed	(2,530,223)	-	(2,530,223)
External supplies and services	(27,663,987)	(335,660)	(27,999,647)
Personnel expenses	(82,773,918)	(207,264)	(82,981,182)
Inventory impairment (losses/reversals)	-	-	-
Impairment of debts receivable (losses/reversals)	1,213	(11,115)	(9,902)
Provisions (increases/reductions)	40,500	-	40,500
Fair value increases/reductions	24,005,699	-	24,005,699
Other income	7,003,746	223,407	7,227,154
Other expenses	(3,053,133)	(103,181)	(3,156,314)
Intersegment operating results	(8,925,931)	8,925,931	-
Earnings before interest, taxes, depreciation and amortization	16,350,859	10,472,236	26,823,095
Depreciation and amortization expenses/reversals	(15,193,196)	(10,424,640)	(25,617,836)
Impairment of depreciable/amortizable investments (losses/reversals)	1,187,407	-	1,187,407
Operating results (earnings before interest and taxes)	2,345,070	47,596	2,392,665
Interest and similar expenses incurred	(25,240,994)	(18,254)	(25,259,247)
Profit before tax	(22,895,924)	29,342	(22,866,582)
Income tax for the period	(5,361)	(29,342)	(34,703)
Net income for the period	(22,901,284)	(0)	(22,901,284)
Net income for the period attributable to:			
Equity holders of the parent company	(22,901,284)	-	(22,901,284)
Non-controlling interests		-	
	(22,901,284)	-	(22,901,284)

FINANCIAL YEAR 2020

INCOME AND EXPENSES	Passenger transport and infrastructure management	Other segments	Total Consolidated
Sales and services rendered	65,638,235	1,886,715	**67,524,950**
Operating grants	21,740,836	-	**21,740,836**
Gains/losses in subsidiaries, associates and joint ventures	(218,102)	(113,827)	**(331,929)**
Own work capitalised	4,652,146	271,108	**4,923,254**
Cost of goods sold and materials consumed	(2,613,840)	-	**(2,613,840)**
External supplies and services	(28,374,426)	(642,735)	**(29,017,161)**
Personnel expenses	(80,228,679)	(2,107,137)	**(82,335,816)**
Inventory impairment (losses/reversals)	299,936	-	**299,936**
Impairment of debts receivable (losses/reversals)	313,925	221,384	**535,309**
Provisions (increases/reductions)	(70,000)	310,363	**240,363**
Fair value increases/reductions	16,130,888	-	**16,130,888**
Other income	2,647,311	398,527	**3,045,838**
Other expenses	(6,737,947)	(32,904)	**(6,770,851)**
Intersegment operating results	(10,236,853)	10,236,853	-
Earnings before interest, taxes, depreciation and amortization	**(17,056,570)**	**10,428,346**	**(6,628,223)**
Depreciation and amortization expenses/reversals	(15,367,161)	(10,374,658)	**(25,741,819)**
Impairment of depreciable/amortizable investments (losses/reversals)	(318,005)	-	**(318,005)**
Operating results (earnings before interest and taxes)	**(32,741,735)**	**53,688**	**(32,688,047)**
Interest and similar expenses incurred	(24,385,140)	(23,340)	**(24,408,480)**
Profit before tax	**(57,126,875)**	**30,348**	**(57,096,527)**
Income tax for the period	(1,018)	(36,182)	**(37,200)**
Net income for the period	**(57,127,893)**	**(5,835)**	**(57,133,727)**
Net income for the period attributable to:			
Equity holders of the parent company	**(57,127,893)**	(5,835)	(57,133,727)
Non-controlling interests			
	(57,127,893)	(5,835)	(57,133,727)

31 DECEMBER 2021	Passenger transport and infrastructure management	Other segments	Total Consolidated
Segment assets	5,777,629,308	99,502,294	**5,877,131,602**
Segment liabilities	4,059,456,296	59,114,014	**4,118,570,311**

31 DECEMBER 2020	Passenger transport and infrastructure management	Other segments	Total Consolidated
egment assets	5,662,817,371	111,187,507	**5,774,004,878**
egment liabilities	4,153,048,633	119,929,443	**4,272,978,076**

5. LONG-TERM INFRASTRUCTURE INVESTMENTS

The balance evidenced in the item 'Long-term infrastructure investments' derives from the Company's infrastructure investment activity, which are broken down into asset and liability items:

	Notes	31/12/2021	31/12/2020
Non-current assets			
Property, plant and equipment	5.1	3,214,911,914	3,156,568,295
Investment property	5.2	1,804,209	1,804,209
Intangible assets	5.3	7,356,629	7,276,591
Other financial assets	5.4	14,556,063	13,650,808
Customers	5.5	-	2,041,708
Account receivable from the State	5.6	3,212,263,064	3,210,869,766
Grants	5.7	(1,050,348,548)	(1,001,509,526)
		5,400,543,332	**5,390,701,852**
Total Assets		**5,400,543,332**	**5,390,701,852**
Non-current liabilities			
Provisions	5.8	8,590,197	6,190,197
Loans received	5.9	1,604,823,112	1,701,605,301
Other financial liabilities	5.4	116,960,782	238,220,183
		1,730,374,092	**1,946,015,681**
Current liabilities			
Loans received	5.9	997,631,809	969,097,803
Suppliers	5.10	3,514,041	3,222,914
Other debts payable	5.11	167,933,090	84,157,171
		1,169,078,940	**1,056,477,888**
Total liabilities		**2,899,453,031**	**3,002,493,569**
Total net LTI		**2,501,090,300**	**2,388,208,282**

5.1. PROPERTY, PLANT AND EQUIPMENT

	31 December 2021					
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets						
Opening balance	13,511,055	2,662,794,728	459,111,558	19,222,052	2,708,934	**3,157,348,327**
Acquisitions	-	446,671	428,790	40,062,186	22,483,741	**63,421,389**
Disposals	-	-	-	-	-	**-**
Transfers	-	9,546,232	2,613,137	(12,241,918)	(4,945,219)	**(5,027,768)**
Write-offs	-	-	(12,308)	-	-	**(12,308)**
Closing balance	**13,511,055**	**2,672,787,632**	**462,141,178**	**47,042,319**	**20,247,456**	**3,215,729,639**
Impairment losses						
Opening balance	-	780,032	-	-	-	**780,032**
Increases	-	37,693	-	-	-	**37,693**
Reversals	-	-	-	-	-	**-**
Closing balance	**-**	**817,725**	**-**	**-**	**-**	**817,725**
Total net property, plant and equipment (LTI)	**13,511,055**	**2,671,969,906**	**462,141,178**	**47,042,319**	**20,247,456**	**3,214,911,914**

	31 December 2020					
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets						
Opening balance	13,511,055	2,653,301,758	450,151,959	18,662,425	1,259,504	**3,136,886,699**
Acquisitions	-	727,141	718,908	17,390,120	1,504,010	**20,340,179**
Disposals	-					**-**
Transfers	-	8,765,829	8,240,692	(16,830,492)	(54,580)	**121,448**
Write-offs	-					**-**
Closing balance	**13,511,055**	**2,662,794,728**	**459,111,558**	**19,222,052**	**2,708,934**	**3,157,348,327**
Impairment losses						
Opening balance	-	597,082	-	-	-	**597,082**
Increases		185,650				
Reversals	-	(2,700)			-	**(2,700)**
Closing balance	**-**	**780,032**	**-**	**-**	**-**	**780,032**
Total net property, plant and equipment (LTI)	**13,511,055**	**2,662,014,696**	**459,111,558**	**19,222,052**	**2,708,934**	**3,156,568,295**

The additions observed in the year ended on 31 December 2021 under the sub-item 'Property, plant and equipment in progress', amounting to 40,062,186 euros, essentially refer to the Circle Line venture and to Arroios station extension and refurbishment, amounting to 29,710,204 euros and 4,847,066 euros, respectively.

The additions occurred in the year ended on 31 December 2021 under the item 'Advances on account of property, plant and equipment', amounting to 22,483,741 euros, refer to advances granted under the Circle Line venture and the implementation of the Communications Based Train Control (CBTC) system in the Blue Line, amounting to 19,190,961 euros and 3,292,780 euros, respectively. The transfers occurred in the same item, 4,945,219 euros, essentially refer to the same projects, 3,082,268 euros and 1,843,956 euros, respectively.

The transfers observed in the year ended on 31 December 2021 under the sub-item 'Property, plant and equipment in progress', amounting to 12,241,918 euros, essentially refer to the recognition in the property, plant and equipment of the Arroios station extension and refurbishment intervention.

During the years ended on 31 December 2021 and 2020, department expenses were capitalized in the cost of property, plant and equipment amounting to 5,738,784 euros and 3,907,206 euros, respectively.

5.2. INVESTMENT PROPERTY

	31 December 2021					31 December 2020				
	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value
Praça General Humberto Delgado	1,804,209	-	-	1,804,209	7,545,202	1,804,209	-	-	1,804,209	7,543,032
	1,804,209			1,804,209	7,545,202	1,804,209			1,804,209	7,543,032

5.3. INTANGIBLE ASSETS

	31 December 2021			
	Research and development costs	Set-up costs	Intangible assets in progress	Total
Assets				
Opening balance	5,138,543	2,019,827	118,221	**7,276,591**
Acquisitions	-	-	80,038	**80,038**
Transfers	-	-	-	-
Closing balance	**5,138,543**	**2,019,827**	**198,259**	**7,356,629**
Total gross intangible assets (LTI)	**5,138,543**	**2,019,827**	**198,259**	**7,356,629**

	31 December 2020			
	Research and development costs	Set-up costs	Intangible assets in progress	Total
Assets				
Opening balance	5,138,543	2,019,827	16,188	**7,174,558**
Acquisitions	-	-	106,237	**106,237**
Transfers	-	-	(4,204)	**(4,204)**
Closing balance	**5,138,543**	**2,019,827**	**118,221**	**7,276,591**
Total gross intangible assets (LTI)	**5,138,543**	**2,019,827**	**118,221**	**7,276,591**

5.4. OTHER FINANCIAL ASSETS AND LIABILITIES

This item includes interest rate swaps related to loans received to meet long-term infrastructure investments. The breakdown by swap agreement is as follows:

Other financial assets

Swap	Entity	Maturity	Original notional	Current notional	Fair value 31/12/2021	Fair value 31/12/2020
40#METLIS CGDBI Jun2022	CGDBI	6/15/2022	12,545,916	5,913,283	50,000	420,000
66#METLIS CGDBI Dec2026	CGDBI	12/4/2026	100,000,000	100,000,000	14,506,063	13,230,808
					14,556,063	**13,650,808**

Other financial liabilities

Swap	Entity	Maturity	Original notional	Current notional	Fair value 31/12/2021	Fair value 31/12/2020
32#METLIS BSN Jun2022	BSN	6/15/2022	40,000,000	14,666,667	353,604	1,155,422
38#METLIS BSN Jun2022	BSN	6/15/2022	4,280,559	11,826,567	10,869,952	58,263,897
52#METLIS BSN Jul2024	BSN	7/22/2024	100,000,000	100,000,000	14,904,060	21,409,134
58#METLIS ML Dec2026	ML	12/4/2026	30,000,000	30,000,000	45,711,032	79,202,910
59#METLIS CGD Dec2026	CGD	12/4/2026	30,000,000	30,000,000	45,122,134	78,188,820
					116,960,782	**238,220,183**

5.5. CUSTOMERS

As at 31 December 2021, this item includes a value of 2,041,708 euros related to a contractual penalty debited following delays in delivering the contract for the Areeiro station extension and refurbishment, with an impairment loss of the entire amount referred to above having been recorded.

5.6. ACCOUNT RECEIVABLE FROM THE STATE

This item includes the expenses, net of any income, associated with long-term infrastructure investment activities, broken down as follows:

	31/12/2021	31/12/2020
Opening balance corrected in NCRF transition	289,555,301	289,555,301
Interest, guarantee fee and stamp duty	2,787,190,643	2,668,112,090
Issuance costs	20,230,150	20,230,150
Derivative financial instruments	102,404,719	224,569,375
External supplies and services	2,563,836	2,563,836
Provisions	10,954,197	8,554,197
Impairment losses in property, plant and equipmer	817,725	780,032
Impairment losses in debts receivable	2,041,708	-
Land disposal	(3,495,216)	(3,495,216)
	3,212,263,064	**3,210,869,766**

Corrected start balance in the transition to the NCRF

The financial costs borne with LTI which could not be potentially capitalized up to 31 December 2008 were recognized in the income statement. During the transition to the NCRF, the Company decided to recapture the value of these financial costs for the purpose of adding them to the LTI item following the principle described in Note 4.2. The financial costs incurred between 1995 and 2008, amounting to approximately 1,017,000,000 euros, were measured by the Company based on the available accounting records. Concerning the financial costs incurred up to 31 December 1994, due to the clear difficulty in their measurement, the Board of Directors decided to record the value of 289,555,301 euros, corresponding to the net balance between the LTI asset and liability items, as at 31 December 2009.

External supplies and services

Following legal proceedings at a Court in London, initiated by a financial institution against the Portuguese State, lawyers' fees were recognized during 2016 related to the derivative financial instruments allocated to the LTI activity, of the total value of 2,563,836 euros.

Land disposal

This sub-item includes the income recorded with the transfer to the Portuguese State, through transfer in lieu of payment, of the land parcel included in the Cais do Sodré River Platform.

5.7. GRANTS

	31/12/2021	31/12/2020
ERDF	(229,464,397)	(229,464,397)
PIDDAC	(184,639,717)	(183,839,717)
Cohesion Fund	(418,469,502)	(379,786,103)
Environmental Fund	(13,209,536)	(3,853,912)
Miscellaneous grants	(204,565,396)	(204,565,396)
	(1,050,348,548)	**(1,001,509,526)**

5.8. PROVISIONS

This item includes the movements (creation/use/reversal) of provisions for pending legal proceedings related to LTI activity.

5.9. LOANS RECEIVED

	Funding entity	31 December 2021				31 December 2020			
		Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
Bond loans:									
Metro 2025 issue	DBI, AG	110,000,000		110,000,000	110,000,000	110,000,000	-	110,000,000	110,000,000
Metro 2026 issue	JP Morgan	400,000,000		400,000,000	400,000,000	400,000,000	-	400,000,000	400,000,000
Metro 2027 issue	BNPP	400,000,000		400,000,000	400,000,000	400,000,000	-	400,000,000	400,000,000
				910,000,000	**910,000,000**		**-**	**910,000,000**	**910,000,000**
Bank loans:									
ML A	EIB								
ML B	EIB								
ML I/2	EIB	-	-	-	-	-	-	-	-
ML II	EIB	-	-	-	-	-	-	-	-
ML III	EIB	-	-	-	-	54,867,769			-
ML II/B	EIB	-	-	-	-	99,759,579			-
ML II/C	EIB	54,867,769	1,828,926		1,828,926	54,867,769	3,657,851	1,828,926	5,486,777
ML I/3	EIB	124,699,474			-	124,699,474	21,204,453		21,204,453
ML I/3B	EIB	74,819,685	10,630,313		10,630,313	74,819,685	23,504,930	10,630,313	34,135,243
ML V/A	EIB	-	-	-	-	150,000,000			-
ML V/B	EIB	80,000,000	-	-	-	80,000,000	80,000,000		80,000,000
ML V/C	EIB	68,503,276	68,503,276		68,503,276	80,000,000	11,496,724	68,503,276	80,000,000
LT Loan 613.9 MEUR	DGTF (part)	507,957,564	253,978,782		253,978,782	507,957,564	253,978,782		253,978,782
LT Loan 648.6 MEUR	DGTF (part)	237,747,877	178,310,908		178,310,908	237,747,877	178,310,908		178,310,908
LT Loan 412.9 MEUR	DGTF (part)	282,974,244	282,974,244		282,974,244	282,974,244	282,974,244		282,974,244
LT Loan 32.6 MEUR	DGTF (part)	17,158,204	11,438,803	5,719,401	17,158,204	17,158,204	8,579,102	8,579,102	17,158,204
LT Loan 421.97 MEUR	DGTF (part)	262,008,399	131,004,199	131,004,199	262,008,399	262,008,399	87,336,133	174,672,266	262,008,399
LT Loan 131.88 MEUR	DGTF (part)	108,328,053	36,109,351	72,218,702	108,328,053	108,328,053	18,054,675	90,273,377	108,328,053
LT Loan 154.51 MEUR	DGTF (part)	137,118,041	22,853,007	114,265,034	137,118,041	137,118,041		137,118,041	137,118,041
LT Loan 100.86 MEUR	DGTF (part)	71,615,776		71,615,776	71,615,776				
			997,631,809	**394,823,112**	**1,392,454,921**		**969,097,803**	**491,605,301**	**1,460,703,104**
Other loans received:									
Schuldschein	ABN AMRO	300,000,000	-	300,000,000	300,000,000	300,000,000	-	300,000,000	300,000,000
			-	**300,000,000**	**300,000,000**		**-**	**300,000,000**	**300,000,000**
Total loans received			**997,631,809**	**1,604,823,112**	**2,602,454,921**		**969,097,803**	**1,701,605,301**	**2,670,703,104**

The 'Metro 2025' bond loan agreement was entered into on 23 December 2010, for a fifteen-year term, bullet, at a fixed rate, and the State granted a personal guarantee. Portuguese Law is applicable, with the exception of the 'subscription agreement', which is governed by English Law.

The 'Metro 2026' bond loan agreement was entered into on 4 December 2007, for a twenty-year term, bullet, at a fixed rate, and the State granted a personal guarantee. Portuguese Law is applicable, with the exception of the 'subscription agreement', which is governed by English Law.

The ‘Metro 2027’ bond loan agreement was entered into on 7 December 2007, for a twenty-year term, bullet, at a fixed rate, with a personal guarantee granted by the State. Portuguese Law is applicable, with the exception of the ‘subscription agreement’, which is governed by English Law. The issue was listed on Euronext Lisbon.

During the financial year ended on 31 December 2011, the Company entered into a loan agreement of 613,932,000 euros with the Directorate General of Treasury and Finance (DGTF), of which 507,957,564 euros refer to LTI liabilities, for a 5-year period, repayable in 8 equal and half-yearly instalments, with the first having fallen due in May 2013.

During the financial year ended on 31 December 2012, the Company entered into a loan agreement of 648,581,846 euros with the DGTF, of which 237,747,877 euros refer to LTI liabilities, for a 5-year period, repayable in 8 equal and half-yearly capital instalments, with the first having fallen due in May 2014.

During the financial year ended on 31 December 2013, the Company entered into a loan agreement of 412,860,000 euros with the DGTF, of which 282,974,244 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly and successive capital instalments, with the first having fallen due in May 2015.

During the financial year ended on 31 December 2017, the Company entered into a loan agreement of 32,584,270 euros with the DGTF, of which 17,158,204 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2019.

During the financial year ended on 31 December 2018, the Company entered into a loan agreement of 421,973,931 euros with the DGTF, of which 262,008,399 euros refer to with LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2020.

During the financial year ended on 31 December 2019, the Company entered into a loan agreement of 131,884,780 euros with the DGTF, of which 108,328,053 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2021.

During the financial year ended on 31 December 2020, the Company entered into a loan agreement of 154,513,049 euros with the DGTF, of which 137,118,041 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2022.

During the financial year ended on 31 December 2021, the Company entered into a loan agreement of 100,855,699 euros with the DGTF, of which 71,615,776 euros refer to LTI liabilities, for a 7-year period, repayable in 12 equal and half-yearly successive capital instalments, with the first having fallen due in May 2023.

Since 30 November 2014, the deferral of the payment of the debt service of the loans raised from the DGTF listed above has been successively authorized, with no interest being charged, with the last moratorium having been authorized by Order no. 254/2022-SET of 8 March, with deferral until 31 May 2022.

As at 31 December 2021, loans classified as non-current have the following repayment plan:

Years	Value
2023	99,371,412
2024	399,371,412
2025	206,511,711
2026 and following	899,568,577
	1,604,823,112

As at 31 December 2021, the loans received tied to covenants, notably those associated with the Portuguese Republic's rating or those with holding clauses, are detailed below:

AGREEMENT	Outstanding Debt as at 31-12-2021 (€)	DUE DATE	NEGATIVE PLEDGE (YES /NO)	PARI PASSU (YES/NO)	OWNERSHIP CLAUSE (YES/NO)	RATING DOWNGRADE (YES/NO)	GROSS UP (YES/NO)	CROSS DEFAULT	EXPENSES/STAMP DUTY (YES/NO)	OTHER RELEVANT CLAUSES / COMMENTS
Loan Agreement concluded with the European Investment Bank, in 1997, subject to Portuguese law and Lisbon District Court jurisdiction ("ML I/3 B"), amended on 10 March 2006	10,630,313.44	15 June 2022	NO	NO	NO	NO	NO	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic
Loan Agreement concluded with the European Investment Bank, on 14 July 1997, subject to Portuguese law and Lisbon District Court jurisdiction ("ML II/C")	1,828,925.57	15 June 2022	NO	NO	NO	NO	NO	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic
Loan Agreement concluded with the European Investment Bank, on 9 May 2003, subject to Portuguese law and Lisbon District Court jurisdiction ("ML V/C"), amended on 10 March 2006	68,503,276.05	15 June 2022	NO	NO	NO	NO	NO	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic
Schuldschein Loan Agreement concluded with ABN Amro Bank, NV on 20 July 2004, subject to German law and the courts of Frankfurt am Main	300,000,000.00	20 July 2024	YES (see Annex D)	YES	NO	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Portuguese Republic / No substantial change of the company's nature or corporate purpose
EUR 110,000,000.00 7.30% Guaranteed Notes due 2025 . Deutsche Bank AG / December 2010, subject to Portuguese law and Portuguese court jurisdiction, except for the Subscription Agreement, regulated by English law and English court jurisdiction	110,000,000.00	23 December 2025	NO	YES	YES - Loss of Public Company status (State holding less than 51%)	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Republic / No substantial change of the company's nature or corporate purpose
EUR 400,000,000.00 4.061% Guaranteed Notes due 2026 JP Morgan Securities Ltd / December 2006, subject to Portuguese law and Portuguese court jurisdiction, except for the Subscription Agreement, regulated by English law and English court jurisdiction	400,000,000.00	4 December 2026	NO	YES	YES - Loss of Public Company status (State holding less than 51%)	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Republic / No substantial change of the company's nature or corporate purpose
EUR 400,000,000.00 4.799% Guaranteed Notes due 2027 BNP Paribas / December 2007, subject to Portuguese law and Portuguese court jurisdiction, except for the Subscription Agreement, regulated by English law and English court jurisdiction	400,000,000.00	7 December 2027	NO	YES	YES - Loss of Public Company status (State holding less than 51%)	NO	YES	YES	Expenses and taxes paid by ML	Secured by the Republic / No substantial change of the company's nature or corporate purpose
TOTAL	1,290,962,515									

5.10. SUPPLIERS

The item 'Suppliers' primarily consists of current debts generated by the network expansion and modernization/refurbishment works.

5.11. OTHER DEBTS PAYABLE

The item 'Other debts payable' includes expenses with interest arising from loans, from derivative financial instruments and guarantee fees to be paid during the subsequent period, as well as the part of the investment grants received without any duly implemented expenses.

6. PROPERTY, PLANT AND EQUIPMENT

	31 December 2021								
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other property, plant and equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets									
Opening balance	20 967 185	216 366 552	809 600 857	129 208	22 829 011	21 476 942	3 423 755	29 973	1 094 823 483
Acquisitions	-	659 866	333 252	-	296 232	42 218	11 519 799	30 518 581	43 369 949
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	230 822	19 787 348	-	45 079	(17 305 193)	(3 238 836)	(8 462 954)	(8 943 734)
Write-offs	-	-	(1 883 069)	-	(104 017)	(9 618)	-	-	(1 996 705)
Closing balance	20 967 185	217 257 240	827 838 387	129 208	23 066 304	4 204 349	11 704 718	22 085 600	1 127 252 992
Accumulated depreciation									
Opening balance	-	(208 164 118)	(645 616 505)	(129 208)	(21 764 744)	(16 325 998)	-	-	(892 000 574)
Depreciation of the period	-	(759 986)	(23 312 543)	-	(420 423)	(67 277)	-	-	(24 560 230)
Disposals	-	-	-	-	-	-	-	-	-
Transfers	-	-	(13 042 161)	-	-	13 042 161	-	-	-
Write-offs	-	-	1 609 305	-	103 800	9 568	-	-	1 722 674
Closing balance	-	(208 924 104)	(680 361 905)	(129 208)	(22 081 367)	(3 341 546)	-	-	(914 838 131)
Impairment losses									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-	-	-
Closing balance	-	-	-	-	-	-	-	-	-
	20 967 185	8 333 136	147 476 482	-	984 937	862 803	11 704 718	22 085 600	212 414 861

	31 December 2020								
	Land and natural resources	Buildings and other constructions	Basic equipment	Transport equipment	Office equipment	Other property, plant and equipment	Property, plant and equipment in progress	Advances in account of property, plant and equipment in progress	Total
Assets									
Opening balance	20 967 185	217 218 059	808 781 953	129 208	25 553 157	24 515 259	1 559 888	29 973	1 098 754 681
Acquisitions	-	37 760	445 043	-	373 017	74 677	4 672 390	-	5 602 888
Disposals	-	(1 866 432)	(458 800)	-	(788 982)	(56 518)	-	-	(3 170 732)
Transfers	-	977 165	1 809 081	-	(2 282 811)	(3 056 476)	(2 808 523)	-	(5 361 564)
Write-offs	-	-	(976 421)	-	(25 371)	-	-	-	(1 001 792)
Closing balance	20 967 185	216 366 552	809 600 857	129 208	22 829 011	21 476 942	3 423 755	29 973	1 094 823 483
Accumulated depreciation									
Opening balance	-	(209 302 964)	(623 671 781)	(129 208)	(22 742 540)	(15 999 296)	-	-	(871 845 790)
Depreciation of the period	-	(727 587)	(23 180 816)	-	(540 065)	(383 009)	-	-	(24 831 477)
Disposals	-	1 866 432	458 800	-	788 773	56 307	-	-	3 170 312
Transfers	-	-	-	-	705 464	-	-	-	705 464
Write-offs	-	-	777 291	-	23 625	-	-	-	800 916
Closing balance	-	(208 164 118)	(645 616 505)	(129 208)	(21 764 744)	(16 325 998)	-	-	(892 000 574)
Impairment losses									
Opening balance	-	(130 518)	-	-	-	-	-	-	(130 518)
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	130 518	-	-	-	-	-	-	130 518
Closing balance	-	-	-	-	-	-	-	-	-
	20 967 185	8 202 434	163 984 351	-	1 064 267	5 150 944	3 423 755	29 973	202 822 908

The additions observed in the year ended on 31 December 2021 under the sub-item ‘Property, plant and equipment in progress’, amounting to 11,519,799 euros, essentially refer to the implementation of the Communications Based Train Control system in the Depot and Workshops (PMO) and in 70 Triple Units (UT) of the current fleet, amounting to 6,360,817 euros and 2,102,138 euros, respectively.

The additions observed in the year ended on 31 December 2021 under the sub-item ‘Advances on account of property, plant and equipment in progress’, amounting to 30,518,581 euros, essentially refer to the acquisition of 14 new Triple Units (UT) and to the implementation of the Communications Based Train Control system in the Depot and Workshops (PMO), amounting to 16,802,999 euros and 7,893,867 euros, respectively.

During the year ended on 31 December 2021, a spare parts reclassification movement took place in the sub-item ‘Basic equipment’, against ‘Other property, plant and equipment’, of the value of 17,305,903 euros, and respective depreciation, of the value of 13,042,161 euros. The remaining value of transfers occurred in ‘Basic equipment’, of 2,482,155 euros, and write-offs, of the value of 1,883,069 euros, primarily refer to mid-useful life interventions of operating rolling stock, namely redesign of the door and seating system.

During the years ended on 31 December 2021 and 2020, department expenses were capitalized in the cost of property, plant and equipment amounting to 68,910 euros and 710,479 euros, respectively.

7. LEASES

7.1. RIGHT-OF-USE ASSETS

	31 December 2021		31 December 2020	
	Transport equipment	Total	Transport equipment	Total
Assets				
Opening balance	551,821	**551,821**	417,265	**417,265**
Acquisitions / Additions	256,935	**256,935**	134,556	**134,556**
Disposals	(14,915)	**(14,915)**	-	-
Closing balance	**793,841**	**793,841**	**551,821**	**551,821**
Accumulated depreciation				
Opening balance	(370,589)	**(370,589)**	(182,456)	**(182,456)**
Depreciation of the period	(197,268)	**(197,268)**	(188,132)	**(188,132)**
Disposals	14,915	**14,915**	-	-
Closing balance	**(552,942)**	**(552,942)**	**(370,589)**	**(370,589)**
	240,899	**240,899**	**181,232**	**181,232**

7.2. LEASE LIABILITIES

	31/12/2021	31/12/2020
Non-current leases		
Vehicles	98,312	2,661
Current leases		
Vehicles	143,301	180,908
Total	**241,613**	**183,569**

	31 December 2021		31 December 2020	
Minimum future payments	Minimum lease payments	Present value of minimum payments	Minimum lease payments	Present value of minimum payments
Up to 1 year	147,105	143,301	182,897	180,908
1 to 5 years	101,042	98,312	5,091	2,661
Total	**248,147**	**241,613**	**187,988**	**183,569**
Financial effect of the discount	(6,534)	-	(4,419)	-
Present value of minimum payments	**241,613**	**241,613**	**183,569**	**183,569**

8. INVESTMENT PROPERTY

	31 December 2021					31 December 2020				
	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value
Properties leased to third parties	22,094,744	9,986,185	2,385,820	9,722,739	10,155,500	22,094,744	9,544,255	3,573,227	8,977,262	9,339,900
Praça General Humberto Delgado	22,309,373	18,678,818	-	3,630,555	93,297,798	22,309,373	18,665,173	-	3,644,200	93,270,968
	44,404,117	**28,665,003**	**2,385,820**	**13,353,294**	**103,453,298**	**44,404,117**	**28,209,428**	**3,573,227**	**12,621,462**	**102,610,868**

The real estate properties leased to third parties held by the Company refer to 34 properties located in Lisbon Metropolitan Area, for resettlement of low-income families affected by the network expansion programme and for an office building in Lisbon, which are being depreciated over a 50-year period.

The investment property's fair value was based on an assessment made by a specialized and independent entity.

As at 31 December 2021 and 2020, the following income and expenses related to investment property were recognized through profit or loss:

	31 December 2021				31 December 2020			
	Rent income (Note 30)	Direct expenses	Depreciation of the period	Earnings	Rent income (Note 30)	Direct expenses	Depreciation of the period	Earnings
Properties leased to third parties	579,860	143,620	441,930	(5,689)	593,215	148,921	441,482	2,811
Praça General Humberto Delgado	-	358,644	13,645	(372,289)	-	213,046	13,694	(226,740)
	579,860	**502,264**	**455,575**	**(377,979)**	**593,215**	**361,967**	**455,176**	**(223,929)**

9. INTANGIBLE ASSETS

	31 December 2021				31 December 2020			
	Computer programs	Industrial property and other rights	Intangible assets in progress	Total	Computer programs	Industrial property and other rights	Intangible assets in progress	Total
Assets								
Opening balance	19,451	2,799,477	2,400	2,821,328	18,751	-	-	18,751
Acquisitions	-	213,251	82,210	295,461	700	493,575	2,400	496,675
Transfers	-	84,610	(84,610)	-	-	2,305,902	-	2,305,902
Closing balance	**19,451**	**3,097,339**	**-**	**3,116,790**	**19,451**	**2,799,477**	**2,400**	**2,821,328**
Accumulated depreciation								
Opening balance	(19,105)	(971,452)	-	(990,558)	(18,060)	-	-	(18,060)
Amortization of the period	(346)	(404,417)	-	(404,763)	(1,046)	(265,988)	-	(267,034)
Transfers		-	-	-	-	(705,464)	-	(705,464)
Closing balance	**(19,451)**	**(1,375,870)**	**-**	**(1,395,321)**	**(19,105)**	**(971,452)**	**-**	**(990,558)**
	(0)	**1,721,469**	**-**	**1,721,469**	**346**	**1,828,025**	**2,400**	**1,830,771**

10. FINANCIAL INTERESTS

31 December 2021	Assets	Liabilities	Equity	Net income	Holding	Financial investment	
Associates							
Publimetro	3,642,687	3,670,874	(28,186)	559,048	40%	-	(a)
Joint ventures							
Ensitrans	183,593	195,573	(11,980)	(11,980)	50%	-	(a)
OTLIS (under liquidation)	6,225,526	510,430	5,715,096	5,433,696	14.29%	90,211	(b)
						90,211	

31 December 2020	Assets	Liabilities	Equity	Net income	Holding	Financial investment	
Associates							
Publimetro	3,027,078	3,614,312	(587,234)	(633,109)	40%	-	(a)
Joint ventures							
Ensitrans	185,919	550,523	(364,604)	(364,604)	50%	-	(a)
OTLIS	3,989,890	1,594,236	2,395,655	510,430	14.29%	342,236	
						342,236	

Note:

(a) Liability due to the potential effect of negative equity recognized in the item 'Provisions'.

(b) Proportion in OTLIS equity as at 31/12/2021 adjusted for the appropriation of net income for 2020 and the consideration paid by TML for the entire transfer of OTLIS assets.

11. OTHER FINANCIAL ASSETS

	31/12/2021	31/12/2020
Bank of America Leasing & Capital, LCC – Collateral		
Opening balance	**29,096,203**	**31,593,901**
Change in fair value	11,791	172,245
Exchange rate differences	2,427,681	(2,669,943)
Closing balance	**31,535,674**	**29,096,203**
Wilmington Trust – Collateral		
Opening balance	**24,966,310**	**26,501,456**
Disbursement	(5,809,761)	-
Change in fair value	(106,395)	704,444
Exchange rate differences	1,627,257	(2,239,590)
Closing balance	**20,677,410**	**24,966,310**
Work Compensation Fund	**5,489**	**2,767**
Total	**52,218,573**	**54,065,280**

As a result of the downgrades in the rating attributed to the Company, it was necessary to set up two collaterals in 2009 and 2013, the first in favour of Bank of America Leasing & Capital, LCC and the second in favour of Wilmington Trust. Regarding the latter, in June 2021, ML requested Stichting CBL Finance IV to disburse the surplus deposited value (M€ 5.8), on that date, to cover the guarantee under TREM II - Operating lease of rolling stock – ML 90.

12. INVENTORIES

	31 December 2021			31 December 2020		
	Gross value	Impairment losses	Net Value	Gross value	Impairment losses	Net Value
Raw, subsidiary and consumable materia						
Materials	8,468,130	-	8,468,130	9,144,951	-	9,144,951
Tools	35,390	-	35,390	48,844	-	48,844
Cleaning products	83,518	-	83,518	24,358	-	24,358
Office material	57,916	-	57,916	65,896	-	65,896
Fuel	14,996	-	14,996	27,934	-	27,934
Tickets and passes	766,954	-	766,954	1,014,608	-	1,014,608
Other materials	308,281	-	308,281	476,523	-	476,523
Promotional articles/publications	36,213	-	36,213	32,988	-	32,988
	9,771,398	-	**9,771,398**	**10,836,101**	-	**10,836,101**

Cost of goods sold and materials consumed	**Raw, subsidiary and consumable materials**	
	2021	**2020**
Opening balance	10,836,101	8,037,681
Purchases	1,614,634	2,370,960
Adjustments	(149,114)	3,041,300
Closing balance	9,771,398	10,836,101
	2,530,223	**2,613,840**

13. CUSTOMERS

	31/12/2021	31/12/2020
Publimetro	1,275,503	1,640,838
Ar Telecom	463,383	463,383
GIBB Portugal	296,764	296,764
Câmara Municipal de Loures	218,562	-
Associação de Turismo de Lisboa	217,534	32,793
Câmara Municipal de Lisboa	105,095	-
TPF Planege Cenor	-	580,316
Cosider Travaux Publics	-	798,999
OTLIS	-	145,410
Other	974,741	356,290
	3,551,581	**4,314,792**
Impairment losses	(1,153,457)	(1,133,366)
	2,398,124	**3,181,426**

Impairment losses – customers	31-dez-2021	31-dez-2020
Opening balance	**(1,133,366)**	**(1,418,580)**
Increases	(24,781)	(45,999)
Reversals	-	326,910
Uses	4,690	4,303
Closing balance	**(1,153,457)**	**(1,133,366)**

14. STATE AND OTHER PUBLIC ENTITIES

	31 December 2021		31 December 2020	
	Assets	Liabilities	Assets	Liabilities
Corporate income tax	3,438,127	250	3,647,866	125
Personal income tax	21,667	1,274,541	18,516	1,339,264
Value added tax	5,140,935	106,165	1,082,246	86,069
Social Security contributions	-	1,528,022	-	1,623,206
Other taxes	-	502,632	-	502,054
	8,600,729	**3,411,610**	**4,748,628**	**3,550,718**

15. OTHER CREDIT RECEIVABLE

	31/12/2021	31/12/2020
Transtejo	22,529,809	22,529,809
Infraestruturas de Portugal	7,208,573	7,208,573
CP – Comboios de Portugal, E.P.E.	790,120	779,357
Águas do Tejo Atlântico	634,584	634,584
Transportes Coletivos do Barreiro	125,159	325,165
Accrued income	12,608,172	4,796,467
Traffic revenues	1,265,279	2,721,705
Financial compensation 4_18, Sub23, Social +	-	573,272
Other	3,339,610	2,760,679
	48,501,305	**42,329,610**
Impairment losses	(1,102,981)	(1,281,932)
	47,398,324	**41,047,678**

Impairment losses – other credit receivable	31/12/2021	31/12/2020
Opening balance	**(1,281,932)**	**(4,433,179)**
Increases	(3,351)	(4,583)
Reversals	182,302	375,355
Uses	-	2,780,474
Closing balance	**(1,102,981)**	**(1,281,932)**

The item "Other credit receivable" includes the amounts related to the construction works made by the Company on behalf of entities from the State Business Sector, with the Board of Directors promoting actions in order to settle this situation. In brief:

- Transtejo: Following SET Order no. 22-XII_93 of 24 September, ML was mandated to study, design and construct the Terreiro do Paço Interface. The work was carried out but no protocol was actually signed with Transtejo relative to the expenses incurred and the expense division method used.
- Infraestruturas de Portugal: Following Order no. 75-XII/92 of 17 December, and Letter no. 420 of 10/02/2000, of the Secretary of State for Transport, ML and the then REFER, E.P. signed the Protocol for Construction of the River Platform and Cais do Sodré Interface on 29 September 2004.
- Águas do Tejo Atlântico: In September 2009, based on SET Order no. 22-XII_93 of 24 September, ML and the then Simtejo signed a Protocol framing ML as the owner of the work of the "construction of the underground valve chamber and pumping station".

The value of 12,608,172 euros recorded as additional revenues comprises, with respect to the Fare Reduction Support Programme (PART):

(i) the value of 1,622,440 euros (excluding VAT) relative to the adjustment of the variable part of 2020;
(ii) the value of 7,901,943 euros (excluding VAT) corresponding to the estimate for the months of September to December 2021, both still receivable.

The PART programme estimate for the months of September to December 2021 consists of two components:

(i) Fixed PART, representing the fare compensation attributed to the adhering operators of Lisbon Metropolitan Area amounting to 2,680,316 euros (excluding VAT), as disclosed in Note 24.
(ii) Variable PART, attributed under the support for restoring supply following Decree-Law no. 6-B/2021 of 15 January, which extended, up to the end of 2021, the enforcement of the rules for attributing funds and compensations to essential transport operators, in the context of the COVID-19 pandemic, with a value of 5,221,627 euros (excluding VAT), as disclosed in Note 25.

Both the calculations indicated above were validated by the TML, based on the provisions in Decree-Law no. 14-C/2020 of 7 April, and correspond to a compensation attributed to the operators for the purpose of giving them financial support to enable their pursuit of government directives concerning mobility, qualifying them to recognize this compensation in the current year, regardless of part of its payment taking place in subsequent periods.

16. CASH AND CASH EQUIVALENTS

	31/12/2021	31/12/2020
Cash	25,817	22,147
Sight deposits	127,824,725	50,024,153
Term deposits	520,852	1,579,004
Cash and bank deposits	**128,371,394**	**51,625,304**

17. EQUITY INSTRUMENTS

As at 31 December 2021, the Company's equity, subscribed and paid-up, amounted to 3,667,903,891 euros, being fully held by the Portuguese State.

During the financial year ended on 31 December 2021, capital increases were made of the overall value of 253,904,909 euros.

The variation recorded in the heading 'Adjustments/other changes in equity' arises from actuarial losses in the liabilities related to post-employment benefits (Note 20).

18. PROVISIONS

	31 December 2021				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings	710,500	30,000	(70,500)	-	670,000
Taxes	272,118	-	-	-	272,118
Onerous contracts	-	-	-	-	-
Coverage of losses	415,452	5,990	(221,875)	(182,302)	17,265
Other provisions	-	-	-	-	-
	1,398,069	**35,990**	**(292,375)**	**(182,302)**	**959,382**

	31 December 2020				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings	640,500	70,000	-	-	710,500
Income tax	272,118	-	-	-	272,118
Onerous contracts	282,673	-	(282,673)	-	
Coverage of losses	28,779	415,452	-	(28,779)	415,452
Other provisions	27,690	-	(27,690)	-	-
	1,251,760	**485,452**	**(310,363)**	**(28,779)**	**1,398,069**

19. LOANS RECEIVED

		31 December 2021			31 December 2020		
			Value used			Value used	
	Funding entity	Limit	Current	Non-current	Limit	Current	Non-current
Bank loans							
LT Loan 613.9 MEUR	DGTF 2011 (part)	105,974,436	52,987,218	-	105,974,436	52,987,218	
LT Loan 648.6 MEUR	DGTF 2012 (part)	410,833,969	308,125,476	-	410,833,969	308,125,476	
LT Loan 412.9 MEUR	DGTF 2013 (part)	129,885,756	129,885,756	-	129,885,756	129,885,756	
LT Loan 32.6 MEUR	DGTF 2017 (part)	15,426,066	10,284,044	5,142,022	15,426,066	7,713,033	7,713,033
LT Loan 421.97 MEUR	DGTF 2018 (part)	159,965,533	79,982,767	79,982,767	159,965,533	53,321,844	106,643,689
LT Loan 131.88 MEUR	DGTF 2019 (part)	23,556,727	7,852,242	15,704,485	23,556,727	3,926,121	19,630,606
LT Loan 154.51 MEUR	DGTF 2020 (part)	17,395,008	2,899,168	14,495,840	17,395,008	-	17,395,008
LT Loan 100.86 MEUR	DGTF 2021 (part)	29,239,923	-	29,239,923	-	-	-
Shareholders' loans 49.3 MEUR	DGTF 2020	49,300,000	49,300,000	-	49,300,000	49,300,000	-
Shareholders' loans 18.33 MEUR	DGTF 2021	18,331,823	18,331,823	-	-	-	-
LT TREM Loan 2000 (50 MEUR)	Banco Santander	50,000,000	-	-	50,000,000	-	-
LT TREM Loan 2000 (50 MEUR)	Caixa Geral de Depósitos	50,000,000	-	-	50,000,000	-	-
LT TREM II Loan 2001 (105 MEUR)	Banco Santander Totta	52,777,778	-	-	52,777,778	28,100,890	-
LT TREM II Loan 2001 (105 MEUR)	Caixa Geral de Depósitos	26,388,889	-	-	26,388,889	14,050,445	-
LT TREM II Loan 2001 (105 MEUR)	Caixa BI	26,388,889	-	-	26,388,889	14,050,445	-
LT TREM II Loan 2002 (105 MEUR)	Banco Santander Totta	52,777,778	28,049,938	-	52,777,778	1,619,456	28,049,938
LT TREM II Loan 2002 (105 MEUR)	Caixa Geral de Depósitos	26,388,889	14,024,969	-	26,388,889	809,728	14,024,969
LT TREM II Loan 2002 (105 MEUR)	Caixa BI	26,388,889	14,024,969	-	26,388,889	809,728	14,024,969
Bank overdrafts		-	-	-	-	828	-
			715,748,370	144,565,037		664,700,970	207,482,211

Further information regarding loans raised from the DGTF is disclosed in Note 5.9.

The Company's Board of Directors understands that the repayment of its liabilities, notably regarding loans received repayable in the short-term, will continue to be performed, notably by obtaining additional funding lines in coordination with its shareholder.

Loans received by maturity

	31/12/2021	31/12/2020
Up to 1 year	715,748,369	664,700,142
1 to 2 years	-	56,099,875
More than 2 years	144,565,037	151,382,336
	860,313,406	872,182,353

20. POST-EMPLOYMENT BENEFITS – DEFINED BENEFIT PLANS

As mentioned in Note 3.15, the Company has undertaken to grant employees financial allowances for their retirement, disability and survivor pension supplements. As at 31 December 2021, the number of active employees and retirees/pensioners amounted to 967 and 1,336, respectively (978 and 1,363 as at 31 December 2020).

The allowances mentioned above correspond to pension supplements guaranteed by the Social Security scheme, which are determined according to the number of years of service at the Company, Social Security contributions and the last wage earned on the retirement date.

In 2004, the Company decided and agreed with the trade unions that all employees recruited after 31 December 2003 would no longer be covered by this pension plan.

In the financial year ended on 31 December 2021, an actuarial assessment was carried out by an independent entity of the plan's assets and the present value of the liability and defined benefits.

Pursuant to the actuarial studies reported as at 31 December 2021 and 2020, the current value of the Company's liabilities for its active and retired employees' past services was estimated at:

	31/12/2021	31/12/2020
Active workers	110,919,404	110,797,640
Retired employees	159,865,278	163,802,846
	270,784,682	**274,600,485**

The reduction in total liabilities is essentially due to the increase in the yield rate, which shifted from 1% to 1.1%.

The actuarial study reported as at 31 December 2021 was carried out using the 'Projected Unit Credit' method, which took into consideration the following assumptions and technical and actuarial bases:

	31/12/2021	31/12/2020
Mortality tables		
Male Mortality Table	TV88/90	TV73/77-1
Female Mortality Table	TV88/90	TV88/90
Disability Tables	EKV80	EKV80
Rates		
Technical Pension Rate	1.10%	1.00%
Wage Growth Rate	1.50%	1.50%
Discount rate	1.10%	1.00%

The evolution in the Company's liabilities related to pensions was as follows:

	31/12/2021	31/12/2020
Total liabilities at the beginning of the period	274,600,485	271,350,648
Current service costs	3,915,954	3,787,688
Interest costs	2,705,336	3,527,558
Benefits paid in the year	(12,049,714)	(12,309,842)
Actuarial (gains) losses of the year	1,612,620	8,244,433
Total liabilities at the end of the period	**270,784,682**	**274,600,485**

The cost of current services and the cost of interest for 2021, correspondingly, amounting to 3,915,954 euros and to 2,705,336 euros, were recognized in the income statement in the item 'Personnel expenses'.

The evolution of actuarial gains/losses, recognized under the item 'Adjustments/other changes in equity' in the financial years ended on 31 December 2021 and 2020 is as follows:

	31/12/2021	31/12/2020
Other changes in equity		
Opening balance	**(43,802,617)**	**(35,558,185)**
Actuarial gain	-	-
Actuarial loss	(1,612,620)	(8,244,433)
Closing balance	**(45,415,238)**	**(43,802,617)**

As at 31 December 2021, the actuarial losses primarily arise from the change of the mortality table for the male population, although mitigated by the rise of the discount rate.

As 31 December 2021, the Company had not established any funds to deal with these liabilities, which are recorded in the balance sheet.

21. OTHER FINANCIAL LIABILITIES

This item includes interest rate swaps related to loans received and non-current debt of investment grants:

	31/12/2021	31/12/2020
Swaps	19,263,628	43,363,932
Investment grants - ERDF-CSF	1,384,310	2,496,645
Investment grants - Environmental Fund	28,141,149	-
	48,789,088	**45,860,577**

The breakdown by swap agreement is as follows:

Swap	Entity	Maturity	Original notional	Current notional	Fair value 31/12/2021	Fair value 31/12/2020
26#METLIS BSN Set2022	BSN	9/23/2022	99,240,295	56,099,878	19,263,628	43,363,932
					19,263,628	**43,363,932**

22. SUPPLIERS

	31/12/2021	31/12/2020
CJC Engenharia e Projectos, Lda.	690,500	690,500
TML - Transportes Metropolitanos de Lisboa, EMT, S.A.	435,111	-
GEOCONTROLE - Geotecnia e Estruturas de Fundação, S.A	213,540	-
Iberdrola Clientes Portugal, Unipessoal, Lda.	199,727	10,305
CP - Comboios de Portugal, E.P.E.	70,006	10
Stap - Reparação, Consolidação e Modificação de Estrutura	68,584	-
LIMPERSADO - Limpeza, Máquinas e Transportes, S.A.	57,549	130,835
ISS Facility Services - Gestão e Manutenção de Edifícios, Ld	34,044	331,436
CARRIS - Companhia Carris de Ferro de Lisboa, E.M., S.A.	9,192	3,392,967
Transportes Rodrigues & Lourenço, Lda.	2,066	81,893
2045 Empresa de Segurança, S.A.	915	970,432
RACE Refrigeration & Air Conditioning, SA	-	216,060
IP Património, S.A.	-	148,845
SISCOG, LINK, TECMIC, A.C.E.	-	142,696
Schmitt - Elevadores, Lda.	-	98,038
TPF - Consultores de Engenharia e Arquitetura, S.A.	-	548,175
CENOR - Consultores, S.A.	-	290,672
TST - Transportes Sul do Tejo, S.A.	-	97,654
Exide Technologies, Lda.	-	92,250
Siemens Mobility Unipessoal, Lda.	-	89,569
GRUPO 8 - Vigilância e Prevenção Electrónica, Lda.	-	80,039
Otlis - Operadores de Transportes da Região de Lisboa, A.(	-	70,416
Other	154,003	1,563,963
	1,935,236	**9,046,753**

23. OTHER DEBTS PAYABLE

	31/12/2021	31/12/2020
Accrued expenses - Interest payable	28,445,860	27,257,350
Grants - Environmental Fund	2,441,792	14,125,183
Grants - Recovery and Resilience Plan (PRR)	5,512,000	-
Accrued expenses - Remunerations payable	10,156,852	10,237,114
Investment suppliers	4,506,566	5,263,649
Investment grants - ERDF-CSF	1,112,335	1,112,335
Investment grants - ERDF-PRODAC	-	130,765
Other	8,648,006	5,535,588
	60,823,411	**63,661,984**

24. REVENUE

	2021	2020
Sales	47,919	27,282
Income from services		
Tickets	19,141,087	16,848,492
Passes	32,485,054	33,208,552
Cards	1,433,080	1,103,881
AML fare compensation	7,940,398	8,903,066
Financial compensation 4_18, Sub23, Socia	3,574,453	3,458,364
Commercial spaces	-	-
Advertising operation	149,946	1,349,782
Technical advice	34,326	259,768
Loan agreements	65,293	58,763
Operation contracts	1,721,817	1,568,184
Other	837,352	738,815
	67,430,724	**67,524,950**

The revenue recognized in 2021 arising from Lisbon Metropolitan Area fare compensation includes the value of 2,680,316 euros relative to payments on account (fixed PART) for the months of September to December 2021, the receipt of which is pending approval of the application submitted on 31 January 2022 by Transportes Metropolitanos de Lisboa, E.M.T., S.A. (TML) to the Environmental Fund, as disclosed in Note 15. The Board of Directors firmly believes that this value, based on calculations validated by TML, is due under the terms of the legislation in force and shall be received as soon as the necessary sums to make the outstanding payments are provided to Lisbon Metropolitan Area/TML. This Fare Reduction Support Programme (PART) corresponds to compensation attributed to the operators for the purpose of providing financial support to the adherent transport operators in Lisbon Metropolitan Area, in which ML is framed.

25. OPERATING GRANTS

	2021	2020
AML - Support for restoring the supply of public transport	36,718,196	21,451,009
PRR - Alcântara Red Line extension	1,135,080	-
Environmental Fund - Rato/Cais do Sodré extension	94,252	70,050
PRR - Loures-Odivelas Light Surface Metro	68,125	-
Environmental Fund - Modernization of Signalling Systems Project (CBTC)	28,500	132,977
Lisbon City Council - People, Processes & Technology Project	-	86,800
	38,044,153	**21,740,836**

The sum attributed to ML under the support for restoring supply, of the value of 36,718,196 euros, arises from Decree-Law no. 6-B/2021 of 15 January, which extended, up to the end of 2021, the enforcement of the rules for attributing funds and compensations to essential transport operators, in the context of the COVID-19 pandemic. This value includes 5,221,627 euros relative to payments on account (variable PART) for the months of September to December 2021, pending receipt, as disclosed in Note 24, and an adjustment of 460,223 euros relative to the PART variable portion for 2020, amounting to 1,622,440 euros, as disclosed in Note 15. This Fare Reduction Support Programme (PART) corresponds to compensation attributed to the operators for the purpose of providing financial support to the adherent transport operators in Lisbon Metropolitan Area, in which ML is framed.

26. GAINS/LOSSES FROM FINANCIAL INVESTMENTS

	2021	2020
Associates		
Publimetro - Publicidade em Meios de Transporte e Outros, S.A.	221,875	(272,790)
Joint ventures		
OTLIS - Operadores de Transportes da Região de Lisboa, A.C.E.	547,124	72,919
Ensitrans - Engenharia e Sistemas de Transporte, A.E.I.E.	158,082	(132,057)
	927,081	**(331,929)**

27. EXTERNAL SUPPLIES AND SERVICES

	2021	2020
Electricity	(7,121,721)	(8,586,358)
Surveillance and security	(6,100,436)	(6,189,701)
Maintenance and repair	(5,254,789)	(4,921,105)
Cleaning, hygiene and comfort	(4,881,663)	(4,320,089)
Specialised work	(1,482,050)	(1,666,264)
Other	(3,158,988)	(3,333,644)
	(27,999,647)	**(29,017,161)**

28. PERSONNEL EXPENSES

	2021	2020
Remunerations of governing bodies	(276,174)	(275,419)
Remunerations of personnel	(59,304,584)	(58,508,115)
Post-employment benefits	(6,625,935)	(7,315,831)
Charges on remunerations	(13,712,271)	(13,296,566)
Work accident and occupational disease insurance	(773,643)	(818,588)
Health insurance	(1,049,103)	(890,103)
Social action expenses	(889,393)	(943,682)
Other	(350,079)	(287,513)
	(82,981,182)	**(82,335,816)**

The average number of employees at the Group's service in 2021 was 1,518 (1,515 in 2020). The total number of employees as at 31 December 2021 stood at 1,521 (1,517 in 2020).

29. OTHER INCOME

	2021	2020
Favourable exchange rate differences	4,054,938	1,111
Investment grants	1,243,100	1,243,100
Corrections relative to previous years	904,317	793,059
Real estate property rents	586,619	579,355
Energy assignment	161,605	199,840
Interest	36,051	81,201
Surplus tax estimate	-	353
Other	240,524	147,818
	7,227,154	**3,045,838**

The sub-item 'Investment grants' includes the allocation of grants from the European Regional Development Fund (ERDF) – Operational Programme to Develop Accessibilities (PRODAC) 1993 and Community Support Framework 1995 and 1997. These grants aimed to finance investments made by the Company in the Depot and Workshops (PMO) II and III and in the 17 Triple Unit (UT) interim series, the 20 UT complementary 95 series and PMO III. This income is allocated on a systematic basis in order to balance it with the depreciation expenses of the associated property, plant and equipment.

30. OTHER EXPENSES

	2021	2020
Corrections relative to previous years	(2,021,108)	(671,870)
Taxes	(506,589)	(538,693)
Losses in non-financial investments	(368,888)	(200,878)
Levies	(105,429)	(141,044)
Inventory losses	(56,621)	(222,543)
Unfavourable exchange rate differences	(3,932)	(4,909,534)
Other	(93,747)	(86,290)
	(3,156,314)	**(6,770,851)**

31. INTEREST AND SIMILAR EXPENSES INCURRED

	2021	2020
Interest - swaps	(23,840,096)	(22,427,142)
Interest - loans received	(1,195,836)	(1,689,330)
Interest - leases (Note 7)	(6,534)	(4,419)
Other interest	(216,782)	(287,589)
	(25,259,247)	**(24,408,480)**

32. INCOME TAX

The Group companies, with registered office in Portugal, are subject to Corporate Income Tax (IRC), based on their individual net income, at the rate of 21%, plus a maximum surcharge of 1.5% levied on taxable profit, thus resulting in an aggregate tax rate of 22.5%.

Pursuant to article 88 of the Corporate Income Tax Code (CIRC), the Company is subject to autonomous taxation for a set of charges, levied at the rates established in that article.

Under the legislation currently in force, the Company's tax returns are subject to review and correction by the tax authorities for a period of four years (five years in case of Social Security), unless tax losses have been assessed, tax benefits have been granted, or there are pending tax audits, claims or appeals, in which cases, in light of the circumstances, the deadlines may be extended or suspended. The Board of Directors considers that any potential corrections arising from reviews/tax audits performed by the tax authorities on those tax returns shall not significantly affect the financial statements as at 31 December 2021.

Tax losses generated in financial years started on or after 1 January 2014 may be carried forward for a period of 12 years, and tax losses generated in financial years started on or after 1 January 2016 may be carried forward for a period of 5 years. Furthermore, article 11(1) of Law no. 27-A/2020 of 24 July stipulates that tax losses calculated for the tax periods of 2020 and 2021 should be deducted in one or more of the following 12 tax periods, even if the company is not classified as a small or medium-sized enterprise. On the other hand, article 11(3) of this Law establishes that the calculation of the reporting time limit for tax losses in force on the first business day of the 2020 tax period should be suspended during that tax period and the following. Thus, the deadlines for carrying forward the ML Group companies' deductible tax losses are as follows:

	2021		2020	
	Value	Limit	Value	Limit
Generated in 2014	5,277,942	2028	5,277,942	2028
Generated in 2015	695,274	2029	695,274	2029
Generated in 2016	378,323	2023	378,323	2023
Generated in 2017	39,766,185	2024	39,766,185	2024
Generated in 2018	21,701,153	2025	21,701,153	2025
Generated in 2019	14,039,875	2026	14,039,875	2026
Generated in 2020	41,815,801	2027		
	123,674,552		**81,858,752**	

The reconciliation between the nominal income tax rate and the effective tax rate in the financial years 2021 and 2020 is as follows:

	2021				2020			
	ML	Ferconsult	Metrocom	TOTAL	ML	Ferconsult	Metrocom	TOTAL
Profit before tax	**(22,895,209)**	**113,001**	**(33,237)**		**(57,130,373)**	**316,059**	**28,412**	
Permanent differences	6,487,056	378,511	(9,600)		4,325,843	39,402	393	
Taxable profit	**(16,408,154)**	**491,512**	**(42,837)**		**(52,804,530)**	**355,460**	**28,805**	
Tax losses deducted	-	(344,059)	-		-	(248,822)	-	
Tax base	-	**147,454**	-		-	**106,638**	**28,805**	
Nominal tax rate	21%	21%	21%		21%	21%	17 / 21%	
Tax due	-	**(30,965)**	**8,996**		-	**(22,394)**	**(5,449)**	
Municipal surcharge	-	(7,373)	-		-	(5,332)	(432)	
Autonomous taxation	(5,361)	-	-		(1,018)	(2,575)	-	
Income tax	**(5,361)**	**(38,338)**	**8,996**	**(34,703)**	**(1,018)**	**(30,301)**	**(5,881)**	**(37,200)**
Effective tax rate	-	**33.93%**	-		-	**9.59%**	**20.70%**	

33. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

2021	Assets	Liabilities	Income	Expenses
Shareholder				
Portuguese State	-	2,115,705,938	-	-
Associates				
Publimetro	1,275,503	-	852,416	-
Joint ventures				
OTLIS (under liquidation)	-	-	555,161	(17,435)
Ensitrans	12,761	-	34,326	-
Key management personnel				
Board of Directors	-	-	-	(228,503)

2020	Assets	Liabilities	Income	Expenses
Shareholder				
Portuguese State	-	1,996,518,416	-	-
Associates				
Publimetro	1,640,838	-	1,754,189	-
Joint ventures				
OTLIS	145,410	70,849	3,326,261	(89,629)
Ensitrans	5,381	-	315,655	-
Key management personnel				
Board of Directors	-	-	-	(227,749)

The transactions recorded with the members of the Board of Directors in 2021 and 2020 refer to their remunerations, contributions and non-monetary benefits, with no post-employment benefits, of long-term nature, severance pay or remuneration in equity having been granted.

34. GUARANTEES PROVIDED

Entity	Start Date	Beneficiary	2021 Value	2020 Value
Banco BPI	10-03-2006	TRIB.ADM.F.LX-2°JUÍZO	7,494	7,494
Banco BPI	11-05-2006	FINANCE 4TH TAX DISTRICT	95,482	95,482
Banco BPI	30-06-2010	TRIB.TRIBUT.2ª.INST.LIS	-	1,583
Banco BPI	17-08-2011	LISBON CITY COUNCIL	7,661	7,661
Banco BPI	17-06-2014	PETROGAL	7,500	7,500
Banco BPI	03-07-2015	Lisbon Judicial District Central Inst. 1 Labour	438,047	438,047
Banco BPI	28-04-2016	Lisbon Judicial District Central Inst. 1 Labour	760,610	760,610
Banco BBVA	19-02-1998	Petrogal	3,990	3,990
Banco BBVA	21-03-2007	Public Treasury	1,632	1,632
Banco BBVA	06-12-2010	Public Treasury	272,118	272,118
Banco CGD	02-06-2016	COSEC	-	29,582
Banco CGD	02-06-2016	COSEC	86,130	86,130
			1,680,665	**1,711,830**

35. CONTINGENT LIABILITIES

As at 31 December 2021, there are indemnity claims for damages sent to the Group amounting to 18,049 euros, which primarily refer to expropriation legal proceedings and damages caused by construction works related to the network expansion plan.

36. DISCLOSURES REQUIRED BY LAW

For the purpose of compliance with the provisions of article 66-A(1)(b) of the Portuguese Companies Code, it is hereby declared that the total fees invoiced during the financial year by the audit firms, for the annual statutory audit of the Group companies, amounted to 37,060 euros.

37. SUBSEQUENT EVENTS

5Th Wave of the COVID-19 Pandemic

Since mid-2021, the mass adherence to vaccination, combined with the maintenance of certain restrictions and preventive attitudes, has enabled a higher degree of predictability as to the pandemic's behaviour, facilitating its control and anticipation of scenarios. Nevertheless, the evolution of a fifth wave was experienced towards the end of 2021 and in early 2022. However, in contrast to the earlier waves, the severity of restrictions was alleviated. A number of measures, such as mandatory telework, were re-enforced; thus, giving rise to the population's lower mobility during the month of January, although there was no significant slowdown of economic activity.

Russia's Invasion of Ukraine

Russia spearheaded a large-scale military operation against Ukraine on 24 February 2022. Following the international community's widespread condemnation of the event, western countries and Member States of the European Union, including Portugal, have progressively been applying sanctions to various business sectors of the Russian Federation. The sanctions at an economic level include, for example, reduction of trade and exclusion from the SWIFT payments system. In the context of the global economy, the effects of this regional war have massively spilled over the borders worldwide, not just in the humanitarian sphere but also in the economic. In 2021, Russia featured as one of the key players in energy production, being the third most important supplier of natural gas to Portugal. Therefore, notwithstanding the uncertainty currently enshrouding the economic impact of the conflict, the substitution of Russian gas imports may possibly lead to extra costs being incurred, in addition to all the other repercussions in global value chains, which will push up the price of products and services.

Price Increase

Confirming the upward trend that had been evident since 2021, the estimated variation of the Harmonised Index of Consumer Prices (HICP) for the month of March 2022 stood at 5.5%, according to the Portuguese National Institute of Statistics (INE). The variation of the energy product component has proved to be one of the main drivers of this increase, with this aggregate component having increased by 19.8%. In fact, the constraints and instability of supply chains, especially in the energy sector, the exposure to geopolitical conflicts, especially the war in Ukraine, and its adjacent implications, are generating an economic scenario of uncertainty, triggering strong volatility of commodity prices. The increased fluctuations of energy prices have had a spillover effect in the cost of products and services, especially in sectors highly dependent on electrical energy for pursuing their operations. This is the case of Metropolitano de Lisboa, where a heavy exacerbation of energy expenses is expected, which will inevitably penalize ML's operating efficiency (cost-to-income) ratio.

THE BOARD OF DIRECTORS	THE CERTIFIED ACCOUNTANT
Vitor Manuel Domingues dos Santos	Pedro Miguel Galante Antunes Paiva
Maria Helena Arranhado Carrasco Campos	

STATEMENT

Article 245(1)(c) of the Portuguese Securities Market Code (CVM) stipulates that each one of the persons responsible within the issuer must make the set of statements established in that article. Metropolitano de Lisboa, E.P.E. adopted a uniform statement with the following content:

I state, under the terms and for the purposes established in article 245(1)(c) of the Portuguese Securities Market Code (CVM) that, to the best of my knowledge, the information stipulated in item (a) was prepared in conformity with the applicable accounting standards, providing a true and appropriate reflection of the assets and liabilities, financial situation and net income of Metropolitano de Lisboa, E.P.E. and of the companies included in its consolidation perimeter, that the management report faithfully presents the evolution of the business, performance and position of the entity and companies included in its consolidation perimeter, and contains a description of the main risks and uncertainties facing them. Pursuant to that legal provision, the signatories and their positions are listed below:

Vitor Domingues dos Santos

Chairman of the Board of Directors

Maria Helena Campos

Member of the Board of Directors

v. Budget Statements

Forecast

1 - Budget and Multi-Annual Budget Plan

Unit: Euros

Items	Name	Budget			Multi-annual budget plan	
		2020	2021	Sum	2022	2023
	CURRENT REVENUE	**146,820,727**	**151,969,941**	**298,790,668**	**0**	**0**
R1	Tax Revenue	0	0	0	0	0
R11	Direct taxes		0	0		
R12	Indirect taxes		0	0		
R2	Contribution to social protection systems and health subsystem		0	0		
R3	Rates, fines and other penalties		0	0		
R4	Property income		0	0		
R5	Current Transfers	3,982,702	27,100,000	31,082,702	0	0
R51	Public Administrations	3,982,702	17,100,000	21,082,702	0	0
R511	Central Administration - State	3,959,702	17,100,000	21,059,702	0	0
R512	Central Administration - Other entities	23,000	0	23,000	0	0
R513	Social Security		0	0		
R514	Regional Administration		0	0		
R515	Local Administration		0	0		
R52	External - European Union			0		
R53	Other			0		
R6	Sale of products and services	142,838,025	104,046,748	246,884,773	0	0
R7	Other current revenue		20,823,193	20,823,193		
	CAPITAL REVENUE	**98,948,014**	**60,947,536**	**159,895,550**	**0**	**0**
R8	Sale of investment assets	30,634,620	550,000	31,184,620	0	0
R9	Capital transfers	68,313,394	60,397,536	128,710,930	0	0
R91	Public Administrations	59,668,498	37,644,200	97,312,698	0	0
R911	Central Administration - State	59,668,498	37,644,200	97,312,698	0	0
R912	Central Administration - Other entities		0	0		
R913	Social Security		0	0		
R914	Regional Administration		0	0		
R915	Local Administration		0	0		
R92	External - European Union	8,644,896	22,753,336	31,398,232	0	0
R93	Other		0	0		
R10	Other capital revenue		0	0		
R11	Refund not written off from the payments			0		
	Effective revenue [1]	**245,768,741**	**212,917,477**	**458,686,218**	**0**	**0**
	Non-effective revenue [2]	**454,904,913**	**367,625,166**	**822,530,079**	0	0
R12	Revenue from financial assets		0	0		
R13	Revenue from financial liabilities	454,904,913	367,625,166	822,530,079	0	0
	Total revenue [3] = [1] + [2]	**700,673,654**	**580,542,643**	**1,281,216,297**	**0**	**0**

Unit: Euros

Items	Name	Budget 2021			Multi-annual budget plan	
		2020	2021	Sum	t+1	t+2
	CURRENT EXPENSE	**352,101,110**	**289,811,913**	**641,913,023**	**0**	**0**
D1	Personnel expense	83,000,000	84,002,460	167,002,460	0	0
D11	Fixed and permanent remunerations	53,772,838	54,275,298	108,048,136	0	0
D12	Variable or possible allowances	4,437,456	4,437,456	8,874,912	0	0
D13	Social security	24,789,706	25,289,706	50,079,412	0	0
D2	Acquisition of products and services	58,847,736	57,776,516	116,624,252	0	0
D3	Interest and other costs	199,432,885	147,291,972	346,724,857	0	0
D4	Current transfers	0	0	0	0	0
D41	Public Administrations	0	0	0	0	0
D411	Central Administration - State		0	0		
D412	Central Administration - Other entities		0	0		
D413	Social Security		0	0		
D414	Regional Administration		0	0		
D415	Local Administration		0	0		
D42	Non-profit making institutions		0	0		
D43	Households		0	0		
D44	Other current expenses		0	0		
D5	Grants		0	0		
D6	Other current expenses	10,820,489	740,965	11,561,454	0	0
	CAPITAL EXPENSE	**127,704,836**	**150,866,772**	**278,571,608**	**0**	**0**
D7	Investment	127,704,836	150,866,772	278,571,608	0	0
D8	Capital transfers	0	0	0	0	0
D81	Public Administrations	0	0	0	0	0
D811	Central Administration - State		0	0		
D812	Central Administration - Other entities		0	0		
D813	Social Security		0	0		
D814	Regional Administration		0	0		
D815	Local Administration		0	0		
D82	Non-profit making institutions		0	0		
D83	Households		0	0		
D84	Other current expenses		0	0		
D9	Other equity expenses		0	0		
	Effective expense [4]	**479,805,946**	**440,678,685**	**920,484,631**	**0**	**0**
	Non-effective expense [5]	**216,514,597**	**139,863,958**	**356,378,555**	0	0
D10	Expense related to financial assets		0	0		
D11	Expense related to financial liabilities	216,514,597	139,863,958	356,378,555	0	0
	Total expense [6] = [4] + [5]	**696,320,543**	**580,542,643**	**1,276,863,186**	**0**	**0**
	Total balance [3] = [6]- [2]	**4,353,111**	**0**	**4,353,111**	**0**	**0**
	Overall balance [1] - [4]	**-234,037,205**	**-227,761,208**	**-461,798,413**	**0**	**0**
	Primary expense	280,373,061	293,386,713	573,759,774	0	0
	Current balance	-205,280,383	-137,841,972	-343,122,355	0	0
	Capital balance	-28,756,822	-89,919,236	-118,676,058	0	0
	Primary balance	-34,604,320	-80,469,236	-115,073,556	0	0

2 - Multi-annual investment plan

Unit: Euros

Goal	Project number	Project name	Budget item	Form of realization	Funding Source				Dates		Implementation stage	Payments								Total forecast
					GENERAL REVENUES	OWN REVENUES	EU	LOANS	Start	End		Realized in previous periods	Estimated realization of period t-1	Following periods						
														2021	Year 2022	Year 2023	Year 2024	Year 2025	Other	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]		[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21] = [13] + ... + [20]
	1	Network Refurbishment	D.7	E	22,066,441						n.a.									
	2	Network Expansion	D.7	E	5,761,850		27,753,336		2020	2024	3									0
	3	Modernization and CBTC	D.7	E/O	37,507,367				2020	2027	3									0
	4	TREM Lease	D.7	O	52,777,778				2020	2022	n.a.									0
	5	Other	D.7	E							n.a.									
	6	S. Sebastião/Alcântara Expansion	D.7	E			5,000,000		2021	2026	1									
	7	Odivelas/Loures Light Surface Metro	D.7	E			0		2021	2026	1									
				Total	**118,113,436**	**0**	**32,753,336**	**0**			**Total**			**0**	**0**	**0**	**0**	**0**	**0**	**0**

Individual reporting statements

1 - Budget performance statement - Revenue

Unit: Euros

ITEM	REVENUES	FUNDING SOURCES - 2021						2020
		OWN REVENUES	NERAL REVENU	EU	LOANS	BORROWED FUNDS	TOTAL	
	Balance of previous management							
	Budget operations **[1]**	28,509,677	15,615,751	3,146,042			**47,271,470**	**29,729,751**
	Restoration of budget operation balance						0	
	Treasury operations **[A]**						0	
	CURRENT REVENUE	**107,002,484**	**8,483,263**	**72,020,000**	**0**	**0**	**187,505,747**	**90,028,074**
R1	Tax revenue	0	0	0	0	0	0	0
R11	Direct taxes	0	0	0	0	0	0	0
R12	Indirect taxes	0	0	0	0	0	0	0
R2	Contribution to social protection systems and health subsystem	0	0	0	0	0	0	0
R3	Rates, fines and other penalties	0	0	0	0	0	0	0
R4	Property income	0	0	0	0	0	0	257,345
R5	Current transfers	0	8,483,263	0	0	0	8,483,263	3,963,263
R51	Public administrations	0	8,483,263	0	0	0	8,483,263	3,963,263
R511	Central administration - State	0	3,963,263	0	0	0	3,963,263	3,963,263
R512	Central administration - Other entities	0	4,520,000	0	0	0	4,520,000	0
R513	Social Security						0	0
R514	Regional Administration						0	0
R515	Local Administration	31,088,003	0	0	0	0	31,088,003	20,299,084
R52	External - European Union						0	0
R53	Other						0	0
R6	Sale of products and services	69,247,992	0	0	0	0	69,247,992	62,705,203
R7	Other current revenue	6,666,489	0	0	0	0	6,666,489	2,803,179
	CAPITAL REVENUE	**7,287,386**	**38,294,200**	**38,683,399**	**0**	**0**	**84,264,985**	**32,594,211**
R8	Sale of investment assets	1,444,226	0	0	0	0	1,444,226	485,327
R9	Capital transfers	0	38,294,200	0	0	0	38,294,200	31,474,692
R91	Public administrations	0	38,294,200	0	0	0	38,294,200	31,474,692
R911	Central administration - State	0	38,294,200	0	0	0	38,294,200	31,474,692
R912	Central Administration - Other entities		800,000				800,000	3,146,042
R913	Social Security		37,494,200				37,494,200	28,328,650
R914	Regional Administration						0	
R92	External - European Union			38,683,399			38,683,399	0
R93	Other			38,683,399			38,683,399	0
R11	Refund not written off from the payments	33,399	0	0	0	0	33,399	634,192
	Effective revenue [2]	**114,289,870**	**46,777,463**	**110,703,399**	**0**	**0**	**271,770,732**	**122,622,284**
	Non-effective revenue [3]	**0**	**253,904,909**	**0**	**119,187,522**	**0**	**373,092,431**	**524,236,813**
R12	Revenue from financial assets						0	0
R13	Revenue from financial liabilities	0	253,904,909	0	119,187,522	0	373,092,431	524,236,813
	Sum [4] = [1] + [2] + [3]	**142,799,547**	**316,298,123**	**113,849,441**	**119,187,522**	**0**	**692,134,633**	**676,588,848**
	Treasury operations [B]	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Individual reporting statements

1 - Budget performance statement - Expense

Unit: Euros

ITEM	PAYMENTS	FUNDING SOURCES - 2021						2020
		OWN REVENUES	GENERAL REVENUES	EU	LOANS	BORROWED FUNDS	TOTAL	
	CURRENT EXPENSE	**112,257,526**	**46,834,554**	**123,159**	**117,501,665**	**0**	**276,716,905**	**338,897,334**
D1	Personnel expenses	74,923,562	3,963,263	0	6,400,000	0	85,286,825	82,455,388
D11	Fixed and permanent remunerations	44,322,710	3,963,263	0	6,400,000	0	54,685,973	52,519,087
D12	Variable or possible allowances	4,397,404	0	0	0	0	4,397,404	4,275,031
D13	Social security	26,203,448	0	0	0	0	26,203,448	25,661,270
D2	Acquisition of products and services	34,803,237	68,837	115,673	11,931,823	0	46,919,570	47,940,571
D3	Interest and other costs	0	42,802,453	0	99,169,842	0	141,972,296	206,705,313
D4	Current transfers	0	0	0	0	0	0	
D41	Public Administrations	0	0	0	0	0	0	
D411	Central Administration - State	0	0	0	0	0	0	
D412	Central Administration - Other entities	0	0	0	0	0	0	
D413	Social Security	0	0	0	0	0	0	
D414	Regional Administration	0	0	0	0	0	0	
D415	Local Administration	0	0	0	0	0	0	
D42	Non-profit making institutions	0	0	0	0	0	0	
D43	Households	0	0	0	0	0	0	
D44	Other current expenses	0	0	0	0	0	0	
D5	Grants	0	0	0	0	0	0	
D6	Other current expenses	2,530,727	0	7,486	0	0	2,538,213	1,796,062
	CAPITAL EXPENSE	**20,397,406**	**92,090,239**	**38,266,267**	**0**	**0**	**150,753,912**	**73,905,446**
D7	Investment	20,397,406	92,090,239	38,266,267	0	0	150,753,912	73,905,446
D8	Capital transfers							
D81	Public Administrations							
D811	Central Administration - State							
D812	Central Administration - Other entities							
D813	Social Security							
D814	Regional Administration							
D815	Local Administration							
D82	Non-profit making institutions							
D83	Households							
D84	Other current expenses							
D9	Other equity expenses							
	Effective expense [5]	**132,654,933**	**138,924,793**	**38,389,426**	**117,501,665**	**0**	**427,470,817**	**412,802,780**
	Non-effective expense [6]	**0**	**139,863,958**	**0**	**0**	**0**	**139,863,958**	**216,514,597**
D10	Expense related to financial assets						0	
D11	Expense related to financial liabilities	0	139,863,958	0	0	0	139,863,958	216,514,597
	Sum [7] = [5] + [6]	**132,654,933**	**278,788,751**	**38,389,426**	**117,501,665**	**0**	**567,334,775**	**629,317,377**
	Treasury operations [C]	**0**					**0**	**172,143**
	Balance for following management							
	Budget operations **[8] = [4] - [7]**	10,144,614	37,509,373	75,460,015	1,685,857	0	124,799,858	47,271,471
	Treasury operations **[D] = [A] + [B] - [C]**	0	0	0	0	0	0	
	Overall balance [2] - [5]	-18,365,063	-92,147,330	72,313,973	-117,501,665	0	-155,700,085	-290,180,496
	Primary expense	132,654,933	96,122,339	38,389,426	18,331,823	0	285,498,521	206,097,467
	Capital balance	-13,110,020	-53,796,039	417,132	0	0	-66,488,927	-41,311,235
	Primary balance	-18,365,063	-49,344,876	72,313,973	-18,331,823	0	-13,727,789	-83,475,183
	Total revenue [1]+ [2] + [3]	142,799,547	316,298,123	113,849,441	119,187,522	0	692,134,633	676,588,848
	Total expense [5] + [6]	132,654,933	278,788,751	38,389,426	117,501,665	0	567,334,775	629,317,377

Budget performance statement - Revenue

Unit: Euros

Items	Name	Corrected forecasts (1)	Revenue to be recovered of previous periods (2)	Revenue paid-up (3)	Payments annulled (4)	Gross revenue collected (5)	Repayments and refunds: Issued (6)	Repayments and refunds: Paid (7)	Net revenues collected: 2020 (8)	Net revenues collected: 2021 (9)	Net revenues collected: Total (10) = (5) - (7)	Revenue to be collected at end of period (11)	Budget execution degree: Previous periods (12) = (8) / (2) x 100	Budget execution degree: Current period (13) = (9) / (2) x 100
	CURRENT REVENUE	**149,752,553**	**0**	**187,505,747**	**0**	**187,505,747**	**0**	**0**	**0**	**187,505,747**	**187,505,747**	**0**	**-**	**-**
R1	Tax revenue	0	0	0	0	0	0	0	0	0	0	0		
R11	Direct taxes								0		0			
R12	Indirect taxes								0		0			
R2	Contribution to social protection systems and health subsystem								0		0			
R3	Rates, fines and other penalties								0		0			
R4	Property income	0	0	0	0	0	0	0	0	0	0	0	-	-
R5	Current transfers	21,620,000	0	8,483,263	0	8,483,263	0	0	0	8,483,263	8,483,263	0	-	-
R51	Public administrations	21,620,000	0	8,483,263	0	8,483,263	0	0	0	8,483,263	8,483,263	0	-	-
R511	Central administration - State	17,100,000	0	3,963,263	0	3,963,263	0	0	0	3,963,263	3,963,263	0	-	-
R512	Central administration - Other entities	4,520,000	0	4,520,000	0	4,520,000	0	0	0	4,520,000	4,520,000	0	-	-
R513	Social Security								0		0		-	-
R514	Regional Administration								0		0		-	-
R515	Local Administration	31,088,008	0	31,088,003	0	31,088,003	0	0	0	31,088,003	31,088,003	0	-	-
R52	External - European Union										0		-	-
R53	Other										0			
R6	Sale of products and services	69,985,383	0	69,247,992	0	69,247,992	0	0	0	69,247,992	69,247,992	0	-	-
R7	Other current revenue	17,059,162	0	6,666,489	0	6,666,489	0	0	0	6,666,489	6,666,489	0	-	-
	CAPITAL REVENUE	**469,571,976**	**0**	**457,357,416**	**0**	**457,357,416**	**0**	**0**	**0**	**457,357,416**	**457,357,416**	**0**	**-**	**-**
R8	Sale of investment assets	1,444,227	0	1,444,226	0	1,444,226	0	0	0	1,444,226	1,444,226	0	-	-
R9	Capital transfers	76,327,599	0	76,977,599	0	76,977,599	0	0	0	76,977,599	76,977,599	0	-	-
R91	Public administrations	37,644,200	0	38,294,200	0	38,294,200	0	0	0	38,294,200	38,294,200	0	-	-
R911	Central administration - State	37,644,200	0	38,294,200	0	38,294,200	0	0	0	38,294,200	38,294,200	0	-	-
R912	Central Administration - Other entities								0		0	0	-	-
R913	Social Security								0		0	0	-	-
R914	Regional Administration								0		0	0	-	-
R915	Local Administration								0		0	0	-	-
R92	External - European Union	38,683,399	0	38,683,399	0	38,683,399	0	0	0	38,683,399	38,683,399	0	-	-
R10	Other capital revenue								0		0	0	-	-
R11	Refund not written off from the payments	33,399	0	33,399	0	33,399	0	0	0	33,399	33,399	0	-	-
R12	Financial assets	5,809,762		5,809,761	0	5,809,761	0	0		5,809,761	5,809,761	0		
R13	Financial Liabilities	385,956,989	0	373,092,431	0	373,092,431	0	0	0	373,092,431	373,092,431	0	-	-
	Balance of previous management - budget operations	47,271,472		47,271,470		47,271,470				47,271,470	47,271,470	0	-	-
		666,596,001	**0**	**692,134,633**	**0**	**692,134,633**	**0**	**0**	**0**	**692,134,633**	**692,134,633**	**0**	**-**	**-**

Budget performance statement - Expense

Unit: Euros

Items	Name	Expense payable of previous periods (1)	Corrected allocations (2)	On hold / released (3)	Commitments (4)	Liabilities (5)	Expenses paid net of write-backs			Commitments carried over (9) = (4) - (5)	Liabilities payable (10) = (5) - (8)	Budget execution degree	
							Previous periods (6)	Current period (7)	Total (8) = (6) + (7)			Previous periods (11) = (6) / (2) x 100	Current period (12) = (7) / (2) x 100
	CURRENT EXPENSE	**3,639,452**	**312,162,796**	**6,403,847**	**283,496,269**	**283,496,269**	**3,669,703**	**273,047,201**	**276,716,903**	**0**	**6,779,366**	**1.2**	**87.5**
D1	Personnel expenses	1,711	98,524,523	0	85,287,779	85,287,779	1,711	85,285,114	85,286,825	0	954	0.0	86.6
D11	Fixed and permanent remunerations	0	65,248,439	0	54,685,974	54,685,974	0	54,685,973	54,685,973	0	1	0.0	83.8
D12	Variable or possible allowances	0	4,497,415	0	4,397,414	4,397,405	0	4,397,405	4,397,405	9	0	0.0	97.8
D13	Social security	1,711	28,778,669	0	26,204,391	26,204,391	1,711	26,201,736	26,203,447	0	944	0.0	91.0
D2	Acquisition of products and services	3,629,088	61,749,647	6,403,847	53,223,182	53,223,182	3,629,088	43,290,482	46,919,570	0	6,303,612	5.9	70.1
D3	Interest and other costs	8,653	147,291,972	0	141,972,295	141,972,295	8,653	141,963,643	141,972,295	0	0	0.0	96.4
D4	Current transfers										0		
D41	Public Administrations										0		
D411	Central Administration - State										0		
D412	Central Administration - Other entities										0		
D413	Social Security										0		
D414	Regional Administration										0		
D415	Local Administration										0		
D42	Non-profit making institutions										0		
D43	Households										0		
D44	Other current expenses										0		
D5	Grants										0		
D6	Other current expenses	0	4,596,654	0	3,013,013	3,013,013	30,251	2,507,962	2,538,213	0	474,800	0.7	54.6
	CAPITAL EXPENSE	**5,064,953**	**351,287,163**	**0**	**324,974,520**	**324,974,520**	**5,064,953**	**285,552,918**	**290,617,871**	**0**	**34,356,649**	**1.4**	**81.3**
D7	Investment	5,064,953	211,423,204	0	185,110,561	185,110,561	5,064,953	145,688,960	150,753,913	0	34,356,648	2.4	68.9
D8	Capital transfers										0	-	-
D81	Public Administrations										0	-	-
D811	Central Administration - State										0	-	-
D812	Central Administration - Other entities										0	-	-
D813	Social Security										0	-	-
D814	Regional Administration										0	-	-
D815	Local Administration										0	-	-
D82	Non-profit making institutions										0	-	-
D83	Households										0	-	-
D84	Other current expenses										0	-	-
D9	Other equity expenses										0	-	-
D10	Financial assets										0	-	-
D11	Financial Liabilities	0	139,863,959	0	139,863,959	139,863,959	0	139,863,958	139,863,958	0	1	0.0	100.0
		8,704,405	**663,449,959**	**6,403,847**	**608,470,789**	**608,470,789**	**8,734,656**	**558,600,119**	**567,334,774**	**0**	**41,136,015**	**1.3**	**84.2**

Multi-annual investment execution

Unit: Euros

Goal	Project number	Project name	Budget item	Form of realization	Funding Source				Dates		Forecast value			Executed value			Annual financial execution level (%)	Overall financial execution level (%)
					GENERAL REVENUES	OWN REVENUES	EU	LOANS	Start	End	Year t	Following years	Total	Following years	2021	Total		
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14] = [12] + [13]	[15]	[16]	[17] = [15] + [16]	[17]	[18]
	1	Network Refurbishment	D.7	E	8,970,251	1,150,450									10,120,701	10,120,701	45.86%	
	2	Network Expansion	D.2	E	48,565	62,506									111,071	111,071	0.33%	
	2	Network Expansion	D.7	E	297,569	2,478,142	38,266,267								41,041,978	41,041,978	122.46%	
	3	Modernization and CBTC	D.2	E/O	20,272	15,939									36,211	36,211	0.10%	
	3	Modernization and CBTC	D.7	E/O	22,492,469	16,437,524									38,929,993	38,929,993	103.79%	
	4	TREM Lease	D.7	O	52,777,778										52,777,778	52,777,778	100.00%	
	5	Other	D.7	E	7,552,171	331,291									7,883,462	7,883,462	-	
	6	S. Sebastião/Alcântara Expansion	D.2	E			68,509								68,509	68,509	1.37%	
	7	Odivelas/Loures Light Surface Metro	D.2	E			54,650								54,650	54,650	-	
				Total	**92,159,075**	**20,475,852**	**38,389,426**	**0**		**Total**	**0**	**0**	**0**	**0**	**151,024,352**	**151,024,352**	**100.10%**	

Budget changes - Revenue

Unit: Euros

Items	Description	Revenue					Notes
		Initial forecasts	Budget changes			Corrected forecasts	
			Entries/increases	Reductions/annulments	Special loans		
[1]	[2]	[3]	[4]	[5]	[6]	[7]=[3]+[4]-[5]+[6]	[8]
	CURRENT REVENUE	**151,969,941**	**31,100,293**	**37,837,683**	**4,520,000**	**149,752,551**	
R1	Tax revenue						
R11	Direct taxes						
R12	Indirect taxes						
R2	Contribution to social protection systems and health subsystem						
R3	Rates, fines and other penalties						
R4	Property income	0	0	0	0	0	
R5	Current transfers	17,100,000	0	0	4,520,000	21,620,000	
R51	Public administrations	17,100,000	0	0	4,520,000	21,620,000	
R511	Central administration - State	17,100,000	0	0	0	17,100,000	
R512	Central administration - Other entities	0	0	0	4,520,000	4,520,000	
R515	Local Administration	0		0	0	0	
R6	Sale of products and services	104,046,748	0	34,061,365	0	69,985,383	
R7	Other current revenue	20,823,193	0	3,776,319	0	17,046,874	
	CAPITAL REVENUE	**60,947,536**	**894,227**	**0**	**15,930,063**	**77,771,827**	
R8	Sale of investment assets	550,000	894,227	0	0	1,444,227	
R9	Capital transfers	60,397,536	0	0		60,397,536	
R91	Public administrations	37,644,200	0	0	0	37,644,200	
R911	Central administration - State	37,644,200	0	0	0	37,644,200	
R912	Central Administration - Other entities					0	
R913	Social Security					0	
R914	Regional Administration					0	
R915	Local Administration					0	
R92	External - European Union	22,753,336	0	0	15,930,063	38,683,399	
R93	Other	0				0	
R10	Other capital revenue					0	
						0	
	Effective revenue [1]	**212,917,477**	**31,994,520**	**37,837,683**	**20,450,063**	**227,524,378**	
	Non-effective revenue [2]	**367,625,166**	**153,970,332**	**100,855,699**	**18,331,823**	**433,261,861**	
R11	Refund not written off from the payments	0	33,399	0	0	33,399	
R13	Financial Liabilities	367,625,166	100,855,699	100,855,699	18,331,823	385,956,990	
	Balance of previous management - budget operations	0	47,271,472			47,271,472	
	Total revenue [3] = [1] + [2]	**580,542,643**	**185,964,853**	**138,693,382**	**38,781,886**	**666,596,001**	

Budget changes - Expense

Unit: Euros

Items	Description	Expense					Notes
		Initial allocations	Budget changes			Corrected allocations	
			Entries/increases	Reductions/annulments	Special loans		
[1]	[2]	[3]	[4]	[5]	[6]	[7]=[3]+[4]-[5]+[6]	[8]
		289,811,913	**51,966,145**	**47,947,085**	**18,331,823**	**312,162,796**	
D1	Personnel expense	84,002,460	9,483,186	1,361,123	6,400,000	98,524,523	
D11	Fixed and permanent remunerations	54,275,298	5,888,110	1,314,969	6,400,000	65,248,439	
D12	Variable or possible allowances	4,437,456	59,959	0	0	4,497,415	
D13	Social security	25,289,706	3,535,117	46,154	0	28,778,669	
D2	Acquisition of products and services	57,776,516	38,453,116	46,411,808	11,931,823	61,749,647	
D3	Interest and other costs	147,291,972	174,154	174,154	0	147,291,972	
D6	Other current expenses	740,965	3,855,689	0	0	4,596,654	
		150,866,772	**40,106,369**	**0**	**20,450,063**	**211,423,204**	
D7	Investment	150,866,772	40,106,369	0	20,450,063	211,423,204	
	Effective expense [4]	**440,678,685**	**92,072,514**	**47,947,085**	**38,781,887**	**523,586,001**	
	Non-effective expense [5]	**139,863,958**	**0**	**0**	**0**	139,863,958	
D11	Expense related to financial liabilities	139,863,958	0	0	0	139,863,958	
	Total expense [6] = [4] + [5]	**580,542,643**	**92,072,514**	**47,947,085**	**38,781,887**	**663,449,959**	
	Total balance [3] = [6]- [2]	**0**	**93,892,339**	**90,746,297**	**0**	**3,146,042**	
	Overall balance [1] - [4]	**-227,761,208**	**-60,077,994**	**-10,109,402**	**-18,331,823**	**-296,061,623**	
	Primary expense	**293,386,713**	**91,898,360**	**47,772,931**	**38,781,887**	**376,294,029**	
	Current balance	-137,841,972	-20,865,852	-10,109,402	-13,811,823	-162,410,246	
	Capital balance	-89,919,236	-39,212,142	0	-4,520,000	-133,651,378	
	Primary balance	-80,469,236	-59,903,840	-9,935,248	-18,331,823	-148,769,651	

Changes to the multi-annual investment plan

Unit: Euros

Goal	Project number	Project name	Budget item	Dates		Payments							Modification (+/-)
						2021		Following periods					
				Start	End	Annual allocation	Corrected allocation	2022	2023	2024	2025	Other	
[1]	[2]	[3]		[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]=[7]-[6]
	1	Network Refurbishment	D.7			22,066,441	17,146,310	10,120,701					-4,920,131
	2	Network Expansion	D.2	2020	2024		137,209	111,071					137,209
	2	Network Expansion	D.7	2020	2024	33,515,186	73,688,493	41,041,978	0	0	0	0	40,173,307
	3	Modernization and CBTC	D.2	2020	2027		53,965	36,211					53,965
	3	Modernization and CBTC	D.7	2020	2027	37,507,367	46,790,915	38,929,993	0	0	0	0	9,283,548
	4	TREM Lease	D.7	2020	2022	52,777,778	52,777,778	52,777,778	0	0	0	0	0
	5	Other	D.7			0	12,448,965	7,883,462					12,448,965
	6	S. Sebastião/Alcântara Expansion	D.2	2021	2026		2,002,543	68,509					2,002,543
	6	S. Sebastião/Alcântara Expansion	D.7	2021	2026	5,000,000	2,997,457						-2,002,543
	7	Odivelas/Loures Light Surface Metro	D.2	2021	2026		666,680	54,650					666,680
	7	Odivelas/Loures Light Surface Metro	D.7	2021	2026	0	4,333,320						4,333,320
					Total	**150,866,772**	**213,043,635**	**151,024,352**	**0**	**0**	**0**	**0**	**62,176,863**

Treasury operations

Unit: Euros

Account code	Name	Opening balance	Revenues	Payments	Closing balance
REVENUE		**0**	**71,896,841**		**71,896,841**
R.17	Extra-budgetary Operations	0	71,896,841		71,896,841
R.17.02	Other treasury operations	0	71,896,841		71,896,841
R.17.02.00.O0.00	Other treasury operations	0	71,896,841		71,896,841
EXPENSE		**0**		**0**	**0**
D.12	Extra-budgetary Operations	0		0	0
D.12.02.00	Other treasury operations	0		0	0
D.12.02.00.O0.00	Other treasury operations	0		0	0
	Total	**0**	**71,896,841**	**0**	**71,896,841**

vi. Opinion of the Supervisory Board on the Individual and Consolidated Accounts

Metropolitano de Lisboa, E.P.E.
SUPERVISORY BOARD

OPINION OF THE SUPERVISORY BOARD

METROPOLITANO DE LISBOA, E.P.E.

CONSOLIDATED REPORT AND INDIVIDUAL AND CONSOLIDATED ACCOUNTS 2021

1. FRAMEWORK

In compliance with the legal and statutory provisions in force, in particular the Commercial Companies Code (CSC)[1] and the Articles of Association of Metropolitano de Lisboa, E.P.E. (ML)[2], the Supervisory Board (SB) is responsible for exercising its supervisory activity and issuing an opinion on the Consolidated Management Report[3], the individual and consolidated financial statements of ML and its subsidiaries ("ML Group"[4]) and the proposed appropriation of results for the financial year ended 31 December 2021[5], taking into account the respective Statutory Auditor's Reports [6], the External Auditor's Audit Reports[7] and the corresponding Additional Reports[8].

This report and opinion take into consideration the specific regulatory framework applicable to companies in the State Enterprise Sector (SES), as well as the guidelines transmitted by the State, as the holder of the statutory capital, on the accountability process for 2021, through the circular letter of the Directorate-General for Treasury and Finance (DGTF). SAI_DGTF/2022/364, of 20 January, with the SC being responsible for verifying compliance with the legal guidelines in force for the SES, as well as the presentation of the Annual Report on Corporate Governance Best

[1] Article 60(2) of Decree-Law No. 133/2013, of 3 October, as amended, states that the supervisory bodies have the generic powers provided for in commercial law, without prejudice to the provisions of the aforementioned Decree-Law.

[2] Approved by Decree-Law No. 148-A/2009, of 26 June.

[3] Presented under the terms of Article 508-C(6) of the CSC.

[4] The consolidated accounts include, through the full consolidation method, the companies Metropolitano de Lisboa, E.P.E. (ML), Ferconsult - Consultoria, Estudos e Projetos de Engenharia de Transportes, S.A. (Ferconsult), Metrocom, S.A. - Exploração de Espaços Comerciais, S.A., TREM - Aluguer de Material Circulante, A.C.E. and TREM II - Aluguer de Material Circulante, A.C.E. The financial holdings in joint ventures and associated companies (Ensitrans - Engenharia e Sistemas de Transporte, A.E.I.E., Publimetro - Publicidade em Meios de Transporte e Outros, S.A. and Otlis - Operadores de Transportes da Região de Lisboa, A.C.E., which in the meantime was extinguished and its services were taken over by TML - Transportes Metropolitanos de Lisboa, E.M.T., S.A.) are included in the consolidated accounts through the equity method.

[5] Documents which were sent, for this purpose, to this Board on 31 May 2022, following their approval on the same date by the Board of Directors.

[6] Dated 31 May 2022.

[7] Issued under and pursuant to Article 45(2) of Decree-Law No. 133/2013, and Article 245(1)(b) of the Securities Code.

[8] Submitted to the Supervisory Board, by the Statutory Auditor and the External Auditor, under the terms laid down in Article 24(1) and (2) of the Legal Framework for Supervision and Auditing, approved by Law No. 148/2015 of 9 September 2015, as amended.

Practices, which must include current and complete information on all matters regulated by chapter II of the aforementioned law, as stipulated in Article 54(1) of the Legal Framework for the Public Enterprise Sector (RJSPE)[9].

In this context and for the purposes of this document, the following should be noted:

a) ML is a public corporate entity that is governed by its Statutes and by the RJSPE;

b) The individual and consolidated Financial Statements for 2021, approved by the Board of Directors (BoD) on 31 May 2022, were prepared in accordance with the Accounting Standards System (SNC)[10] and the International Financial Reporting Standards (IFRS), respectively, and the non-financial information was prepared in accordance with the GRI Standards guidelines;

c) The financial statements for the year ended 31 December 2020 have not yet been subject to formal approval by the Tutelage, with the Board of Directors having recorded the appropriation of results of those years as it considers that the financial statements and the proposals for the appropriation of results will be approved without significant changes;

d) Under the terms of the Budget Execution Law, ML is considered a reclassified public entity, thus integrating the Public Administration consolidation perimeter.

2. ACTIVITY CARRIED OUT BY THE SUPERVISORY BOARD

The SB, appointed in January 2017[11], monitored, within the scope of its competences, the activity of ML throughout 2021, as well as the subsequent accounts closure and review procedures.

In 2021, we considered the following activities carried out by the SB to be of particular importance:

a) Analysis of the proposed activities plan and budget for 2021 ("March/2021 review"), with the issuing of the respective opinion;

b) Analysis of the proposed activities plan and budget for 2022 and issuing of the respective opinion;

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9 Approved by the aforementioned Decree-Law No. 133/2013.

10 Approved by Decree-Law no. 158/2009, of 13 July, amended and republished by Decree-Law No. 98/2015, of 2 June.

11 The SB was appointed for the 2017-2019 term of office by Order of the then Secretaries of State for the Treasury and Finance and Deputy and for the Environment, of 25 January 2017.

c) Preparation of the SB's quarterly implementation monitoring report for the 1st quarter of 2021;

d) Consultation of the minutes of the Board of Directors' meetings;

e) Twenty-one SB meetings held.

In 2022, and with a special focus on the procedures for closing and reviewing the accounts for 2021, the following activities are of note:

a) Preparation of the SB's quarterly implementation monitoring reports for the 2nd and 3rd quarters of 2021;

b) Monitoring of the legal review and external audit of the individual and consolidated annual accounts, through various contacts and meetings, during which all the clarifications considered necessary were obtained;

c) Appraisal of the additional reports issued by the Statutory Auditor and External Auditors, prepared in compliance with the Legal Framework for Supervision and Auditing, the contents of which merit the agreement of this supervisory body;

d) Verification of the independence of the Statutory Auditor and External Auditor;

e) Consultation of the minutes of the Board of Directors' meetings;

f) Analysis of the sole management report presented in accordance with the provisions of Article 508-C(6) of the CSC, the individual and consolidated financial statements for 2021 and respective notes, the corporate governance report and the non-financial statements. In this context, the necessary clarifications to the questions posed were obtained from the Financial Department, the Statutory Auditor, the External Auditors and the Board of Directors at the meeting for the approval of the financial statements, with the presence of the Statutory Auditor, the External Auditors and all members of the Supervisory Board.

The SB counted on the full availability of the Board of Directors, the Statutory Auditor, the External Auditors, the head of the Financial Department, as well as most of the ML staff it had to contact to perform its duties, for which it is very grateful.

3. ASSESSMENT OF THE CONSOLIDATED REPORT AND THE ECONOMIC AND FINANCIAL SITUATION

3.1. The consolidated report submitted by the BoD, in accordance with Article 508-C of the CSC, adequately reflects the activity of ML and of the ML Group during the 2021 financial year, Metropolitano de Lisboa, E.P.E.

SUPERVISORY BOARD

and the analyses carried out therein are consistent with the individual and consolidated financial statements for that financial year.

Given its importance in the global performance of ML and the ML Group, the SB highlights, albeit in summary, the following aspects identified in that report:

a) The COVID-19 pandemic had a very significant impact on ML activity, namely due to the strong reduction in demand. the offer was permanently monitored in order to adjust to the needs that were being verified[12], with only 81.3 million passengers having been transported (validations), which corresponds to a negative variation of 53.9% (-92.4 million passengers) compared to 2019 (pre-pandemic);

b) Despite the difficulties arising from the pandemic situation, ML ensured the continuity of the various ongoing works and projects, with emphasis on: (i) network expansion - extension of the yellow and green lines; (ii) reopening of Arroios station, following the completion of the refurbishment and extension works; (iii) installation, renovation and revision of various fundamental systems for network control and supervision; (iv) resumption of the acquisition process for the new railway signalling system and 14 new triple units[13]; (v) future network expansion - extension of the red line and sustainable western and eastern intermodal line;

c) Ferconsult - Consultoria, Estudos e Projectos de Engenharia de Transportes, S.A. (Ferconsult, S.A.) in 2021, after the integration of its employees in ML at the end of 2020, did not develop any project and consultancy activity, as foreseen in the restructuring plan;

d) Continuation of the process started in 2018 of recruiting new employees for the commercial and maintenance areas, as well as senior technicians for other areas. Nevertheless, in 2021, compared to 2020, there was a net increase of only three employees.

3.2. The individual financial statements as at 31 December 2021 show an improvement in the company's net assets compared to 31 December 2020, compared to 31 December 2020, reflected in

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12 Changing the number of trains running at different times of the day and week, as well as changing the number of carriages per train running, without prejudice to compliance with the legal maximum load limit per tr

13 Following approval by the Court of Auditors in May 2021, after a period of suspension of the effects of the award contract imposed by legal proceedings that have since been terminated.

an equity of 1,761,058,651 euros (+256,289,768 euros), total assets of 5,820,484,379 euros (+124,024,732 euros) and total liabilities of 4,059,425,728 euros (-132,265,036 euros).

However, this development is essentially the result of the increase in share capital, 253.9 million euros fully subscribed and paid up, since the company continues to generate losses, which in 2021 amounted to 22.9 million euros, although there was an improvement compared to 2020 (loss of 57.1 million euros).

The operating profit came to 2.3 million euros, with a favourable evolution of 35.1 million euros compared to 2020 (-32.7 million euros) due to the combination of increased income (+30.3 million euros) and reduced costs (-4.8 million euros).

The variation in income reflects the effects of the COVID-19 pandemic situation that affected the whole of 2021, with decreases, compared to 2019 (pre-pandemic), in demand of 54.2% (passengers x km transported) and, consequently, in public service revenue[14] (-47.5 million euros). In this context, ML was awarded compensation of 36.7 million euros (variable PART), which is less than the drop in public service revenue, and therefore, in overall terms, there was a 10.9 million euros drop, compared to 2019, in these income components.

Financial charges remain very high (25.2 million euros), having increased by 0.9 million euros compared to 2020, and about 94% of these charges (23.8 million euros) relate to interest arising from swap contracts.

On 31 December 2021, ML's remunerated liabilities stood at 3,339 million euros, representing a reduction of 1.2% (-39 million euros compared to 31 December 2020), with it being noted that Treasury loans already amount to 61.3% of the total (57.6% as at 31 December 2020).

The investment capitalised in 2021 in ML's[16] fixed assets amounted to 87.4 million euros (increase of 74.9%, +65.5 million euros, compared to 2020), with emphasis on the following:

- Rato/Cais do Sodré extension (41.0 million euros);
- Modernisation of the blue, yellow and green lines - rolling stock and signalling (31.4 million euros);
- Refurbishment and extension of Areeiro and Arroios stations (4.7 million euros);

[14] Considering the revenues from transport tickets (monthly passes and occasional tickets), the financial compensations related to the 4-18/Sub-23/Social+ social passes and the payment exemption granted to former combatants, as well as the amounts received under the PART (AML).

[15] There was a significant reduction in the proportion of debt to the EIB (from 6.5% to 2.4%) and slight variations in the weight of bond loans (from 26.9% to 27.3%) and Schuldschein financing (from 8.9% to 9.0%).

[16] Gross Fixed Capital Formation.

Metropolitano de Lisboa, E.P.E.
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In terms of financial flows, in 2021, the cash balance increased by 77.5 million euros, which was made possible by obtaining positive balances from financing activities (91.3 million euros, with the amount of capital increases and financing obtained, although overall lower than in 2020, exceeding the amount of debt repayments and interest and similar expenses) and investment (3.6 million euros, with investment grant receipts exceeding total investment payments). Operating activity generated a negative cash flow of 17.3 million euros, although the favourable evolution compared to 2020, when the balance was -41.3 million euros, should be noted.

3.3. The consolidated financial statements as at 31 December 2021 reflect the financial position of the group of companies included in the consolidation (ML Group), the consolidated results and comprehensive income of its operations, changes in consolidated equity and consolidated cash flows.

It is worth mentioning the very significant weight of ML in the ML Group as a whole, which means there are no relevant differences between individual and consolidated accounts, showing total assets of 5,877,131,602 euros, total liabilities of 4,146,711,460 euros and equity of 1,730,420,142 euros. The most significant difference derives from the financing to TREM II, which at the end of 2021 amounted to 561 million euros.

The consolidated net profit in 2021 amounted to 22.9 million euros, demonstrating the insufficiency of the operating results (2.4 M€) to meet the financial results (-25.3 million euros).

3.4. In view of the above, in our understanding, for the economic and financial sustainability of ML and the ML Group, the following is desirable:

a) Define the terms and conditions that regulate the relationship between the Portuguese State and ML in terms of ownership and use of the long-term infrastructure (LTI);

b) Maintain the financing model through the statutory capital holder, with the main objectives of rectifying the current situation of insufficient equity and reducing remunerated liabilities;

c) Despite the difficulties arising from the pandemic situation caused by COVID-19, which has had a strong negative impact on the world and national economy, continue to develop efforts to improve operating conditions and the quality of service provided, determining factors for the growth of demand and, consequently, of fare revenue.

4. STATUTORY AUDITOR'S REPORT AND OPINION OF THE EXTERNAL AUDITORS

The individual and consolidated financial statements for the financial year 2021 were reviewed by the Statutory Auditor, which, in accordance with legal regulations, issued the competent Statutory Auditor's Reports, as well as the external audit reports. The documents issued by the Statutory Auditor and by the external auditors contain the reservations and emphases deemed adequate, with which the Supervisory Board is in agreement, and are deemed to be reproduced herein.

Both Statutory Auditor's Reports, relating to the individual and consolidated financial statements, dated 31 May 2022, express an opinion with reservations (three reservations due to limitation of scope and two emphases).

The reservations are recurrent and are related to situations whose resolution does not depend exclusively on ML, namely

a) The financial statements as at 31 December 2021 continue to show no changes in the classification, recognition and measurement of the concession assets, as well as other effects arising from the concession contract entered into with the Portuguese State on 23 March 2015. In addition, due to lack of sufficient information, it is not possible to conclude about any unregistered liabilities related to the administrative annulment of the tender award act relating to the sub-concession of the operation of the Lisbon underground transport system and the annulment of the corresponding sub-concession contract;

b) The terms and conditions that govern the relationship between the Portuguese State and ML regarding the ownership and use of the LTI are still missing, and it is not possible to conclude on the adequacy of the accounting policy adopted regarding the management of the LTI investment activities, as well as on its effects on the 2021 financial statements;

c) The balance sheet includes in current assets, as at 31 December 2021, the amount of 29.7 million euros relative to works carried out by ML on behalf of State enterprise sector entities for which, to date, the amounts to be invoiced and the respective payment conditions have either not been formalised or have been so in an insufficiently binding way.

The Audit Reports, on the individual and consolidated financial statements, issued under the terms required by Article 245(1)(b) of the Securities Code, dated 31 May 2022, express an opinion with reservations (four reservations and three emphases).

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The Statutory Auditor's Reports and the Audit Reports coincide with respect to the matters subject to reservation, with only one difference as to the respective form of presentation, since the reservation of the Statutory Auditor's Report identified in sub-paragraph a) above corresponds to two reservations of the Audit Report.

In this context, there is an urgent need to adopt measures that allow the mitigation of the insufficiencies previously mentioned, with special relevance for the definition of the terms and conditions that regulate the relationship between the Portuguese State and ML.

5. ASSESSMENT OF COMPLIANCE WITH LEGAL PROVISIONS AND "SHAREHOLDER" GUIDELINES

With relevance to this point, it should be noted that, through the Joint Order of Finance and Environment and Climate Action of 2 July 2021, signed by Your Excellencies the Secretaries of State for the Treasury and Mobility, the ML ABP proposal for 2021 was approved and authorisation was granted to: (i) the hiring of ten employees, and the company must ensure that the number of employees at the end of 2021 does not exceed by more than ten the number at the end of 2020; (ii) the increase in personnel expenses up to a maximum of 4.3 million euros[17], justified by the integration of employees from Ferconsult, S.A., the effect of the hirings authorised in 2020 and 2021, and the effect of the reclassifications of categories and remuneration increases resulting from the application of the collective labour regulation instruments in force and the update of the Pension Plan; (iii) the increase by 75 thousand euros in travel, subsistence and accommodation costs and those associated with the vehicle fleet (limiting these expenses to 414.3 million euros in 2021); and (iv) the increase in the overall costs of hiring studies, opinions, projects and consulting services by 435 million euros (limiting these expenses to 2.7 million euros in 2021).

In this context, and taking into account the information contained in point VII of the management report, the following should be highlighted:

a) Management and Budget Objectives for 2021

No management objectives were set for 2021, so the management report shows the status of implementation of efficiency, investment and indebtedness indicators projected in the 2021 ABP, as well as the status of implementation of the budget uploaded on the State Budget System, justifying the main deviations.

[17] Limiting personnel expenses to 85.8 M€ in 2021.

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b) Operational efficiency

The weight of operating expenses over turnover[18] (95.296) registered a favourable deviation of 5.9 p.p. compared to the budgeted and approved for 2021 (101.1%), noting that, to calculate this ratio, expenses (1.0 million euros) were subtracted, revenue losses (54.1 million euros)[19] justifiably related to the COVID-19 pandemic were added, and expenses (1.8 million euros) resulting from the integration of Ferconsult, S.A.[20] employees were subtracted.

Taking into account the terms of the Order approving the 2021 ABP, as well as the guidelines issued on the matter[21], it should be noted that the personnel expenses recorded in 2021 (82.8 million euros) represent a favourable deviation of 3.0 million euros compared to the budgeted and approved for the period (85.8 million euros) and represent an increase of 2.5 million euros compared to the same period of the previous year, the latter resulting from the integration of Ferconsult, S.A. employees (1.8 million euros) and progressions (1.1 million euros).

In 2021, the total expenditure on travel, subsistence, accommodation and vehicle fleet (309.0 million euros) and the total expenditure on contracting studies, opinions, projects and consultancy (1.4 million euros) were executed within the budgeted and approved limits for the period (375.6 million euros and 2.7 million euros, respectively).

c) Evolution of human resources

As at 31 December 2021, ML had a total of 1,516[22] employees (1,513[23] employees, as at 31 December 2020), which corresponds to a net increase of 3 employees compared to 2020.

d) Public Manager Statute - (PMS)[24]

As far as the SB is aware, ML complied with the provisions of the PMS regarding not allowing the reimbursement of personal representation expenses, not allowing the use of means of payment for expenses incurred in the service of the company, the limit on communication expenses and the limit established for fuel and tolls (set at ¼ of the value of representation expenses).

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18 For the purposes of measuring operating efficiency, operating costs (OC) correspond to the cost of goods sold and materials consumed, the cost of external supplies and services and personnel costs.
Revenues and expenses justifiably related to the COVID-19 pandemic may be excluded in the calculation of the OC to Turnover ratio.

19 Losses in fare revenue (tickets and monthly passes) and non- fare revenue (sale and personalisation of cards, commercial spaces and advertising).

20 The integration, with effect from December 2020, was authorised by Order No. 602/2020-SET, of 8 October.

21 Targets were set for maintenance/reduction, in view of the higher value between the amounts estimated for 2020 and those executed in 2019, of the following expenses: i) personnel expenses; ii) travel, subsistence, accommodation and those associated with the vehicle fleet, and iii) contracting of studies, opinions, projects and consultancy services.

22 Not considering the governing bodies.

23 Not considering the governing bodies.

24 Decree-Law No. 71/2007, of 27 March, as amended.

limit on communication expenses and the limit established for fuel and tolls (set at ¼ of the value of representation expenses).

With regard to the restitution, by the Directors appointed for the 2017-2019 term of office, of the difference between the remuneration earned with reference to classification A and the classification B assigned to the company, this body notes that the Director, at the time, of the legal and human capital departments, did not provide full compliance with the provisions of the Order of the Minister for the Environment and Energy Transition of 13 April 2019.

e) Indebtedness growth limit

Indebtedness grew by 3.37% compared to 31 December 2020, by applying the calculation formula contained in the guidelines transmitted by the DGTF, which constitutes an exceeding of the 2.07% limit approved under the 2021 ABP. It should be noted that the 2021 ABP (approved) was based on the assumptions (among others) of converting the LTI debt (DGTF loans) by incorporation into the State's assets (64.5 million euros) and converting current liabilities into capital liabilities (33.2 million euros), in a total value of 97.8 million euros, which did not materialise.

f) Principle of the State's Treasury Unity (UTE)

By Order[25] issued by the Agência de Gestão da Tesouraria e da Dívida Pública - IGCP, E.P.E., ML was exempted from complying with the UTE principle in the years 2020 and 2021, exclusively for amounts related to bank guarantees that cannot be replaced by escrow deposits in State treasury accounts. At the end of the period, ML had a 71.7% rate of centralisation of balances with the IGCP.

g) Public Procurement

In the management report, ML, as the contracting entity, explains that it applied the Public Procurement Code[26], and complied with all standards and regulations regarding public procurement. In this context, the SB points out that ML has signed a contract worth more than 5 million euros.

h) Average Payment Period and Overdue Payments

According to data disclosed by the company, reported on 31 December 2021, the average payment period was 35 days and arrears amounted to 114.6 million euros.

[25] Of 12 November 2020.

[26] Approved by Decree-Law No. 18/2008, of 29 January, as amended.

Although no management contracts have been signed, this body points out that, in compliance with the provisions of Article 67(4) of the State Budget for 2021, there was an increase in overdue payments compared to 31 December 2020[27].

i) Disclosure of information

As far as the SB is aware, ML has complied with the obligations to disclose information on its website and on the SEE website.

j) Budget Accounting

The SNC-AP is only applicable to ML regarding compliance with legal requirements related to budget accounting and the use of the multidimensional chart of accounts, for the purpose of integrating information into the Central Accounting and Public Accounts System. In this framework, ML presented the budget statements for the financial year 2021, attached to the management report, whose process still needs some improvement.

6. CORPORATE GOVERNANCE REPORT

In compliance with article 54 of the RJSPE, ML submitted the 2021 CGR, which generally follows the structure previously defined by the Technical Unit for Supervision and Monitoring of the Public Corporate Sector (UTAM). Attached to the 2021 CGR, ML submitted the report that includes the information required for the non-financial statements, as set forth in Article 66-B(2) of the CSC.

Considering the SB's analysis of the content of the 2021 CGR, including the respective annexes and the opinion expressed by the Statutory Auditor in the Statutory Auditor's Report on this matter, the SB is of the opinion that the ML's 2021 CGR, approved at the Board of Directors' meeting held on 31 May 2022, includes information on matters regulated in Chapter II of the RJSPE and reflects, in general, the compliance with the applicable legal provisions and the fulfilment of the guidelines in force.

Under these terms, and in compliance with Article 420(5) of the CSC, we are of the opinion that the 2021 CGR includes the elements required from ML under the terms provided for in Article 29-H of the Securities Code and the other legal provisions that apply to it.

[27] As at 31 December 2010, arrears amounted to 91.8 million euros.

7. OPINION

Considering the above, and taking into consideration the Statutory Auditor's Reports and the External Auditor's Reports, the Supervisory Board believes that the Consolidated Report and the individual and consolidated financial statements of ML clearly and accurately show the evolution of the company's activity during the year and reflect in a true and appropriate manner its economic and financial situation as at 31 December 2021.

In view of the above, and in compliance with Article 420(6) of the CSC, the Audit Board is of the opinion that:

a) The Consolidated Report and the Individual and Consolidated Financial Statements of ML, and their notes, for the financial year 2021, should be approved, taking into account the reservations and emphases expressed in the corresponding Statutory Auditor's Reports;

b) The proposal for the appropriation of results presented by the Board of Directors - whereby the loss recorded by ML in the year ended 31 December 2021, amounting to 22,900,570 euros, will be fully transferred to the retained earnings account - should be approved.

Lisbon, 31 May 2022.

The Supervisory Board

Chairman	Permanent Member	Permanent Member
(José Carlos Pereira Nunes)	(Cristina Maria Pereira Freire)	(Margarida Carla Campos) Freitas Taborda)

vii. Legal Certification of the Individual and Consolidated Accounts

[Logo: "ALVES DA CUNHA, A. DIAS & ASSOCIADOS – SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, Lda."]

STATUTORY AUDITOR'S REPORT

REPORT ON THE AUDITING OF THE FINANCIAL STATEMENTS

Qualified opinion

We audited the attached financial statements of *ML —Metropolitano de Lisboa, E.P.E.* (the Entity or ML), which comprise the balance sheet as at 31 December 2021 (showing a total of 5,820,484,379 euros and total equity of 1,761,058,651 euros, including a net loss of 22,900,570 euros), the income statement by nature, the statement of changes in equity and the cash flow statement for the year then ended, and the notes to the financial statements that includes a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters referred to in the "Bases for qualified opinion" section, the attached financial statements present, in a true and fair way, and in all material respects, the financial position of *ML — Metropolitano de Lisboa, E.P.E.* as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with the Accounting and Financial Reporting Standards adopted in Portugal through the Accounting Standards System.

Bases for qualified opinion

1. Following the "updating and unification of the general legal framework of the public service concession attributed to ML", through Decree-Law No. 175/2014, of 5 December, the Portuguese State concluded with ML, on 23 March 2015, a concession contract for the public transportation service by metro of passengers in Greater Lisbon. This contract includes the rights and obligations intended to achieve the public interest, as well as the universality of the assets subject to the concession, particularly those contained in the Entity's assets on 31 December 2014, characterised as concession assets. However, the financial statements as at 31 December 2021 continue to present no changes in the classification, recognition and measurement of those assets, as well as other possible effects arising from the execution of the concession contract. It should also be noted that, on 28 March 2016, ML simultaneously carried out the administrative annulment of the act awarding the tender for the sub-concession of the operation of the ML transport system and the annulment of the corresponding sub-concession contract, acts that are being contested in court. We did not obtain sufficient information to allow us to conclude on the adjustments and eventual responsibilities not recorded by ML arising from the facts mentioned and, consequently, on the effects of these matters on the financial statements as at 31 December 2021.

2. As disclosed in notes 4.2 and 5 of the notes to the accounts, the Government assumed, under the terms of Decree-Law No. 196/80, of 20 June, the principle that it was the responsibility of the Portuguese State to finance the Long-term Infrastructure ("LTI") of ML, which, according to its statutes, is responsible for the administration of the public domain assets allocated to its activities. Notwithstanding the conclusion, on 23 March 2015, between the Portuguese State and ML, of a concession contract for the public service of transporting passengers by metro in Greater Lisbon, the terms and conditions governing the relationship between the parties with regard to the ownership and use of the LTI remain missing. Thus, ML continues to record all flows related to LTI under balance sheet headings called "Long-term infrastructure investments", presented under assets and liabilities. Thus, as at 31 December 2021, non-current assets comprise the amount of 5,400,543,332 euros related to (i) receivables from the State (3,212,263,064 euros), (ii) derivatives measured at fair value (14,556,063 euros) and (iii) tangible fixed assets, intangible fixed assets or investment properties, which total 2,173,724,204 and correspond to costs incurred with the construction, administration and financing of LTI (net of grants received); the liabilities comprise financing, provisions and other payables related to LTI, totalling 2,173.724,204 euros and correspond to costs incurred with the construction, administration and financing of LTI (net of grants received); the liabilities comprise financing, provisions and other payables related to LTI, totalling 2,899,453,031 euros, of which 1,730,374,092 euros are considered as non-current. It should also be noted that, as a result of the aforementioned contractual omission, tangible and intangible fixed assets

classified as LTI are not being depreciated and amortised, respectively. Thus, given the contractual lack of definition that persists on this matter, it is not possible for us to conclude on the adequacy of the accounting policy adopted by ML concerning the management of long-term infrastructure investment activities, as well as on its effects on the financial statements in question.

3. As disclosed in note 15 of the notes to the accounts, the balance sheet includes, as at 31 December 2021, under the item "Deferrals assets - work carried out on behalf of third parties", the amount of 29,738,382 euros, net of impairment losses, relative to works carried out in the past by ML on behalf of State corporate sector entities, for which the amounts to be invoiced and the respective payment conditions, to date, have either not been formalised or have been so in an insufficiently binding form. Consequently, it is not possible for us to conclude on the realisation and appropriate measurement of those assets.

Our audit was carried out in accordance with the International Auditing Standards and other technical and ethical standards and guidelines of the Institute of Statutory Auditors. Our responsibilities under these standards are described in the "Responsibilities of the auditor for auditing the financial statements" section below. We are independent of the Entity under the law and comply with other ethical requirements under the Code of Ethics of the Institute of Statutory Auditors.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphases

1. ML operations have been generating consecutive annual losses, with the financing essential to the pursuit of its activity being provided by the Portuguese State through equity contributions, allocation of grants and granting of loans, the latter, since 30 November 2014, subject to successive moratoria on capital and interest, which has contributed to current liabilities being substantially higher than current assets. As we are dealing with a Public Enterprise Entity (EPE), with public service obligations arising from the activity of transport of passengers by metro, we understand that the continuity of the Entity's operations is not at stake, although it remains dependent on the financial support of the Portuguese State, the national strategy for the transport sector and the success to be obtained in the operations to be carried out in the future, which, at this date, are also exposed to the uncertainties resulting from the evolution of the Covid-19 pandemic, as well as the consequences of the armed conflict that broke out in February 2022 between Russia and Ukraine.

2. As disclosed in note 1 of the notes to the accounts, ML's financial statements for the year ended 31 December 2020 have not yet been subject to the competent formal approval by the financial and sectorial supervisors. The Board of Directors has recorded the proposed appropriation of profits for that financial year in the accounts, pursuant to the proposal included in the Management Report, due to considering that those financial statements and that proposed appropriation of profits will be approved without significant changes.

Our opinion has not changed in relation to these matters.

Relevant audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements of the current year. These matters were considered in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters included in the "Bases for Qualified Opinion" section, we have defined the following material audit matters:

1. <u>Measurement of derivative financial instruments</u>

ML contracted derivative financial instruments to hedge the risk of changes in the interest rate on loans obtained to finance LTI activities. The measurement of these derivative financial instruments is, at the end of each year, made in accordance with the valuation determined by the financial institutions with which they were contracted.

As at 31 December 2021, the total amount of derivative financial instruments reflected under assets amounts to 14,556,063 euros (included under the heading Long-term infrastructure investments) and under liabilities amounts to 136,224,411 euros (of which 116,960,782 euros is included under the heading Long-term infrastructure investments). Notes 4.11, 5.4, and 21 of the notes to the accounts present the disclosures related to this matter.

Most significant risks of material misstatement	Summary of the response to the most significant risks of material misstatement
Derivative financial instruments are measured at fair value, which is determined based on valuation techniques involving the use of estimates, judgements and assumptions. Given the uncertainty associated with the estimates used and the complexity involved in their valuation, it is our understanding that the risk associated with measuring derivative financial instruments is significant.	Our audit procedures included, among others: • Evaluation of methodologies and assumptions used to determine fair value; • Obtaining and analysing the assessments made, namely by the IGCP; and • Assessment of whether the corresponding disclosures are adequate.

2. Measurement of responsibilities with post-employment benefits

The Entity has a defined benefit plan to supplement retirement (old age, disability and survival) in addition to that paid by Social Security. ML's liabilities related to this plan are determined using the projected unit credit method, with the corresponding actuarial valuations performed on each reporting date, according to internationally accepted actuarial methods and assumptions, in order to determine the value of the responsibilities on the balance sheet date and the pension costs to be recorded for the period.

As at 31 December 2021, ML has liabilities for post-employment benefits in the amount of 270,784,682 euros.. Notes 4.15 and 20 of the notes to the accounts set out the related disclosures.

Most significant risks of material misstatement	Summary of the response to the most significant risks of material misstatement
The responsibilities with post-employment benefits are measured at fair value, which is determined through judgements and estimates relative to several assumptions, namely discount rate, inflation rate, salary and pension growth rate and mortality tables. Given the uncertainty associated to the estimates used and the complexity involved in their valuation, it is our understanding that the risk associated to measuring the responsibilities with post-employment benefits is significant.	Our audit procedures included, among others: • Evaluation of the reasonability of the assumptions and estimates used in the actuarial study carried out by an external expert; • validation of the accounting records made, based on the figures shown in the actuarial report; • Assessment of the competence, independence, and integrity of the contracted actuary; and • Assessment of whether the corresponding disclosures are adequate.

3. Recognition of operating revenues and subsidies related to fare compensations

The Entity's revenue results mainly from the sale of metropolitan passenger transport tickets and from the fare compensation attributed by the State, for compliance with certain public service obligations.

The legislation that regulates the funding of the Fare Reduction Support Programme (PART) was amended in 2020 in order to financially reinforce this compensation mechanism, namely with the creation of the "Variable" PART, which aims to compensate the passenger transport operators for the loss of revenue derived from the drop in demand, while maintaining compliance with certain service levels. As determined by the Lisbon Metropolitan Area (AML) /Transportes Metropolitanos de Lisboa (TML), and in accordance with current legislation, it was agreed that the revenue to be guaranteed to ML would correspond to 90% of the 2019 revenue, adjusted for the fare update rates for 2020 and 2021.

ML presents, in 2021, sales and provisions of services in the amount of 66,889,972 euros and operating grants in the amount of 38,044,153 euros, of which 36,718,196 euros relate to special compensation under the COVID-19 pandemic, called "Variable" PART.

Notes 4.13, 4.16, 24 and 25 of the notes to the accounts set out the disclosures relating to these matters.

Most significant material distortion risks	Summary of the response given to the most significant risks of material misstatement
Both because of the high number of financial movements, of records in the ticketing system and of the competent integration in the accounting system, and because of the materiality of the amounts involved, we considered revenue as a relevant subject for our audit. In 2021, the financing of fare compensations, under paragraph 5 of Order 3515-A/2021, became dependent on the approval of applications to be submitted by the AML to the Environmental Fund. As at 31 December 2021, ML recorded in its accounts an estimate of the amounts receivable related to the "Fixed" PART in the amount of 2,680,316 euros and to the "Variable" PART in the amount of 5,221,627 euros, whose application, on that date, had not yet been approved. Given the significance of the amounts involved and the complexity of the assumptions and judgements made, these estimates are a material audit matter.	Our audit procedures included, among others: • Survey and evaluation of existing procedures and controls in the area of revenue and the ticketing system; • Operational testing of relevant controls related to the integration of the revenue system into the accounting system; • Obtaining documentary evidence of the fare compensations received and verifying the accuracy of the amounts accounted for; • Verification, for a sample of tickets, whether the sales registered in ML's ticketing system coincided with TML's information system and recalculation of the breakdown made by TML in relation to the sale of those tickets. • Obtaining external confirmations from transport operators with whom there is revenue sharing; • Analytical review by analysing monthly/annual trends by type of service; • Performing cut-off validation procedures; • Enquiries from the management body regarding the assumptions adopted in the preparation of the estimates; • Enquiries to TML as to the confirmation of the amounts estimated by ML, as well as the status of the approval of the application to date; • Recalculation of the estimates of the "Fixed" and "Variable" PART based on the information provided by the TML/AML Offices/Reports and the sales/revenues information from the ML; • Consultation of the history of applications approved for PART funding, pursuant to paragraph 5 of Order 3515-A/2021 of 1 April, and consultation of

More significant material distortion risks	Summary of the response given to the most significant risks of material misstatement
	the various Orders of the members of the Government of the Ministry of Finance, which were made available to us by the MIL, with references to the payment of compensation for PART; • Assessment of whether the corresponding disclosures are appropriate.

Responsibilities of the management body and the supervisory body for financial statements

The management body is responsible for:

— preparation of financial statements that present, in a true and fair way, the financial position, the financial performance and the cash flows of the Entity in accordance with the Accounting and Financial Reporting Standards adopted in Portugal through the Accounting Standards System;

— preparation of the management report, known by the Entity as the "Consolidated Report", the corporate governance report and the non-financial statement, in accordance with the applicable laws and regulations;

— creating and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;

— adoption of accounting policies and criteria that are appropriate in the circumstances; and

— assessment of the Entity's ability to continue as a going concern, disclosing, as applicable, the matters that may cast significant doubt on the continuity of its activities.

The supervisory body is responsible for supervising the process of preparation and disclosure of the Entity's financial information.

Responsibilities of the auditor for auditing the financial statements

Our responsibility is to obtain reasonable assurance as to whether the financial statements as a whole are free from material distortions due to fraud or error, and to issue a report stating our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Distortions may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we make professional judgements and maintain professional scepticism during the audit and also:

— identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement because of fraud is higher than the risk of not detecting a material misstatement because of error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control;

— obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;

— evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management body;

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we shall draw attention in our report to the related disclosures included in the financial statements or, if such disclosures are inadequate, modify our opinion. Our findings are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to discontinue its activities;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control identified during the audit;
- Of the matters we have reported to those charged with governance, including the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current year and are the key audit matters. We describe these matters in our report, except where law or regulation prohibits their public disclosure;
- declare to the supervisory body that we comply with the relevant ethical requirements regarding independence and inform them of all relationships and other matters that may be perceived as threats to our independence and, when applicable, what measures are taken to eliminate the threats or which safeguards have been applied.

Our responsibility also includes verifying the consistency of the information contained in the management report with the financial statements, and the verifications foreseen in Article 451(4) and (5) of the Commercial Companies Code in matters of corporate governance, as well as verifying that non-financial information has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the budget statements

We audited the Entity's attached budget statements, which comprise the statement of budget performance, the statement of budget execution of revenue (which shows a total net revenue collected of 692,134,633 euros), the statement of budget execution of expenditure (which shows total expenditure paid net of write-backs of 567,334,775 euros) and the statement of implementation of the multi-annual investment plan for the year ended 31 December 2021.

The Management Body is responsible for the preparation and approval of the budget statements within the scope of the entity's accountability. Our responsibility is to verify that the accounting and reporting requirements set out in the Public Accounting Standard (NCP) 26 of the Accounting Normalisation System for Public Administrations have been fulfilled.

In our opinion, the attached budget statements are prepared, in all material respects, in accordance with NCP 26 of the Accounting Normalisation System for Public Administrations, except as follows: i) The Entity's accounting system is not organized according to the Multidimensional Chart of Accounts, nor is the budget accounting subsystem organized according to Class "0" disaggregated according to the economic classifications in force, as provided for in NCP 26, which allows obtaining and validating in an automatic and accurate manner the budget statements or obtaining a class "0" trial balance, as well as observing the compliance with the rules of accounting movement applicable to the recognition and measurement of transactions and other events inherent to the budget accounting. The process of preparation of these statements is manual and based on a set of support maps for the control of budget execution, and ii) information elements regarding "Administrative hiring" and "Transfers and subsidies" were not prepared and included in the notes to the budget statements, as established in NCP 26.

About the management report

In compliance with Article 451(3)(e) of the Commercial Companies Code, except for the possible effects of the matters referred to in the "Bases for qualified opinion" section of the Report on the audit of the financial statements, in our opinion the management report, named by the Entity as "Consolidated Report, was prepared in accordance with the applicable legal and regulatory requirements in force, the information contained therein is consistent with the audited financial statements and budget statements and, taking into account the knowledge and assessment on the Entity, we did not identify any material misstatements.

As referred in Article 451(7) of the Commercial Companies Code this opinion is not applicable to the non-financial statement included in the "Consolidated Report".

About the corporate governance report

In compliance with Article 451(4) of the Commercial Companies Code, it is our opinion that the corporate governance report includes the elements required of the Entity under the terms of Article 29-H of the Securities Code, and no material inaccuracies were identified in the information disclosed therein, complying with the provisions of subparagraphs c), d), f), h), i) and l) of paragraph 1 of that article.

About the non-financial statement

In compliance with Article 451(6) of the Commercial Companies Code, we inform that the Entity has prepared the non-financial information, as required by Article 66-B of the Commercial Companies Code, and it has been included in the so called "Consolidated Report" and in the Corporate Governance Report.

On the additional elements provided for in Article 10 of Regulation (EU) No 537/2014

In compliance with Article 10 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014, and in addition to the relevant audit matters mentioned above, we also report the following:

— We were appointed as Statutory Auditor of ML- Metropolitano de Lisboa, E.P.E., for the first time, by Order of 18 March 2015 issued by the sectoral and financial supervision authorities for a term of office between 2015 and 2017. Following a public tender initiated by the Entity and based on a legal proposal from the Supervisory Board, we were appointed Official Auditor for the three-year period 2019-2021 by the Joint Order of the Secretary of State for the Treasury and the Deputy Secretary of State and Mobility, dated October 15, 2019.

— The management body confirmed to us that it is not aware of the occurrence of any fraud or suspected fraud with a material effect on the financial statements. In planning and performing our audit in accordance with ISAs we have maintained professional scepticism and designed audit procedures to respond to the possibility of material misstatement of the financial statements due to fraud. As a result of our audit, we did not identify any material distortion in the financial statements due to fraud.

— We confirm that our audit opinion is consistent with the additional report we have prepared and submitted to the ML - Metropolitano de Lisboa, E.P.E. supervisory body on this same date.

— We declare that we have not provided any services prohibited under Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and that we have maintained our independence from the Entity during the course of the audit.

— We inform you that we have not provided ML with any services other than auditing.

Lisbon, 31 May 2022

Alves da Cunha, A. Dias & Associados, SROC, Lda.
represented by José Luís Areal Alves da Cunha
ROC No. 585 registered with the CMVM under number 20160240

[Logo: "ALVES DA CUNHA, A. DIAS & ASSOCIADOS – SOCIEDADE DE REVISORES OFICIAIS DE CONTAS, Lda."]

STATUTORY AUDITOR'S REPORT

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Qualified opinion

We audited the attached consolidated financial statements of *ML — Metropolitano de Lisboa, E.P.E.* (the Group), which comprise the consolidated statement of financial position as at 31 December 2021 (showing a total of 5,877,131,602 euros and total equity of 1,730,420,142 euros, including a net loss of 22,901,284 euros), the consolidated income statement by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements that include a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters referred to in the "Bases for qualified opinion" section, the attached consolidated financial statements present, in a true and fair way, in all material aspects, the consolidated financial position of *ML — Metropolitano de Lisboa, E.P.E.* as at 31 December 2021 and its financial performance and consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS), as adopted in the European Union.

Bases for qualified opinion

1. Following the "updating and unification of the general legal framework of the public service concession attributed to ML" through Decree-Law No. 175/2014, of 5 December, the Portuguese State concluded with ML, on 23 March 2015, a concession contract for the public transportation service by metro of passengers in Greater Lisbon. This contract includes the rights and obligations intended to achieve the public interest, as well as the universality of the assets subject to the concession, particularly those contained in the Entity's assets on 31 December 2014, characterised as concession assets. However, the consolidated financial statements as at 31 December 2021 continue to present no changes in the classification, recognition and measurement of those assets, as well as other possible effects arising from the execution of the concession contract. It should also be noted that, on 28 March 2015, ML simultaneously carried out the administrative annulment of the act awarding the tender for the sub-concession of the operation of the ML transport system and the annulment of the corresponding sub-concession contract. We did not obtain sufficient information to allow us to conclude on the adjustments and eventual responsibilities not recorded by the Group arising from the facts mentioned and, consequently, on the effects of these matters on the consolidated financial statements as at 31 December 2021.

2. As disclosed in notes 3.3 and 5 of the notes to the accounts, the Government assumed, under the terms of Decree-Law No. 196/80, of 20 June, the principle that it was the responsibility of the Portuguese State to finance the Long-term Infrastructure ("LTI") of ML, which, according to its statutes, is responsible for the administration of the public domain assets allocated to its activities. Notwithstanding the conclusion, on 23 March 2015, between the Portuguese State and ML, of a concession contract for the public service of transporting passengers by metro in Greater Lisbon, the terms and conditions governing the relationship between the parties with regard to the ownership and use of the LTI remain missing. Thus, the Group continues to record all flows related to LTI under the headings "Long-term infrastructure investments" in the consolidated statement of financial position, shown under assets and liabilities. Thus, as at 31 December 2021, non-current assets comprise the amount of 5,400,543,332 euros related to (i) receivables from the State (3,212,263,054 euros), (ii) derivatives measured at fair value (14,556,063 euros) and (iii) tangible fixed assets, intangible fixed assets or investment properties, which total 2,173,724,204 and correspond to costs incurred with the construction, administration and financing of LTI (net of grants received); the liabilities comprise financing, provisions and other payables related to LTI, totalling 2,899,453,031 euros, of

which 1.730,374.092 euros is considered non-current. It should also be noted that, as a result of this contractual omission, the tangible and intangible fixed assets classified as LTI are not being depreciated and amortised, respectively. Thus, given the contractual lack of definition that persists on this matter, it is not possible for us to conclude on the adequacy of the accounting policy adopted by ML concerning the management of long-term infrastructure investment activities, as well as on its effects on the consolidated financial statements in question.

3. As disclosed in note 15 of the notes to the accounts, the consolidated statement of financial position includes as at 31 December 2021, under the heading "Other credit receivables", the amount of 29,738,382 euros, net of impairment losses, relating to works carried out by the Group on behalf of State corporate sector entities, for which the amounts to be invoiced and the respective payment conditions, to date, have either not been formalised or have been so in an insufficiently binding form. Consequently, it is not possible for us to conclude regarding the moment of realisation and the measurement of those assets.

Our audit was carried out in accordance with the International Auditing Standards (ISA) and other technical and ethical standards and guidelines of the Institute of Statutory Auditors. Our responsibilities under these standards are described in the "Responsibilities of the auditor for auditing the consolidated financial statements" section below. We are independent of the entities that make up the Group under the law and comply with other ethical requirements under the Code of Ethics of the Institute of Statutory Auditors.

We believe that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphases

1 The Group's operations have been generating consecutive annual losses, with the financing essential to the pursuit of its activity being provided by the Portuguese State through equity contributions, allocation of grants and granting of loans, the latter, since 30 November 2014, subject to successive moratoria on capital and interest, which has contributed to current consolidated liabilities being substantially higher than current consolidated assets. As we are dealing with a Group whose parent company is a Public Enterprise Entity (EPE), with public service obligations arising from the activity of transport of passengers by metro, we understand that the continuity of the Group's operations is not at stake, although it remains dependent on the financial support of the Portuguese State, the national strategy for the transport sector and the success to be obtained in the operations to be carried out in the future, which, at this date, are also exposed to the uncertainties resulting from the evolution of the Covid-19 pandemic, as well as the consequences of the armed conflict that broke out in February 2022 between Russia and Ukraine.

2 As disclosed in note 1 of the notes to the accounts, ML's consolidated financial statements for the year ended 31 December 2020 have not yet been subject to the competent formal approval by the financial and sectorial supervisors. The Board of Directors has recorded the proposed appropriation of ML results for that financial year in the accounts, pursuant to the proposal included in the Management Report, due to considering that the financial statements in question and that proposed appropriation of results will be approved without significant changes.

Our opinion has not changed in relation to these matters.

Relevant audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were considered in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters included in the "Bases for Qualified Opinion" section, we have defined the following material audit matters:

1. Measurement of derivative financial instruments

The Group, specifically ML, contracted derivative financial instruments to hedge the risk of changes in the interest rate on loans obtained to finance LTI activities. At the end of each year, these derivative financial instruments are measured in accordance with the valuation determined by the financial institutions with which they were contracted.

As at 31 December 2021, the total amount of derivative financial instruments reflected under consolidated assets amounts to 14,556,063 euros (included under the heading Long-term infrastructure investments) and under liabilities amounts to 136,224,411 euros (of which 116,960,782 euros is included under the heading Long-term infrastructure investments). Notes 3.12, 5.4, and 21 of the Annex present the disclosures related to this matter.

Most significant risks of material misstatement	Summary of the response to the most significant risks of material misstatement
Derivative financial instruments are measured at fair value, which is determined based on valuation techniques involving the use of estimates, judgements and assumptions. Given the uncertainty associated with the estimates used and the complexity involved in their valuation, it is our understanding that the risk associated with measuring derivative financial instruments is significant.	Our audit procedures included, among others: • Evaluation of methodologies and assumptions used to determine fair value; • Obtaining and analysing the assessments made, namely by the IGCP; and • Assessment of whether the corresponding disclosures are adequate.

2. Measurement of responsibilities with post-employment benefits

The Group, specifically ML, has a defined benefit plan to supplement retirement (old age, disability and survival) in addition to that paid by Social Security. The Group's liabilities related to this plan are determined using the projected unit credit method, with the corresponding actuarial valuations performed on each reporting date, according to internationally accepted actuarial methods and assumptions, in order to determine the value of the responsibilities on the consolidated statement of financial position date and the pension costs to be recorded for the period.

As at 31 December 2021, the Group has liabilities for post-employment benefits in the amount of 270,784,682 euros. Notes 3.16 and 20 of the notes to the accounts set out the related disclosures.

Most significant material distortion risks	Summary of the response given to the most significant risks of material misstatement
The responsibilities with post-employment benefits are measured at fair value, which is determined through judgements and estimates relative to several assumptions, namely discount rate, inflation rate, salary and pension growth rate and mortality tables. Given the uncertainty associated to the estimates used and the complexity involved in their valuation, it is our understanding that the risk associated to measuring the responsibilities with post-employment benefits is significant.	Our audit procedures included, among others: • Evaluation of the reasonability of the assumptions and estimates used in the actuarial study carried out by an external expert; • validation of the accounting records made, based on the figures shown in the actuarial report • Assessment of the competence, independence, and integrity of the contracted actuary; • Assessment of whether the corresponding disclosures are adequate.

3. Recognition of operating revenues and subsidies related to fare compensations

The Group's revenue results mainly from the sale of metropolitan passenger transport tickets and from the fare compensation attributed by the State, for compliance with certain public service obligations of the parent company.

The legislation that regulates the funding of the Fare Reduction Support Programme (PART) was amended in 2020 in order to financially reinforce this compensation mechanism, namely with the creation of the "Variable" PART, which aims to compensate the passenger transport operators for the loss of revenue derived from the drop in demand, while maintaining compliance with certain service levels. As determined by the Lisbon Metropolitan Area (AML) /Transportes Metropolitanos de Lisboa (TML), and in accordance with current legislation, it was agreed that the revenue to be guaranteed to ML would correspond to 90% of the 2019 revenue, adjusted for the fare update rates for 2020 and 2021.

The Group presents, in 2021, sales and provisions of services in the amount of 67,430,724 euros and operating grants in the amount of 38,044,153 euros, of which 36,718,196 euros relate to special compensation under the COVID-19 pandemic, called "Variable" PART.

Notes 3.14, 3.17, 24 and 25 of the notes to the accounts set out the disclosures relating to these matters.

Most significant material distortion risks	Summary of the response given to the most significant risks of material misstatement
Both because of the high number of financial movements, of records in the ticketing system and of the competent integration in the accounting system, and because of the materiality of the amounts involved, we considered revenue as a relevant subject for our audit. In 2021, the financing of fare compensations, under paragraph 5 of Order 3515-A/2021, became dependent on the approval of applications to be submitted by the AML to the Environmental Fund. As at 31 December 2021, ML recorded in its accounts an estimate of the amounts receivable related to the "Fixed" PART in the amount of 2,680,316 euros and to the "Variable" PART in the amount of 5,221,627 euros, whose application, on that date, had not yet been approved. Given the significance of the amounts involved and the complexity of the assumptions and judgements made, these estimates are a material audit matter.	Our audit procedures included, among others: • Survey and evaluation of existing procedures and controls in the revenue cycle and the ticketing system; • Operational testing of relevant controls related to the integration of the revenue system into the accounting system; • Obtaining documentary evidence of the fare compensations received and verifying the accuracy of the amounts accounted for; • Verification, for a sample of tickets, whether the sales registered in ML's ticketing system coincided with TML's information system and recalculation of the breakdown made by TML in relation to the sale of those tickets. • Obtaining external confirmations from transport operators with whom there is revenue sharing; • Analytical review by analysing monthly/annual trends by type of service; • Performing cut-off validation procedures; • Enquiries from the management body regarding the assumptions adopted in the preparation of the estimates; • Enquiries to TML as to the confirmation of the amounts estimated by ML, as well as the status of the approval of the application to date;

Most significant risks of material misstatement	Summary of the response to the most significant risks of material misstatement
	• Recalculation of the estimates of the "Fixed" and "Variable" PART based on the information provided by the TML/AML Offices/Reports and the sales/revenues information from the ML; • Consultation of the history of applications approved for PART financing, under the terms of paragraph 5 of Order 3515-A/2021, of 1 April, and consultation of the various Orders of the members of the Government of the Ministry of Finance, made available to us by ML, with references to the payment of PART compensation; • Assessment of whether the corresponding disclosures are adequate.

Responsibilities of the management body and the supervisory body for the consolidated financial statements

The management body is responsible for:

– preparation of consolidated financial statements that present, in a true and fair way, the Group's consolidated financial position, financial performance, and consolidated cash flows in accordance with International Financial Reporting Standards (IFRS), as adopted in the European Union;

– preparation of the consolidated management report, referred to by the Group as the "Consolidated Report", corporate governance report and the consolidated non-financial statement, in accordance with the applicable laws and regulations;

– creating and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;

– adoption of accounting policies and criteria that are appropriate in the circumstances; and

– assessment of the Group's capacity to maintain continuity, disclosing, where applicable, matters that may raise significant doubts on the continuity of the activities.

The supervisory body is responsible for supervising the process of preparation and disclosure of the Group's financial information.

Responsibilities of the auditor for auditing the consolidated financial statements

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements as a whole are free from material distortions due to fraud or error, and to issue a report stating our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Distortions may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we make professional judgements and maintain professional scepticism during the audit and also:

– identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or overriding of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management body;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we shall draw attention in our report to the related disclosures included in the consolidated financial statements or, if such disclosures are inadequate, modify our opinion. Our findings are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group to discontinue its activities;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient 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 direction, oversight and performance of the Group's audit and are ultimately responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control identified during the audit;
- Of the matters we have reported to those charged with governance, including the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current year and are the key audit matters. We describe these matters in our report, except where law or regulation prohibits their public disclosure;
- we declare to the supervisory body that we comply with the relevant ethical requirements regarding independence and inform them of all relationships and other matters that may be perceived as threats to our independence and, when applicable, what measures are taken to eliminate the threats or which safeguards have been applied.

Our responsibility also includes verifying that the information included in the consolidated management report, referred to by the Group as the "Consolidated Report", is consistent with the consolidated financial statements, and the verifications foreseen in Article 451(4) and (5) of the Portuguese Companies Code in matters of corporate governance, as well as verifying that the non-financial information has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the management report

In compliance with Article 451, paragraph 3, al. e) of the Companies Code, except for the possible effects of the matters referred to in the "Bases for reserved opinion" section of the Report on the audit of the consolidated financial statements, we are of the opinion that the consolidated management report, referred to by the Group as the "Consolidated Report", it 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 the knowledge and assessment of the Group, we have not identified material inaccuracies.

As stated in article 451, paragraph 7 of the Companies Code, this opinion does not apply to the consolidated non-financial statement included in the so-called "Consolidated Report".

About the Single European Electronic Format (ESEF)

The consolidated financial statements of *ML — Metropolitano de Lisboa, E.P.E.* for the financial year ended 31 December 2021 must comply with the applicable requirements established in the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

The management body is responsible for the preparation and disclosure of the annual report in accordance with the ESEF Regulation.

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements included in the annual report are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on ESEF reporting and included, among others:

- obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format
- the identification and assessment of material distortion risks associated with the marking of financial statement information, in XBRL format using the iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to mark the information.

In our opinion, the consolidated financial statements included in the annual report are presented, in all material aspects, in accordance with the requirements set out in the ESEF Regulation.

About the corporate governance report

In compliance with Article 451(4) of the Commercial Companies Code, it is our opinion that the corporate governance report includes the elements required of the Group under the terms of Article 29-H of the Securities Code, and no material inaccuracies were identified in the information disclosed therein, complying with the provisions of subparagraphs c), d), f), h), i) and l) of paragraph 1 of that article.

About the consolidated non-financial statement

In compliance with article 451 paragraph 5 of the Companies Code, we inform you that the Group prepared the non-financial information, as provided for in article 66-8 of the Companies Code, which was included in the so-called Consolidated Report and in the Corporate Governance Report.

On the additional elements provided for in Article 10 of Regulation (EU) No 537/2014

In compliance with Article 10 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of April 16, 2014, and in addition to the relevant auditing matters mentioned above, we also report the following:

- We were appointed as Official Auditor of ML — Metropolitano de Lisboa, E.P.E. (parent entity of the Group), for the first time, by Order of 18 March 2015 issued by the sectoral and financial supervision authorities for a term of office between 2015 and 2017. Following a public tender initiated by the Entity and based on a legal proposal from the Supervisory Board, we were appointed Official Auditor for the three-year period 2019-2021 by the Joint Order of the Secretary of State for the Treasury and the Deputy Secretary of State and Mobility, dated 15 October 2019.
- The management body confirmed to us that it is not aware of the occurrence of any fraud or suspected fraud with a material effect on the consolidated financial statements. In the planning and execution of our

audit in accordance with ISAs we have maintained professional scepticism and designed audit procedures to respond to the possibility of material misstatement of the financial statements due to fraud. As a result of our audit, we did not identify any material nisstatement in the consolidated financial statements due to fraud.

- We confirm that our audit opinion is consistent with the additional report we have prepared and submitted to the ML - Metropolitano de Lisboa, E.P.E. supervisory body on this same date.
- We declare that we have not provided any services prohibited under Article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and that we have maintained our independence from the Group during the course of the audit.
- We inform you that we did not provide the Group with any services other than auditing.

Lisbon, 31 May 2022

Alves da Cunha, A. Dias & Associados, SROC, Lda.
represented by José Luís Areal Alves da Cunha
ROC No. 585 registered with the CMVM under number 20160240

viii. Report of the External Auditor

AUDIT REPORT

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified opinion

We audited the attached financial statements of Metropolitano de Lisboa, E.P.E. (hereinafter also referred to as Metropolitano or Company), comprising the balance sheet as of 31 December 2021 (showing a total of 5 820 484 379 euros and a total equity of 1 761 058 651 euros, including a negative net profit of 22 900 570 euros), the income statement by nature, the statement of changes in equity and the statement of cash flows for the year ended on that date, and the attached financial statements which include a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters referred to in the 'Basis for qualified opinion' section, the attached financial statements present truthfully and appropriately, in all material aspects, the financial position of Metropolitano de Lisboa, E.P.E as of 31 December 2021 and its financial performance and cash flows for the year ended that date in accordance with the Accounting and Financial Reporting Standards adopted in Portugal through the Accounting Standardisation System.

Basis for qualified opinion

1. As disclosed in notes 4.2 and 5 in the annex to the financial statements, Metropolitano considers that the responsibility for financing the long-term infrastructure (LTI) that it has been building, renovating and operating belongs to the Portuguese State, thus recording all costs in its non-current assets of construction and expenses associated with construction financing of LTI, under the item 'Long-term infrastructure investments' in the cumulative amount of approximately 5 401 million euros (31Dec2020: about 5 391 million euros), including fixed, tangible and intangible assets and investment properties which have not been depreciated, net of subsidies, in the amount of about 2 174 million euros (31Dec2020: about 2 164 million euros), as well as an account receivable from the State of about 3 212 million euros (31Dec2020: about 3 211 million euros). Similarly, it has been recording in liabilities, in items with the same designation as 'Long-term infrastructure investments', the financing obtained, other payables and provisions related to the construction, renovation and financing of LTIs, including about 1,730 million euros (31Dec2020: about 1,946 million euros) in non-current liabilities and about 1,169 million euros (31Dec2020: about 1,056 million euros) in current liabilities. It is not clear the legal or contractual framework that Metropolitano has assumed for the possible obligation of the State to reimburse the Company for the unsubsidised part of the investment in LTI and for the expenses associated with its financing, thus remaining significant uncertainty regarding the recovery of amounts invested in LTI and the form and amount of realisation of that account receivable from the State of approximately 3 212 million euros (31Dec2020: about 3 211 million euros), which constitutes a limitation to the scope of our work with regard to the valuation of said assets and the impact of this policy accounting in Metropolitano's financial statements.

2. Through a concession contract signed in March 2015, the Portuguese State granted Metropolitano the concession, until 1 July 2024, of public transport of passengers by underground railway in the city of Lisbon and neighbouring municipalities, including all the assets allocated to the concession, which are shown in the assets of the Company, as well as the rights and obligations aimed at achieving public interest. However, the financial

statements from 2015 to 2021 do not reflect any change in the classification, recognition and measurement of the assets affected by the concession, as well as other possible effects resulting from the concession contract, and therefore it is not possible to quantify the effects of this situation in the financial statements, which constitutes a limitation to the scope of our work.

3. On 28 March 2016, the Company proceeded with the administrative annulment of the award of the sub-concession of the activity to another entity, which had been carried out in 2015. Since that entity has challenged the aforementioned annulment in court, the possible effects are unknown if the court decision were unfavourable to Metropolitano's claims, which constitutes a limitation to the scope of our work.

4. In assets, the item 'Deferrals' includes approximately 30.4 million euros (the same amount as at 31 December 2020) of works carried out by the Company on behalf of entities in the State's business sector that have not yet been invoiced, and are pending the formalisation of protocols for their settlement. No evidence is available that would allow us to conclude on the recoverability of these amounts, which constitutes a limitation to the scope of our work.

Our audit was carried out in accordance with International Standards on Auditing (ISA) and other technical and ethical standards and guidelines of the Association of Statutory Auditors. Our responsibilities under those standards are described in the 'Auditor's responsibilities for the audit of the financial statements' section below. We are independent of the Company under the law and we comply with the other ethical requirements under the code of ethics of the Association of Statutory Auditors.

We are convinced that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphases

1. Although there was a capital increase of approximately 254 million euros during the year 2021, subscribed and paid up, the total equity of Metropolitano is still less than half of the share capital. Therefore, the provisions of the Commercial Companies Code on the restoration of capital and on the need of external disclosure of the amount of equity capital according to the last approved balance sheet are applicable. Although current assets (about 192 million euros) are significantly lower than current liabilities (about 1 893 million euros), Metropolitano has an activity developed in accordance with State directives, whose financing is guaranteed through subsidies and loans guaranteed mainly by the State, and the Company's Board of Directors believes that the liquidation of its liabilities, namely regarding financing obtained that can be repaid in the short term, will continue to be met, essentially by obtaining additional sources of financing in coordination with its shareholder. The Board of Directors, in its management report, proposes measures to be taken by the Shareholders that would make it possible to comply with capital requirements.

2. As disclosed in note 1 of the annex to the financial statements, the financial statements for the financial year 2020 have not yet been formally approved by the Tutelage. The Board of Directors decided to proceed with the accounting of the application of the results of that year, in accordance with the proposal included in the respective management report, as it considers that the aforementioned financial statements and the proposal for the application of results will be approved without any significant changes.

3. As mentioned in the management report and in notes 1 and 37 of the annex to the financial statements, Metropolitano de Lisboa promoted in 2021 the maintenance of the necessary measures to mitigate the adverse effects and the economic and financial impacts of the Covid-19 pandemic on its activity. Additionally, the start of the 2022 financial year has been characterised by several significant adverse factors, namely: (i) a fifth wave of the Covid-19 pandemic occurred, which, however, did not lead to such a significant slowdown in economic activity; (ii) on 24 February 2022, Russia launched a large-scale military operation in Ukraine, which will result, notwithstanding the uncertainty that characterises the magnitude of its economic impact, that the substitution of Russian gas imports will possibly lead to increased costs, in addition to the other repercussions on global value chains, which will raise the costs of goods and services, creating high instability in global economic activity; and (iii) confirming the upward trend that has been traced since 2021, the estimate for the variation of the harmonised consumer price index for the month of March 2022 was, according to the National Institute of Statistics, set at 5.5%, with the variation in the energy goods component proving to be one of the main drivers of this increase. In sectors that are highly dependent on electricity, as is the case with Metropolitano, a high increase in energy costs is expected, which will inevitably penalise their operational efficiency ratio. At present, it is not possible to estimate with a minimum degree of precision the impacts of these situations on the Company's activity, and Metropolitano de Lisboa is surveying the respective financial and operational impacts, in order to prepare a response plan with a view to ensuring the continuity of its operations.

Our opinion is not changed in relation to these matters.

Key audit matters

The key audit matters are those that, in our professional judgment, were most important in the auditing of the current year's financial statements. These matters were considered in the context of auditing the financial statements as a whole, and in forming the opinion, and we did not issue a separate opinion on these matters.

In addition to the matters referred to in the section 'Basis for qualified opinion', we have considered in the audit the following relevant matters:

Key audit matter	Summary of the audit response
1. Valuation of financial instruments	
Following the financing operations, Metropolitano subscribed to derivative financial instruments, of complex measurement, shown in assets for about 14.6 million euros (31Dec2020: about 13.7 million euros) and in liabilities for about 136.2 million euros (31Dec2020: about 281.6 million euros). These financial instruments were registered according to the valuation of the banks with which they were contracted. The disclosures related to this matter are contained in notes 4.11, 5.4, 21 of the annex to the financial statements.	The audit response involved, in summary, the following procedures: (i) critical analysis of the technical and financial assumptions used in the respective measurements; (ii) enquiries to the Management body regarding the technical consistency and validity of the assumptions and estimates; (iii) comparative analysis of the various assessments made with reference to 31 December 2021; (iv) consideration of the potential impacts of the Covid-19 pandemic and the current war in Ukraine; (v) review of the disclosures in the financial statements.

Key audit matter	Summary of the audit response
2. Recognition of services rendered and operating subsidies	
Sales and Service Provision in the amount of approximately 66.9 million euros (31Dec2020): 66.8 million euros) and operating Subsidies in the amount of approximately 38 million euros (31Dec2020: 21.7 million euros} include, as described in note 4.16 of the annex to the financial statements, the recognition of the revenue of Metropolitano de Lisboa each year and are dependent on several exogenous factors, namely with regard to: (i) several laws and regulations, (ii) appropriations included in the Budget Law and; (iii) revenue allocations reported by various transport operators . Thus, there is a risk that revenue will be incorrectly recorded, considering in particular the dependence on factors that the Company does not control, such as revenues reported by other transport operators for the purpose of calculating additional subsidies, appropriations under the State Budget Law for the award of compensation for the purpose of providing financial support to transport operators, subsidies associated with the Covid-19 pandemic. The disclosures related to this matter are contained in notes 4.16, 24 and 25 of the annex to the financial statements.	The audit response involved, in summary, the following procedures: – Survey and analysis of relevant controls identified in the revenue cycle of Metroplitano de Lisboa; – Test to the operability of controls related to the integration of revenue into accounting; – Meetings with TML - Transportes Metropolitanos de Lisboa; – Assurances obtained fromTML - Transportes Metropolitanos de Lisboa; – Analysis of the compliance audit report for the Lisbon intermodal system, prepared by the General Inspectorate of Finance (Inspeção-Geral das Finanças - IGF), as an auditing authority; – Analysis of the assumptions considered in the recognition of the specialisations carried out; – Validation of the recognition of services rendered and operating subsidies with the respective receipts, taking into account the official letters of the Lisbon Metropolitan Authority (AML) and; – Detailed review of the disclosures made in the financial statements.
3. Measurement of provisions and liabilities for post-employment benefits	
The measurement of the provisions for ongoing legal processes and responsibilities for post-employment benefits is highly complex, taking into consideration the volume and nature of ongoing legal processes, the actuarial assumptions used in the measurement of responsibilities for post-employment benefits and the Company's exposure, involving a high degree of uncertainty and a high level of judgment by the management body. Thus, validation of the assumptions and calculations underlying the recognised liabilities is a significant area of audit. The disclosures related to this matter are contained in notes 4, 18 and 20 of the annex to the financial statements.	The audit response involved, in summary, the following procedures: (i) the understanding and critical analysis of the technical and financial assumptions used in the measurement of provisions; (h) inquiries with the management body regarding the consistency and technical validity of the assumptions and estimates and regarding the documentation that supports the assumptions; (iii) detailed verification of the calculations by external specialists related to post-employment charges; (iv) analysis of external lawyers' responses to requests for information made and additional inquiries from those responsible for the Company; (v) consideration of the potential impacts resulting from the Covid-19 pandemic and the current war in Ukraine; and (vi) detailed review of the disclosures made in the financial statements.

Responsibilities of the management body and the supervisory body for financial statements

The management body is responsible for:

(i) preparation of financial statements that truthfully and appropriately present the financial position, financial performance, and cash flows of the

Company in accordance with the Accounting and Financial Reporting Standards adopted in Portugal through the Accounting Standardisation System;

(ii) preparation of the management report, including the corporate governance report and non-financial information on applicable legal and regulatory topics;

(iii) creation and maintenance of an appropriate internal control system to allow the preparation of financial statements free from material distortions due to fraud or error;

(iv) adoption of accounting policies and criteria that are appropriate in the circumstances; and

(v) assessment of the Company's ability to maintain continuity, disclosing, when applicable, matters that may raise significant doubts about the continuity of activities.

The supervisory body is responsible for overseeing the process of preparing and disclosing the Company's financial information.

Responsibilities of the auditor for auditing the financial statements

Our responsibility is to obtain reasonable certainty as to whether the financial statements as a whole are free from material distortions due to fraud or error, and to issue a report stating our opinion. Reasonable security is a high level of security, but it is not a guarantee that an audit carried out in accordance with ISA will always detect a material distortion when it exists. Distortions may originate from fraud or error and are considered material if, alone or together, they can reasonably be expected to influence users' economic decisions made on the basis of those financial statements.

As part of an audit in accordance with ISA, we make professional judgments and maintain professional skepticism during the audit, as well as:

(i) identify and assess the risks of material distortion of the financial statements due to fraud or error, design and execute auditing procedures that respond to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material 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, misrepresentations, or overlapping with internal control;

(ii) gain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

(iii) assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the management body;

(iv) conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we shall draw attention in our report to the related disclosures included in the financial statements or, if such disclosures are inadequate, modify our opinion.

Our findings are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to discontinue its activities;

(v) assess the overall presentation, structure, and content of the financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in order to achieve an appropriate presentation;

(vi) communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control identified during the audit;

(vii) of the matters that we reported to those responsible for governance, including the supervisory body, we determine those that are the most important in the audit of the current year's financial statements and which are the key audit matters. These matters are described in our report, except when the law or regulation prohibits their public disclosure;

(viii) declare to the supervisory body that we comply with the relevant ethical requirements regarding independence and communicate to it all relationships and other matters that may be perceived as threats to our independence and, where applicable, the steps taken to eliminate the threats or the safeguards applied.

Our responsibility also includes verifying the consistency of the information contained in the management report with the financial statements, and the checks provided for in paragraphs 4 and 5 of Article 451 of the Commercial Companies Code in matters of corporate governance, as well as the verification of which non-financial statement was filed.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the management report

In compliance with Article 451, paragraph 3, item e) of the Commercial Companies Code, except for the possible effects of the matters referred to in the 'Basis for qualified opinion' section of the 'Report on the Audit of Financial Statements', we are of the opinion that the management report was prepared accordingly with the applicable legal and regulatory requirements in force, the information contained therein is consistent with the audited financial statements and, taking into account the knowledge and assessment of the Company, we have not identified material inaccuracies.

About the corporate governance report

In compliance with Article 451, paragraph 4, of the Commercial Companies Code, we are of the opinion that the corporate governance report includes the elements required from Metropolitano de Lisboa pursuant to Article 29-H of the Securities Code, and no material inaccuracies were identified in the information published therein, in compliance with the provisions of items c), d), f), h), i) and l) of paragraph 1 of that article.

About the non-financial statement

In compliance with Article 451, paragraph 6, of the Commercial Companies Code, we inform that the Company included in its management report the non-financial statement provided for in Article 66-B of the Commercial Companies Code.

About the European single electronic format (ESEF)

The financial statements of Metropolitano de Lisboa for the year ended 31 December 2021 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

The management body is responsible for the preparation and dissemination of the annual report in accordance with ESEF Regulation.

Our responsibility is to obtain reasonable certainty as to whether the financial statements included in the annual report are presented in accordance with the requirements set out in ESEF Regulation.

Our procedures took into account the Association of Statutory Auditors' Technical Application Guide on ESEF reporting and included, among others, gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format.

In our opinion, the financial statements, included in the annual report, are presented, in all material aspects, in accordance with the requirements set out in ESEF Regulation.

On the additional elements provided for in Article 10 of Regulation (EU) No. 537/2014

In compliance with Article 10 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

(i) We were hired as external auditors of Metropolitano de Lisboa, E.P.E, for the first time on 1 January 2017 for the financial year 2016 and since that date we have been its external auditors.

(ii) The management body confirmed to us that it is not aware of the occurrence of any fraud or suspicion of fraud with material effect on the financial statements. In planning and executing our audit in accordance with ISA, we maintained professional skepticism and designed auditing procedures to respond to the possibility of material distortion of the financial statements due to fraud. As a result of our work, we did not identify any material distortion in the financial statements due to fraud.

(iii) We confirm that the audit opinion we issued is consistent with the additional report that we prepared and submitted to the Company's supervisory body on the same date.

(iv) We declare that we did not provide any prohibited services pursuant to Article 77, paragraph 8, of the Statute of the Association of Statutory Auditors and that we maintained our independence from the Company during the audit.

(v) We inform that we have not provided the Company and the entities under its control with any services other than auditing.

Lisbon, 31 May 2022

António José Correia de Pina Fonseca,
(Statutory Auditor No. 949, registered with CMVM under No. 20160566)
on behalf of BDO & Associados - SROC

AUDIT REPORT ISSUED UNDER THE TERMS REQUIRED BY ARTICLE 245, PARAGRAPH 1, ITEM B) OF THE SECURITIES CODE

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Qualified opinion

We audited the attached consolidated financial statements of Metropolitano de Lisboa, E.P.E. (Metropolitano Group), which comprise the consolidated statement of financial position as at 31 December 2021 (showing total assets of 5 877 131 602 euros and total equity of 1 730 420 142 euros, including a negative net profit of 22 901 284 euros), the consolidated income statement by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies.

In our opinion, except for the possible effects of the matters referred to in section 'Basis for qualified opinion', the consolidated financial statements annexed hereto present fairly, in all material respects, the consolidated financial position of Metropolitano de Lisboa, E.P.E. as at 31 December 2021 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for qualified opinion

1. As disclosed in notes 3. 3 and 5 of the annex to the consolidated financial statements, the Metropolitano Group considers that the responsibility for financing the long-term infrastructures (LTI) which it has been building, renovating and operating, belongs to the Portuguese State, thus recording in its non-current assets all the construction costs and expenses associated with the construction and financing of LTIs, under a heading called 'Long-term infrastructure investments', with an accumulated value of approximately 5 401 million euros (31Dec2020: about 5 391 million euros), including tangible fixed assets, intangible assets and investment properties that have not been depreciated, net of subsidies, amounting to about 2 174 million euros (31Dec2020: about 2 164 million euros), as well as a receivable from the State of about 3 212 million euros (31Dec2020: about 3 211 million euros). Similarly, it has been recording in liabilities, under headings with the same designation of 'Long-term infrastructure investments', the financing obtained, other payables and provisions related to the construction, renovation and financing of LTIs, including about 1,730 million euros (31Dec2020: about 1,946 million euros) in non-current liabilities and about 1 169 million euros (31Dec2020, about 1,056 million euros) in current liabilities. The legal or contractual framework, which has been assumed by the Metropolitano Group, of the eventual obligation of the State to reimburse the Metropolitano Group for the non-subsidised part of the investment in LTIs and for the costs associated to their financing is not clear, thus persisting an important uncertainty as to the recovery of the amounts invested in LTIs and to the form and realisation value of the referred account receivable from the State of about 3 212 million euros (31Dec2020: 3,211 million euros), which configures a limitation to the scope and depth of our work regarding the valuation of the referred assets and the impacts of these accounting policies on the consolidated financial statements of the Metropolitano Group.

2. Through a concession contract signed in March 2015, the Portuguese State granted Metropolitano Group the concession, until 1 July 2024, of public transport of passengers by underground railway in the city of Lisbon and neighbouring municipalities, including all the assets allocated to the

concession, which are shown in the assets of Metropolitano Group, as well as the rights and obligations aimed at achieving the public interest. However, the consolidated financial statements from 2015 to 2021 do not reflect any change in the classification, recognition and measurement of the assets allocated to the concession, as well as other possible effects arising from the concession contract, not being possible to quantify the effects of this situation on the consolidated financial statements, which is a limitation to the scope and depth of our work.

3. On 28 March 2016, Metropolitano Group proceeded with the administrative annulment of the award of the sub-concession of the activity to another entity, which had been carried out in 2015. As this entity has legally contested this annulment, we do not know the eventual effects should the judicial decision be unfavourable to Metropolitano Group's claims, which constitutes a limitation to the scope and depth of our work.

4. In assets, the item 'Other receivables' includes around 30.4 million euros (the same amount as at 31 December 2020) of works carried out by Metropolitano Group on behalf of entities in the State corporate sector which have not yet been invoiced and are pending formalisation of protocols for settlement of the situation. There is no information available that allows us to conclude on the recoverability of these amounts, which constitutes a limitation to the scope and depth of our work.

Our audit was carried out in accordance with International Standards on Auditing (ISA) and other technical and ethical standards and guidelines of the Association of Statutory Auditors. Our responsibilities under those standards are described in the 'Auditor's responsibilities for the audit of the financial statements' section below. We are independent of the entities that make up the Metropolitano Group under the terms of the law and comply with other ethical requirements in accordance with the code of ethics of the Association of Statutory Auditors.

We are convinced that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphases

1. Although during the 2021 financial year there was a share capital increase of approximately 254 million euros, subscribed and paid up, Metropolitano's total equity is still less than half of the share capital, and so the provisions of the Commercial Companies Code on the restoration of capital and on the need for external disclosure of the amount of equity according to the last approved balance sheet are applicable. Although current assets (about 197 million euros) are significantly lower than current liabilities (about 1 951 million euros), Metropolitano Group has an activity developed in accordance with State directives, whose financing is guaranteed through subsidies and loans guaranteed mainly by the State, and the Metropolitano Group's Board of Directors believes that the settlement of its liabilities, namely with regard to financing obtained that can be repaid in the short term, will continue to be met, essentially by obtaining additional financing lines in coordination with its Shareholder. The Board of Directors, in its management report, proposes measures to be taken by the Shareholders that would make it possible to comply with capital requirements.

2. As disclosed in note 1 of the annex to the consolidated financial statements, the consolidated financial statements for the financial year 2020 have not yet been formally approved by the Tutelage. The Board of Directors decided to proceed with the accounting of the application of the results of that year, in accordance with the proposal included in the respective management report, as it considers that the aforementioned consolidated financial statements and that proposal for the application of results will be approved without any significant changes.

3. As referred in the management report and in notes 1 and 37 of the annex to the financial statements, the Metropolitano de Lisboa Group promoted in 2021 the maintenance of the necessary measures to mitigate the adverse effects and the economic and financial impacts of the Covid-19 pandemic on its activity. Additionally, the start of the 2022 financial year has been characterised by several significant adverse factors, namely: (i) a fifth wave of the Covid-19 pandemic occurred, which, however, did not lead to such a significant slowdown in economic activity; (ii) on 24 February 2022, Russia launched a large-scale military operation in Ukraine, which will result, notwithstanding the uncertainty that characterises the magnitude of its economic impact, that the replacement of Russian gas imports will possibly lead to increased costs, in addition to the other repercussions on global value chains, which will raise the costs of goods and services, creating high instability in global economic activity; and (iii) confirming the upward trend that has been traced since 2021, the estimate for the variation of the harmonised consumer price index for March 2022 was, according to the National Statistics Institute, set at 5.5%, with the variation in the energy goods component proving to be one of the main drivers of this increase. In sectors highly dependent on electric energy, as is the case of Metropolitano de Lisboa, a high increase in energy costs is expected, which will inevitably penalise its operational efficiency ratio. At the present date, it is not possible to estimate with any degree of accuracy the impacts of these situations on the Company's activity, and Metropolitano de Lisboa is carrying out a survey of the respective financial and operational impacts, in order to prepare a response plan to ensure the continuity of its operations.

Our opinion is not changed in relation to these matters.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were considered in the context of auditing the consolidated financial statements as a whole, and in forming the opinion, and we did not issue a separate opinion on these matters.

In addition to the matters referred to in the section 'Basis for Qualified Opinion', we have considered in the audit the following key matters:

Key audit matter	Summary of the audit response
1. Valuation of financial instruments	
Following the financing operations, the Metropolitano Group subscribed derivative financial instruments, of complex measurement, shown in assets for about 14.6 million euros (31Dec2020: about 13.7 million euros) and in liabilities for about 136.2 million euros (31Dec2020: about 281.6 million euros). These financial instruments were registered according to the valuation of the banks with which they were contracted. The disclosures related to this matter are contained in notes 3.12, 5.4, 21 attached to the consolidated financial statements.	The audit response involved, in summary, the following procedures: (i) critical analysis of the technical and financial assumptions used in the respective measurements; (ii) enquiries to the management body about the consistency and technical validity of assumptions and estimates; (iii) comparative analysis of the various assessments made with reference to 31 December 2021; (iv) consideration of the potential impacts arising from the Covid-19 pandemic and the current war in Ukraine; and (v) conference of the disclosures made in the consolidated financial statements.

Key audit matter	Summary of the audit response
2. Recognition of services rendered and operating subsidies	
Sales and Service Provision in the amount of approximately 67.4 million euros (31Dec2020): 67.5 million euros) and operating Subsidies in the amount of approximately 38 million euros (31Dec2020: 21.7 million euros) include, as described in note 3.17 of the notes attached to the financial statements, the recognition of the revenue of Metropolitano de Lisboa in each year and are dependent on several exogenous factors, namely with regard to: (i) various laws and regulations, (ii) appropriations included in the Budget Law and; (iii) revenue allocations reported by various transport operators. Thus, there is the risk of revenue being incorrectly recorded, namely considering the dependence on factors that the Metropolitano Group does not control, such as revenue reported by other transport operators for the purposes of calculating additional subsidies, appropriations of the State Budget Law for allocation of compensation for the purpose of providing financial support to transport operators, subsidies associated with the Covid-19 pandemic. The disclosures related to this matter are contained in notes 3.17, 24 and 25 attached to the consolidated financial statements.	The audit response involved, in summary, the following procedures: - Survey and analysis of the relevant controls identified in the Metropolitano de Lisboa revenue cycle; - Test to the operability of controls related to the integration of revenue into accounting; - Meetings with TML - Transportes Metropolitanos de Lisboa; - Assurances obtained from TML - Transportes Metropolitanos de Lisboa; - Analysis of the compliance audit report on the Lisbon intermodal system, prepared by the Inspectorate General of Finance as the auditing authority; - Analysis of the assumptions considered in the recognition of the specialisations carried out; - Validation of the recognition of services rendered and operating subsidies with the respective receipts, taking into account the official letters of the Lisbon Metropolitan Authority (AML) and; - Detailed review of the disclosures made in the financial statements.
3. Measurement of provisions and liabilities for post-employment benefits	
The measurement of the provisions for legal processes in progress and of the responsibilities for post-employment benefits is very complex, taking into consideration the volume and nature of the ongoing legal processes, the actuarial assumptions used in the measurement of the responsibilities with post-employment benefits and the exposure of Metropolitano Group, involving a high degree of uncertainty and a high level of judgement by the Management Body. Thus, the validation of the assumptions and calculations underlying recognised liabilities is a significant area of auditing. The disclosures related to this matter are contained in notes 3.15, 3.16, 18 and 20 attached to the consolidated financial statements.	The audit response involved, in summary, the following procedures: (i) understanding and critically analysing the technical and financial assumptions used in the measurement of provisions; (ii) making enquiries of management regarding the technical consistency and validity of assumptions and estimates and the documentation supporting the assumptions; (iii) checking in detail the external experts' calculations related to post-employment charges (iv) analysis of the external lawyers' responses to the requests for information made and additional enquiries to Metropolitano Group's management; (v) consideration of the potential impacts arising from the Covid-19 pandemic and the current war in Ukraine; and (vi) detailed checking of the disclosures made in the consolidated financial statements.

Responsibilities of the management body and the supervisory body for the consolidated financial statements

The management body is responsible for:

(i) preparation of consolidated financial statements that truthfully and appropriately present the financial position, financial performance, and cash flows of the Metropolitano Group in accordance with International Financial Reporting Standards (IFRS) as adopted in the European Union;

(ii) preparation of the consolidated management report including the consolidated non-financial statement and the corporate governance report and in accordance with the applicable legal and regulatory terms,

(iii) creation and maintenance of an appropriate internal control system to allow the preparation of consolidated financial statements free from material distortions due to fraud or error;

(iv) adoption of appropriate accounting policies and criteria given the circumstances; and

(v) assessment of Metropolitano Group's capacity to maintain continuity, disclosing, when applicable, matters that may raise significant doubts about the continuity of activities.

The supervisory body is responsible for overseeing the process of preparing and disclosing financial information of the Metropolitano Group.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable certainty as to whether the consolidated financial statements as a whole are free from material distortions due to fraud or error, and to issue a report stating our opinion. Reasonable security is a high level of security, but it is not a guarantee that an audit performed in accordance with ISA will always detect a material distortion when it exists. Distortions may originate from fraud or error and are considered material if, alone or together, they can reasonably be expected to influence users' economic decisions made on the basis of those financial statements.

As part of an audit in accordance with ISA, we make professional judgments and maintain professional skepticism during the audit, as well as:

(i) identify and assess the risks of material distortion of the consolidated financial statements, due to fraud or error, design and execute auditing procedures that respond to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material 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, misrepresentations, or overlapping with internal control;

(ii) obtain an understanding of the internal control relevant to the audit in order to design auditing procedures that are appropriate in the circumstances, but not to express an opinion on the effectiveness of Metropolitano Group's internal control;

(iii) assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and respective disclosures made by the management body;

(iv) conclude on the appropriateness of management's use of the going concern assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubts about Metropolitano Group's capacity to continue its activities. If we conclude that material uncertainty exists, we should draw attention in our report to the related disclosures included in the financial statements or, if those disclosures are not appropriate, modify our opinion. Our findings are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Metropolitano Group to discontinue its activities;

(v) assess the overall presentation, structure, and content of the financial statements, including the disclosures, and whether those financial statements represent the underlying transactions and events in order to achieve an appropriate presentation;

(vi) obtain sufficient and appropriate auditing evidence regarding the financial information of the entities or activities within Metropolitano Group to express an opinion on the consolidated financial statements. We are responsible for the guidance, supervision and performance of the Group's audit and are ultimately responsible for our audit opinion;

(vii) communicate with those responsible for governance, including the supervisory body, among other matters, the scope and planned schedule of the audit, and the significant findings of the audit, including any significant internal control deficiency identified during the audit;

(viii) of the matters that we reported to those responsible for governance, including the supervisory body, we determined those that were the most important in the audit of the current year's consolidated financial statements and which are the key audit matters. We describe these matters in our report, except when the law or regulation prohibits their public disclosure;

(ix) declare to the supervisory body that we comply with the relevant ethical requirements regarding independence and inform it of all relationships and other matters that may be perceived as threats to our independence and, where applicable, what measures are taken to eliminate the threats or what are the safeguards applied.

Our responsibility also includes verifying the consistency of the information contained in the management report with the consolidated financial statements and the checks provided for in paragraphs 4 and 5 of Article 451 of the Commercial Companies Code regarding corporate governance, as well as the verification that the consolidated non-financial statement was presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the consolidated management report

In compliance with Article 451, paragraph 3, item e) of the Commercial Companies Code, except for the possible effects of the matters referred to in the section ‘Basis for qualified opinion’ of the Report on the audit of the consolidated financial statements, in our opinion, 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 assessment of Metropolitano Group, we have not identified any material inaccuracies.

About the corporate governance report

In compliance with Article 451, paragraph 4 of the Commercial Companies Code, except for the possible effects of the matters referred to in the section ‘Basis for qualified opinion’ of the Report on the audit of the consolidated financial statements, in our opinion the Corporate Governance Report includes the information required of the Group pursuant to Article 29-H of the Securities Code, and no material inaccuracies were identified in the information disclosed therein, complying with the provisions of items c), d), f), h), i) and l) of paragraph 1 of that article.

About the non-financial statement

In compliance with Article 451, paragraph 6, of the Commercial Companies Code, we inform that Metropolitano Group included in its management report the non-financial statement provided for in Article 66-B of the Coomercial Companies Code.

About the European Single Electronic Format (ESEF)

The consolidated financial statement of financial position, the consolidated statement of profit or loss and comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year ended 31 December 2021 must comply with the applicable requirements set out in Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 (ESEF Regulation).

The management body is responsible for the preparation and dissemination of the annual report in accordance with ESEF Regulation.

Our responsibility is to obtain reasonable assurance as to whether the consolidated financial statements listed above, included in the annual report, are presented in accordance with the requirements set out in ESEF Regulation.

Our procedures took into account the Association of Statutory Auditors' Technical Application Guide on reporting in ESEF and included, among others:

— obtaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format;
— identification and assessment of material distortion risks associated with the marking of information in the consolidated financial statements, in XBRL format using the iXBRL technology. This assessment was based on an understanding of the process implemented by the entity to mark the information.

In our opinion, the abovementioned consolidated financial statements, included in the annual report, are presented, in all material aspects, in accordance with the requirements established in ESEF Regulation.

On the additional elements provided for in Article 10 of Regulation (EU) No. 537/2014

In compliance with Article 10 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014, and in addition to the key audit matters mentioned above, we also report the following:

(i) We were hired as external auditors of Metropolitano de Lisboa, E.P.E, for the first time on 1 January 2017 for the financial year 2016 and since that date we have been its external auditors.

(ii) The management body confirmed that it is not aware of the occurrence of any fraud or suspicion of fraud with material effect in the consolidated financial statements. In planning and executing our audit in accordance with ISA, we maintained professional skepticism and designed auditing procedures to respond to the possibility of material distortion of the consolidated financial statements due to fraud. As a result of our work, we did not identify any material distortion in the consolidated financial statements due to fraud.

(iii) We confirm that the audit opinion we issued is consistent with the additional report that we prepared and submitted to Metropolitano Group's supervisory body on the same date.

(iv) We declare that we did not provide any prohibited services pursuant to Article 77, paragraph 8, of the Statute of the Association of Statutory Auditors and that we maintained our independence from Metropolitano Group during the audit.

(v) We inform that we did not provide Metropolitano Group with any services other than auditing.

Lisbon, 31 May 2022

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António José Correia de Pina Fonseca,
(Statutory Auditor No. 949, registered with CMVM under No. 20160566)
on behalf of BDO & Associados - SROC

ix. GRI Indicators and GRI Indicator Table

a) MATERIALITY ANALYSIS and LIMITS OF THE REPORT

According to the International Integrated Reporting Council (IIRC), a matter is material if it could substantively affect the organization's ability to create value in the short, medium and long-term. The IIRC also states that “organizations use integrated reporting to communicate clearly and concisely about how their strategy, governance, performance and prospects – in the context of its external environment – lead to the creation, preservation or erosion of value over time.”

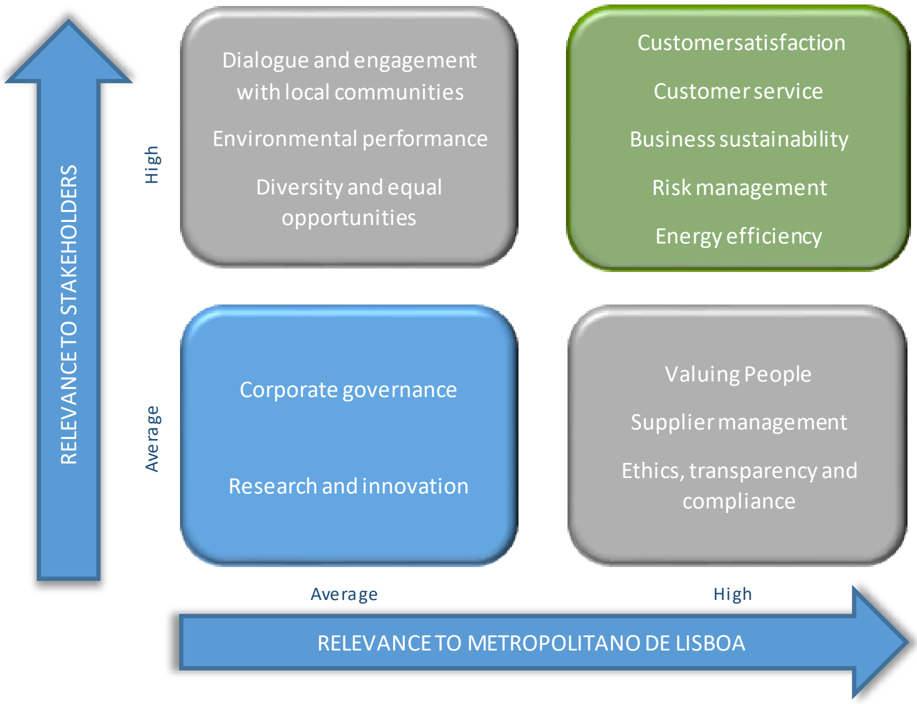
This Consolidated Report seeks to inform the stakeholders of the path being pursued by ML with a view to its sustainability and how it is contributing to the sustainability of its surrounding environment. To this end, the stakeholders have been identified (presented in this report, in the chapter on “Stakeholders”).

In order to acknowledge and prioritize all the relevant events that could comprise business risks and opportunities, at the outset, a selection was made of the material aspects for the financial year of 2021.

The selection of material aspects is in line with the Global Reporting Initiative (GRI) and their economic, environmental and social impacts on the organization, in addition to how they can influence stakeholder assessments and decisions.

Accordingly, this step took into account the ways of consulting the stakeholders (already presented in this report).

Table 82 – Prioritization of material aspects



The main sources used to select the material issues include:

- The Global Reporting Initiative (GRI) standards;
- The Quality and Environment Management System (SGQA) indicators of the Metropolitano de Lisboa Group companies;
- The strategy that has been defined and the commitments undertaken by the organization;
- The facts occurred in the reference year;
- The requirements of Directive 2014/95/EU of 22 October and legal compliance with Decree-Law no. 89/2017 of 28 July;
- Analysis of the external context in which the company operates.

The material topics considered can be attributed to the METRO sustainability approach and to the strategic areas of action. It is on these material topics that this report focuses most strongly.

Table 83 – Alignment of the material aspects with the strategy

Strategic areas	Material aspects
1. Service quality	Customer satisfaction
	Customer Service
2. Environmental protection	Energy efficiency
	Environmental performance
3. People development	Valuing people
	Diversity and equal opportunity
4. Governance risk and transparency	Risk management
	Corporate governance
	Ethics, transparency and compliance
5. Innovation and business development	Business sustainability
	Research and development
6. Relationship with local communities	Supplier management
	Dialogue and engagement with local communities

b) GRI INDICATORS

1) Economic performance

GRI 201-1 Direct economic value generated and distributed

	2019	2020	2021
Economic value generated (euros)	122,758,537	57,175,169	62,392,728
Economic value distributed (euros)	338,218,349	329,809,774	260,516,511
Accumulated economic value (euros)	-215,459,813	-272,634,605	-198,123,784

GRI 201-2 Financial implications and other risks and opportunities due to climate change

Metropolitano de Lisboa has a resilient structure with respect to climate change, namely the risk of the rising sea level, in view of the inexistence of entrances 4 metres below sea level.

Greater awareness-raising among the community on climate change and the need to decarbonize the economy could lead to an increase of demand for energy efficient public transport, such as the metro, and positive discrimination measures.

GRI 201-3 Defined benefit plan obligations and other retirement plans

In 2021, the estimated value for the plan's liabilities is 270,784,682 euros.

Not applicable as to the existence of a separate fund to pay the Pension Plan liabilities.

GRI 201-4 Financial assistance received from government

	2019		2020		2021	
Capital allocations (euros)		549,784,212		320,423,764		253,904,909
Financial Compensation / Ministry of Environment and Climate Action / AML (euros)	(i)	7,066,144	(iii)	32,521,300	(v)	48,233,046
Grant to Investment / PIDDAC / Environmental Fund / IMT (euros)	(ii)	27,280,412	(iv)	31,474,692	(vi)	153,517,599
Loans raised from the DGTF (euros)		131,884,780		203,813,049		167,147,451

(i) Includes PART: 3,102,881 euros

(ii) includes PIDDAC: 968,212 euros; Environmental Fund: 26,264,200 euros and IMT: 48,000 euros

(iii) Includes PART: 28,558,037 euros, of which 20,299,084 euros refer to Operating grants.

(iv) Includes Environmental Fund: 28,328,650 euros and Cohesion Fund: 3,146,042 euros

(v) Includes receipts from AML: 44,566,434 euros (PART: 7,848,238 euros; COVID: 36,718,196 euros) and Co-funding Fares: 3,666,613 euros

(vi) includes PIDDAC: 800,000 euros; Environmental Fund: 56,847,527 euros; Cohesion Fund: 38,683,399 euros and PRR: 70,816,795 euros

GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

	2019	2020	2021
Ratios of entry level Wage compared to local minimum wage at significant business premises	170.8	155.2	154.1

	Year 2020		Year 2021	
	WOMEN	MEN	WOMEN	MEN
Ratios of entry level Wage compared to local minimum wage at significant business premises	155.19	161.35	157.92	154.07

GRI 202-2 Proportion of senior management hired from the local community

	2019	2020	2021
% of senior management hired from the local communities	90.0%	91.3%	91.7%

GRI 203-1 Infrastructure investments and services supported

Extension of the development of Long-Term Infrastructure investments borne of the value of 52,820,071 euros.

Identification of impacts on local communities:

- Investment in the collective public transport network is crucial to ensure access to the constitutional rights to work, education and health of the population that depends on it;
- Improvement of the public transport network boosts the dispersal of employment, benefiting areas more distant from city centres, thus contributing to stimulate the economy and enhance the population's quality of life;
- Improvement of the metro network supply also benefits the effective capacity of all the other modes of transport – heavy and light rail, river transport, road traffic and soft modes. The "network effect" is common to all modes of transport, but the metro has the great advantage of contributing to the reduction of local atmospheric pollution and decongestion of the road network.

The investments and services described above are commercial commitments.

GRI 204-1 Proportion of spending on local suppliers

	2019	2020	2021
Spending on local suppliers (%)	98.4	97.1	96.9

GRI 205-1 Operations assessed for risks related to corruption

	2019	2020	2021
Percentage and total number of business units targeted for corruption risk analysis	82%	(*) 64%	100%
	14	11	21
No. of corruption cases identified	0	0	0

(*) As of 01.12.2020 the business units became 20 (previously there were 17).

GRI 205-2 Communication and training about anti-corruption policies and procedures

	2019		2020		2021	
	No.	%	No.	%	No.	%
Members of the governing body to whom the anti-corruption policies and procedures adopted by the organisation were communicated	19	86.4%	23	88.5%	24	88.9%
Employees who have been informed of the anti-corruption policies and procedures adopted by the organisation	1435	100.0%	1467	100.0%	1515	100.0%
Business partners who have been informed of the anti-corruption policies and procedures adopted by the organisation	0	0.0%	0	0.0%	(**) 1003	100.0%
Members of the governing body who have been trained in fighting corruption	1	4.5%	0	0.0%	1	3.7%
Employees who have received training in fighting corruption	0	0.0%	0	0.0%	5	0.3%

(**) Coincides with the no. of national ML suppliers with 2020-2021 accounting movements and an associated e-mail.

GRI 205-3 Confirmed incidents of corruption and actions taken

	2019	2020	2021
Incidents of corruption	0	0	0

GRI 206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices

No legal actions have been taken in these matters.

2) Environmental performance

GRI 301-1 Materials used by weight or volume

Year	Lamps (un.)	Paper (kg)	Concrete (m^3)	Steel (t)	Toners (un.)	Clamps (un.)	Cable (m)
2019	19,110	27,227	258	19	143	34,913	3,522
2020	16,377	22,672	729	170.2	22	36,949	7,098
2021	12,934	12,612	6,182	716	23	41,690	9,213

GRI 301-2 Recycled input materials used

Data not available.

GRI 301-3 Reclaimed products and their packaging materials

Not applicable.

GRI 302-1 Energy consumption within the organization

GRI 302-2 Energy consumption outside the organization

	2019	2020	2021
Diesel (MWh)	733	709	678
Petrol (MWh)	2.70	4.47	4.66
Natural gas (MWh)	3,158	3,012	3,371
Electricity (MWh)	99,484	100,264	87,712
Total (MWh)	103,378	103,990	91,766

GRI 302-3 Energy intensity

	2019	2020	2021
Energy efficiency (Pass.km/kWh)	8.86	4.32	4.60

GRI 302-4 **Reduction of energy consumption**

GRI 302-5 **Reductions in energy requirements of products and services**

The project for technological change of the lighting of the stations and all the other facilities was continued during 2021, replacing it with a more energy efficient solution based on LED technology.

Likewise, the implementation of the new ventilator operation system was completed, enabling the adjustment of their speeds according to air renewal needs after installation of air quality monitoring sensors in the stations.

GRI 303-1 **Water withdrawal by source**

GRI 303-2 **Water sources significantly affected by withdrawal of water**

All the water consumed by ML is from the public supply and comes from Castelo de Bode dam, and ML's consumption does not significantly affect the water stored in that dam.

GRI 303-3 **Percentage and total volume of water recycled and used**

0 (zero).

GRI 304-1 **Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas**

GRI 304-2 **Significant impacts of activities, products and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas**

GRI 304-3 **Habitats protected or restored**

GRI 304-4 **Total number of species included in the IUCN Red List species and national conservation list species with habitats in areas affected by operations, by extinction risk level**

According to the Portuguese Institute for Nature Conservation and Forests (ICNF), the city of Lisbon and neighbouring municipalities (Amadora and Odivelas) are outside the Protected and Classified Areas of the Lisboa e Vale do Tejo Nature Conservation and Forests Department of the ICNF.

GRI 305-1 **Direct (Scope 1) GHG emissions**

GRI 305-2 **Energy indirect (Scope 2) GHG emissions**

GRI 305-3 **Other indirect (Scope 3) GHG emissions**

GRI 305-4 **GHG emissions intensity**

GRI 305-5 **Reduction of GHG emissions**

	2019	2020	2021
Direct greenhouse gas emissions (t CO_2 e)	826	791	854
Indirect greenhouse gas emissions (t CO_2 e)	39,682	27,105	17,025
Other indirect GHG emissions GEE (t CO_2 e)	9.88	1.50	4.76
GHG emissions intensity (g CO_2 e/Pkm)	45.0	62.6	42.2
Total avoided emissions (t CO_2 e)	7,257	-56,351	-3,703

GRI 305-6 Emissions of ozone-depleting substances

0 (zero).

GRI 305-7 Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions

	2019	2020	2021
SO_2 emissions - acidifying gas (t)	260	262	229
NO_2 emissions - ozone precursor gas (t)	120	121	106

GRI 306-1 Water discharge by quality and destination

<table>
<tr><th>Source</th><th>Quality</th><th colspan="2">Destination</th><th>Treatment performed</th><th>Annual Estimate 2021 (m^3)</th></tr>
<tr><td>PMO II
(Lisbon)</td><td>Wastewater of an industrial nature from workshops</td><td>Wastewater is discharged into the Lisbon municipal collection sewers</td><td rowspan="6">Wastewater discharged into the collection sewers of these municipalities is channelled to the following wastewater treatment plants:

Alcantara WWTP
Chelas WWTP
Beirolas WWTP
Bucelas WWTP
Frielas WWTP
São João da Talha WWTP</td><td rowspan="6">Alcantara WWTP - advanced primary treatment, with an installed treatment capacity for a peak flow of 3.3 m^3/s in dry weather (with final effluent disinfection) and 6.6 m^3/s in rainy weather (with physical-chemical treatment).
Chelas WWTP - tertiary treatment using activated sludge, including filtering and final disinfection of the effluent, with an installed treatment capacity for a flow of 52,500 m^3/day.
Beirolas WWTP - tertiary treatment using activated sludge, including filtering and disinfection of the effluent, with an installed treatment capacity for a flow of 54,500 m^3/day.
Bucelas WWTP - secondary treatment using oxidation ditches, sand filtration and UV disinfection. It has an installed treatment capacity for a peak flow of 36.3 l/s and an average daily flow of 1,575 m^3/day.
Frielas WWTP - secondary treatment, using activated sludge, including biofiltration and UV disinfection, with an installed treatment capacity of 70,000 m^3/day.
São João da Talha WWTP - secondary treatment using activated sludge, with an installed treatment capacity of around 16,000 m^3/day.</td><td>9,686</td></tr>
<tr><td>PMO III
(Lisbon)</td><td>Wastewater of an industrial nature from workshops</td><td>Wastewater is discharged into the Lisbon municipal collection sewers</td><td>16,661</td></tr>
<tr><td>ML stations integrated in the municipality of Lisbon</td><td>Potentially industrial wastewater from commercial spaces (restaurants)</td><td>Wastewater is discharged into the Lisbon municipal collection sewers</td><td rowspan="4">37,954</td></tr>
<tr><td>ML stations integrated in the municipality of Loures</td><td>Potentially industrial wastewater from commercial spaces (restaurants)</td><td>Wastewater is discharged into the Loures municipal collection sewers</td></tr>
<tr><td>ML stations integrated in the municipality of Odivelas</td><td>Potentially industrial wastewater from commercial spaces (restaurants)</td><td>Wastewater is discharged into the Odivelas municipal collection sewers</td></tr>
<tr><td>ML stations integrated in the municipality of Amadora</td><td>Potentially industrial wastewater from commercial spaces (restaurants)</td><td>Wastewater is discharged into the Amadora municipal collection sewers</td></tr>
<tr><td colspan="4" rowspan="2">Summary:
ML sites with industrial or potentially industrial wastewater production are the following:
· Depot and Workshops (PMO) II and III - where wastewater of an industrial nature is produced (and that within ML goes through treatment systems such as hydrocarbon separators);
- ML stations - where water is produced that may have a potentially industrial nature, depending on the activities carried out there, such as, for example, restaurants.
ML wastewaters are periodically monitored, according to a plan defined in accordance to their characteristics.
It is estimated, based on 2021 ML consumptions, that the total wastewater discharged at the PMOs was 26,347 m^3 and that in total at all metro stations some 37,954 m^3 were discharged.</td><td>Estimate of total wastewater discharged in PMO II and PMO III (industrial nature)</td><td>26,347</td></tr>
<tr><td>Estimate of total wastewater discharged in ML stations (potential industrial nature)</td><td>37,954</td></tr>
</table>

It is estimated that approximately 80% of the water consumed is discharged as residual water.

	2019	2020	2021
Total wastewater, with potential industrial nature, discharged by ML (m^3)	77,491	62,912	64,301

GRI 306-2 Total quantity of waste by type and disposal method

	2019	2020	2021
Total weight of hazardous waste	1.2%	1.9%	1.2%
Total weight of non-hazardous waste	98.8%	98.1%	98.8%
Total weight of waste for disposal	57.4%	50.0%	32.4%
Total weight of waste for recycling	42.6%	50.0%	67.6%

	2019	2020	2021
Hazardous waste (t)	28	19	19
Non-hazardous waste (t)	2,385	982	1,613
Waste for disposal (t)	1,385	500	528
Waste for recycling (t)	1,028	501	1,104

GRI 306-3 Total number and volume of significant spills

There was no significant spill in 2021.

GRI 306-4 Weight of transported, imported, exported or handled hazardous waste and percentage of waste transported internationally

All the waste is fully managed on Portuguese territory.

GRI 306-5 Identification, size, protection status and value of the biodiversity of water bodies affected by water discharges and/or runoff carried out by the organization

Not applicable as all the discharged water is sent through municipal collectors to the wastewater treatment stations.

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

Metropolitano de Lisboa has a defined method that seeks to ensure full compliance with the environmental laws and regulations. This method is underpinned by a database that is permanently updated with the legal requirements applicable to ML, by the need to change the Company's procedures or equipment in view of legislative changes and by the conduct of an annual audit of legal compliance carried out by the specialised service provider in the matter.

No legal non-compliance was detected by the inspection of the competent authorities in 2021; therefore, there were no penalties.

GRI 308-1 New suppliers that were screened using environmental criteria

Whenever applicable, ML's procurement processes establish requirements of environmental nature. Compliance with these requirements is mandatory, implying that suppliers which do not comply with them are immediately excluded from the process.

	2019	2020	2021
Procedures using environmental criteria (%)	9.8	12.5	10.8

GRI 308-2 Actual and potential negative environmental impacts in the supply chain and actions taken

ML has developed a method to identify and assess environmental aspects that not only includes ML's activities, but also those of the supply chain which ML is able to influence. The application of this method gives rises to the inexistence of significant environmental impacts in the value chain, except for the atmospheric emissions derived from the production of electrical energy.

In order to mitigate this impact, ML has progressively implemented energy efficiency measures, in particular in terms of the lighting and ventilation systems.

3) Social performance

GRI 401-1 New employee hires and employee turnover by age cohort, gender and region

	2019	2020	2021
No. of employees (women)	385	385	388
No. of employees (men)	1,119	1,132	1,133
Total number of employees	**1,504**	**1,517**	**1,521**
Hiring of new staff	55	63	16
Departure of staff	21	15	20
Turnover rate	**5.1%**	**5.1%**	**2.4%**

	Year 2020		Year 2021	
AGE	WOMEN	MEN	WOMEN	MEN
< 30 years old	2.3%	4.0%	2.6%	4.7%
30 to 50 years	51.7%	41.5%	52.1%	41.7%
> 50 years old	46.0%	54.5%	45.4%	53.6%

GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, detailed by important operating units of the organization

There is no differentiation in the attribution of benefits between full-time and part-time employees.

GRI 401-3 Rate of return to work and retention after parental leave, by gender

	WOMEN			MEN		
	2019	2020	2021	2019	2020	2021
Employees entitled to parental leave	385	385	388	1,119	1,132	1,133
Employees who had parental leave in the financial year	3	2	4	24	23	18
Employees who returned to work after the end of parental leave	3	1	3	21	22	15
Employees who have returned to work and are still employed 12 months after returning from parental leave	3	1	3	21	22	15
Return to work rate	100.0%	50.0%	75.0%	87.5%	95.7%	83.3%
Retention rate of employees who had parental leave	100%	100%	100%	100%	100%	100%

GRI 402-1 Minimum notice periods regarding operational changes and whether they are specified in collective bargaining agreements

The notice period is stipulated in the Labour Code.

GRI 403-1 Workers representation in formal joint management-worker health and safety committees, which help to monitor and advise on Health and Safety Programmes

	2019	2020	2021
Total labour force represented on formal health and safety committees (%)	100.0%	100.0%	100.0%

GRI 403-2 **Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities, by region and gender**

	2019	2020	2021
Incidence index	55.05	31.36	45.60
Frequency index	34.62	23.00	33.69
Severity index	1.70	1.20	1.64
Work accidents	136	60	75
Lost days	3,878	2,409	3,364
Number of fatalities	0	0	0
Absenteeism rate (%)	8.13	8.05	7.48

	2020		2021	
	WOMEN	MEN	WOMEN	MEN
Occupational accidents (no.)	6	54	11	64
Lost days	168	2,241	476	2,888

GRI 403-3 **Workers with high incidence or high risk of diseases related to their occupation**

There are no workers in these circumstances.

GRI 403-4 **Health and safety topics covered in formal agreements with trade unions**

Maintenance of a service responsible for compliance with the occupational health and safety conditions, pursuant to the Company Agreement (AE).

Compliance with the Regulation on occupational health and safety (Annex II of the Company Agreement).

GRI 404-1 Average hours of training per year per employee

	2019	2020	2021
Managing Staff	26.67	63.70	41.61
Senior Management	27.35	35.30	33.80
Middle Managers	10.92	9.78	6.57
Middle Management	26.73	8.81	18.90
Qualified / Highly qualified professionals	20.79	14.66	11.77
Unskilled / Semi-skilled professionals	11.50	2.55	8.66
Average	**20.61**	**17.56**	**16.47**

	Year 2020		Year 2021	
	Women	Men	Women	Men
Managing Staff	50.93	69.29	**54.91**	**35.60**
Senior Management	36.12	34.68	**34.93**	**32.79**
Middle Managers	6.43	11.87	**6.94**	**6.31**
Middle Management	0.83	9.08	**7.33**	**19.30**
Qualified / Highly qualified professionals	12.71	15.30	**13.18**	**11.31**
Unskilled / Semi-skilled professionals	4.80	0.67	**17.46**	**1.33**
Average	18.37	17.01	**20.19**	**15.21**

GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes, contributing to the continued employability of employees preparing for retirement

	2019	2020	2021
Executive MBA (Directors)	2	1	0
Bachelor's Degree	8	6	10
Master's Degree	3	1	0
PhD	1	1	0

GRI 404-3 Percentage employees receiving regular performance and career development reviews, by gender and functional category

In 2021, all the female and male employees (100%) received performance and career development reviews

GRI 405-1 Diversity of governance bodies and employees by gender, age cohort, association with minority groups and other indicators of diversity

	2019		2020		2021	
GOVERNING BODIES	M	W	M	W	M	W
Board of Directors	2	1	2	1	2	1
Advisory Board to the BD	0	0	1	0	0	0
Audit Committee	1	2	1	2	1	2
Directors	12	5	15	6	15	6
Total	15	8	19	9	18	9

	2019		2020		2021	
DIRECTORS	M	W	M	W	M	W
Less than 30 years	0	0	0	0	0	0
30 to 50 years	4	4	3	4	3	3
More than 50 years	8	1	12	2	12	3
Total	12	5	15	6	15	6

GRI 405-2 Ratio of basic salary and remuneration of women to men

	2019	2020	2021
Senior Management	105.5%	106.6%	108.9%
Middle Managers	102.8%	104.8%	105.1%
Middle Management	100.2%	100.3%	98.3%
Highly qualified professionals	89.3%	89.7%	86.9%
Qualified professionals	100.7%	100.8%	98.2%

GRI 406-1 Incidents of discrimination and corrective actions taken

	2019	2020	2021
Number of incidents of discrimination	0	0	0
Number of complaints and claims related to human rights	0	0	0

GRI 407-1 **Operations and suppliers in which the right to freedom of association and collective bargaining may be being infringed or at risk, and measures to support that right**

GRI 408-1 **Operations and suppliers at significant risk for incidents of child labour**

GRI 409-1 **Operations and suppliers at significant risk for incidents of forced or compulsory labour**

No incidents were recorded in any operation or supplier.

At this level, ML is committed to the respect and protection of human rights, the eradication of all forms of exploitation (forced labour and child labour) and the eradication of all discriminatory practices. These and other principles of corporate legality and ethics are part of the ML Code of Ethics and Conduct[4].

GRI 410-1 **Security personnel trained in human rights policies or procedures**

	2019	2020	2021
Security personnel who have received training in the organisation's human rights policies or procedures that are relevant to operations.	6.6%	0.0%	0.0%

In this regard, the Company does not carry out training to third-party organizations providing security personnel.

GRI 411-1 **Incidents of violations involving rights of indigenous peoples**

No incidents were recorded in 2021.

GRI 412-1 **Operations that have been subject to human rights reviews or impact assessments**

Metropolitano de Lisboa only operates in the Portuguese market; therefore, compliance is assured with all and any issue related to human rights, which are safeguarded by national laws.

GRI 412-2 **Total number of hours of employee training on human rights policies or procedures of relevance to the organization's operations, including the percentage of trained employees**

	2019	2020	2021
Total hours of training in human rights policies or procedures	28.0	0.0	0.0
Employees trained in human rights policies during the reporting period	0.13%	0.00%	0.00%

[4] https://www.metrolisboa.pt/institucional/informar/relatorios-e-documentos/

GRI 412-3 Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening

Metropolitano de Lisboa only operates in the Portuguese market; therefore, compliance is assured with all and any issue related to human rights, which are safeguarded by national laws.

GRI 413-1 Operations with local community engagement, impact assessments and development programmes

When undergoing network expansion or carrying out refurbishment/maintenance work that imply surface-level interventions, Metropolitano de Lisboa always engages with the local community, involving parish councils, residents and local trade.

GRI 413-2 Operations with significant actual and potential negative impacts on local communities

The network expansion works entail the installation of construction yards and noisy activities that potentially generate dust and other inconveniences for residents in the vicinity. Metropolitano de Lisboa implements a series of actions aimed at mitigating these negative impacts and assures compliance with all the limits imposed by the legislation in force.

GRI 414-1 New suppliers that were screened using criteria on labour practices

NC (Not calculated).

GRI 414-2 Principal actual and potential impacts on labour practices in the supply chain and actions taken in this regard

No impacts of major relevance for the labour practices in the supply chain were detected.

GRI 415-1 Political contributions

As a public business entity, Metropolitano de Lisboa is barred from accepting all and any contribution of this nature.

GRI 416-1 Assessment of the health and safety impacts of product and service categories

In its design of the service provided, Metropolitano de Lisboa has always prioritized the guaranteed safety of its customers. This assessment is also carried out in the environmental impact study, where the Directorate General of Health participates in the Assessment Committee, and is subject to ongoing supervision by the Safety and Surveillance Department.

GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services

No incidents have been recorded arising from non-compliance in this matter.

GRI 417-1 Requirements for product and service information and labelling

	2019	2020	2021
Percentage of main categories of products and services evaluated	87.5%	87.5%	87.5%
Customer Satisfaction Index	7.35	7.52	7.78
Total number of claims regarding breaches of customer privacy	0	0	0

GRI 417-2 Incidents of non-compliance concerning product and service information and labelling

Not applicable.

GRI 417-3 Incidents of non-compliance concerning marketing communications

0 (zero).

GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

No complaints whatsoever were recorded in 2021 related to breaches of customer privacy and loss of customer data.

The Company has a Data Protection Officer (DPO) since 25 May 2018, so as to ensure ML's compliance with the entry into force of the new General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016).

GRI 419-1 Non-compliance with laws and regulations in the social and economic area

0 (zero).

c) TABLE OF GRI INDICATORS

Table 84 – GRI Summary Table (I)

INDICATOR	GRI Standards	Page number(s) and/or URL	OMISSION	SDG
GRI 102 General Contents 2016				
Organizational Profile				
Name of the organization	102-1	Metropolitano de Lisboa, E.P.E. Page 12		
Activities, brands, products and services	102-2	Page 12		
Location of headquarters	102-3	Avenida Fontes Pereira de Melo, 28, 1069-065 Lisboa, Page www.metrolisboa.pt		
Location of operations	102-4			
Ownership and legal form	102-5	Page 12		
Markets served	102-6	Page 12		
Scale of the organization	102-7	Page 62		
Information on employees and other workers	102-8	Page 62		
Supply chain	102-9	Page 16		
Significant changes to the organization and its supply chain	102-10	Page		
Precautionary principle or approach	102-11	Page		
External initiatives	102-12	Page 65		
Membership of associations	102-13	Page 65		
Strategy				
Statement from senior decision-maker	102-14	Page 6		
Key impacts, risks and opportunities	102-15	Page 23		
Ethics and integrity				
Values, principles, standards and norms of behaviour	102-16	ML Code of Ethics and Conduct		
Mechanisms for advice and concerns about ethics	102-17	Plan for Prevention of Risks of Corruption and Related Infractions (PPRCIC) Implementation Report		
Governance				
Governance Structure	102-18	Page 25		
Delegating authority	102-19	CGR 2021 Board of Directors' delegation of duties accomplished by Resolution approved at their meetings		
Executive-level responsibility for economic, environmental and social topics	102-20	Page 28		
Consulting stakeholders on economic, environmental and social topics	102-21	Page 16		
Composition of the highest governance body and its committees	102-22	CGR 2021		
Chair of the highest governance body	102-23	CGR 2021		
Selecting and nominating the highest governance body	102-24	CGR 2021		
Conflicts of interest	102-25	CGR 2021		
Role of highest governance body in setting purpose, values and strategy	102-26	CGR 2021		
Collective knowledge of the highest governance body	102-27	Page 25		
Evaluating the highest governance body's performance	102-28	Annual Report 2021		
Identifying and managing economic, environmental and social impacts	102-29	Page249, 241		
Effectiveness of risk management processes	102-30	CGR 2021; PPRCIC Implementation Report		
Review of economic, environmental and social topics	102-31	Board of Directors' meetings; CGR 2021		

Table 85 – GRI Summary Table (II)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
Governance (continuation)				
Highest governance body's role in sustainability reporting	102-32	Page 25		
Communicating critical concerns	102-33	Page 25		
Nature and total number of critical concerns	102-34	Page 25		
Remuneration policies	102-35	Page 25		
Process for determining remuneration	102-36	Page 25		
Stakeholder' involvement in remuneration	102-37	Page		
Annual total compensation ratio	102-38	Page 25		
Percentage increase in annual total compensation ratio	102-39	Page 25		
Stakeholder engagement				
List of stakeholder groups	102-40	Page 16		
Collective bargaining agreements	102-41	Page 251		
Identifying and selecting stakeholders	102-42	Page 16		
Approach to stakeholder engagement	102-43	Page 16		
Key topics and concerns raised	102-44	Page		
Reporting practice				
Entities included in the consolidated financial statements	102-45	Page 12		
Defining report content and topic boundaries	102-46	Page 5		
List of material topics	102-47	Page 242		
Restatements of information	102-48	Page		
Changes in reporting	102-49	Page		
Reporting period	102-50	Page 5		
Date of most recent report	102-51	Annual Report 2020		
Reporting cycle	102-52	Annual		
Contact point for questions regarding the report	102-53	www.metrolisboa.pt relacoes.publicas@metrolisboa.pt		
Claims of reporting in accordance with the GRI Standards	102-54	Page 5		
GRI content index	102-55	Page 257		
External assurance	102-56	Page		
GRI 201: Environmental Performance 2016				
Direct economic value generated and distributed	201-1	Page 242		5; 9
Financial implications and other risks and opportunities due to climate change	201-2	Page 243		13
Defined benefit plan obligations and other retirement plans	201-3	Page 243		
Financial assistance received from government	201-4	Page 243		
GRI 202: Market Presence 2016				
Ratios of standard entry level wage by gender compared to local minimum wage	202-1	Page 243		
Proportion of senior management hired from the local community	202-2	Page 243		
GRI 203: Indirect Economic Impacts 2016				
Infrastructure investments and services supported	203-1	Page 244		5; 9
GRI 204: Procurement Practices 2016				
Proportion of spending on local suppliers	204-1	Page 244		

Table 86 – GRI Summary Table (III)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
GRI 205: Anti-corruption 2016				
Operations assessed for risks related to corruption	205-1	Page 244		16
Communication and training about anti-corruption policies and procedures	205-2	Page 244		
Confirmed incidents of corruption and actions taken	205-3	Page 245		16
GRI 206: Anti-competitive Behaviour 2016				
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	206-1	Page 245		
GRI 301: Materials 2016				
Materials used by weight or volume	301-1	Page 245		
Recycled input materials used	301-2	Page 245		
Reclaimed products and their packaging materials	301-3	Page 245		
GRI 302: Energy 2016				
Energy consumption within the organization	302-1	Page 245		13
Energy consumption outside the organization	302-2	Page 245		13
Energy intensity	302-3	Page 245		13
Reduction of energy consumption	302-4	Page 246		13
Reductions in energy requirements of products and services	302-5	Page 75		13
GRI 303: Water 2018				
Water withdrawal by source	303-1	Page 246		
Water sources significantly affected by withdrawal of water	303-2	Page 246		
Water recycled and reused	303-3	Page 246		
GRI 304: Biodiversity 2016				
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	304-1	Page 246		
Significant impacts of products and services on biodiversity	304-2	Page 246		
Habitats protected or restored	304-3	Page 246		
IUCN Red List species and national conservation list species with habitats in areas affected by operations.	304-4	Page 246		
GRI 305: Emissions 2016				
Direct (Scope 1) GHG emissions	305-1	Page 246		13
Indirect (Scope 2) GHG emissions	305-2	Page 246		13
Other (Scope 3) GHG emissions	305-3	Page 246		13
GHG emissions intensity	305-4	Page 246		13
Reduction of GHG emissions	305-5	Page 246		13
Emissions of ozone-depleting substances	305-6	Page 247		13
Nitrogen oxides (NO_x), sulphur oxides (SO_x) and other significant air emissions	305-7	Page 247		13
GRI 306: Effluents and Waste 2016				
Water discharge by quality and destination	306-1	Page 247		13
Total quantity of waste by type and disposal method	306-2	Page 248		13
Total number and volume of significant spills	306-3	Page 248		13
Weight of transported, imported, exported or handled hazardous waste and percentage of waste transported internationally	306-4	Page 248		
Identification, size, protection status and value of the biodiversity of water bodies affected by water discharges and/or runoff carried out by the organization	306-5	Page 248		

Table 87 – GRI Summary Table (IV)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
GRI 307: Environmental Compliance 2016				
Non-compliance with environmental laws and regulations	307-1	Page 248		
GRI 308: Supplier Environmental Assessment 2016				
New suppliers that were screened using environmental criteria	308-1	Page 248		
Negative environmental impacts in the supply chain and actions taken	308-2	Page 249		
GRI 401: Employment 2016				
New employee hires and employee turnover	401-1	Page 249		5
Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2	Page 250		
Parental leave	401-3	Page 250		5
GRI 402: Labour Management Relations 2016				
Minimum notice periods regarding operational changes	402-1	Page 250		
GRI 403: Occupational Health and Safety 2018				
Occupational health and safety management system	403-1	Page 250		
Hazard identification, risk assessment and investigation of incidents	403-2	Page 251		
Occupational health services	403-3	Page 251		
Participation of workers, consultation and communication with workers on occupational health and safety	403-4	Page 251		
Training of workers on occupational health and safety	403-5	Page 62		
Promotion of the worker's health	403-6	Page 62		
Prevention and mitigation of impacts on health and safety	403-7	Page 62		
Workers covered by an occupational health and safety management system	403-8	Page 62		
Work accidents	403-9	Page 62		
Occupational diseases	403-10	Page 62		
GRI 404: Training and Education 2016				
Average hours of training per year per employee	404-1	Page 252		5
Programmes for upgrading employee skills and transition assistance programmes	404-2	Page 252		
Percentage of employees receiving regular performance and career development reviews	404-3	Page 252		5
GRI 405: Diversity and Equal Opportunity 2016				
Diversity of governance bodies and employees	405-1	Page 253		5
Ratio of basic salary and remuneration of women to men	405-2	Page 253		5
GRI 406: Non-discrimination 2016				
Incidents of discrimination and corrective actions taken	406-1	Page 253		5
GRI 407: Freedom of Association and Collective Bargaining 2016				
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	Page 254		
GRI 408: Child Labour 2016				
Operations and suppliers at significant risk for incidents of child labour	408-1	Page 254		
GRI 409: Forced or Compulsory Labour 2016				
Operations and suppliers at significant risk for incidents of forced or compulsory labour	409-1	Page 254		
GRI 410: Security Practices 2016				
Security personnel trained in human rights policies or procedures	410-1	Page 254		

Table 88 – GRI Summary Table (V)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
GRI 411: Rights of Indigenous Peoples 2016				
Incidents of violations involving rights of indigenous peoples	411-1	Page 254		
GRI 412: Human Rights Assessment 2016				
Operations that have been subject to human rights reviews or impact assessments	412-1	Page 254		
Employee training on human rights policies or procedures	412-2	Page 254		
Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	412-3	Page 255		
GRI 413: Local Communities 2016				
Operations with local community engagement, impact assessments and development programmes	413-1	Page 255		
Operations with actual and potential negative impacts on local communities	413-2	Page 255		
GRI 414: Supplier Social Assessment 2016				
New suppliers that were screened using social criteria	414-1	Page 255		5
Negative social impacts in the supply chain and actions taken	414-2	Page 255		5
GRI 415: Public Policy 2016				
Political contributions	415-1	Page 255		
GRI 416: Customer Health and Safety 2016				
Assessment of the health and safety impacts of product and service categories	416-1	Page 255		
Incidents of non-compliance concerning the health and safety impacts of product and services	416-2	Page 255		
GRI 417: Marketing and Labelling 216				
Requirements for product and service information and labelling	417-1	Page 256		
Incidents of non-compliance concerning product and service information and labelling	417-2	Page 256		
Incidents of non-compliance concerning marketing communications	417-3	Page 256		
GRI 418: Customer Privacy 2016				
Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	Page 256		
GRI 419: Socioeconomic Compliance 419				
Non-compliance with laws and regulations in the social and economic area	419-1	Page 256		

x. Glossary of Terms and their Sources

Absenteeism

Derived from counting the time of absence classified as absenteeism. This concept arises from the employee’s lack of presence in contrast to the effective undertaking of work.

Accident

An abnormal occurrence that contains a hazardous event. Damage and loss, even if negligent, always occur.

Work accident

An accident that occurs at the workplace and during working time and directly or indirectly produces bodily injury, functional disorder or sickness giving rise to death or reduction in working or earning capacity. Work accidents covers accidents during work and accidents sustained while travelling to or from the workplace.

Benchmarking

Systematic and continuous process of assessment of products, services and work processes of organizations which are acknowledged as representing best practices for the purpose of making improvements at the organization.

Capacity-building

Refers to all types of vocational and other training, paid leave for studies provided by the organization for its employees, capacity-building or education conducted outside the organization and totally or partially paid by the organization, and training in specific topics.

Carriages x km

Number of journeys multiplied by the number of carriages of each journey and by the route travelled (public service).

Employees

Everyone with an employment contract (open-ended, fixed term and undetermined term) with the company, except trainees.

Compliance

Corresponds to an action in accordance with specific rules or guidelines that have been established.

Sustainable Development

Concept developed by the Brundtland Commission under the United Nations Report of the World Commission on Environment and Sustainable Development, “Our Common Future”, published in 1987, in which sustainable development is understood as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs”. The notion of sustainable development implies a commitment of solidarity with future generations, towards assuring the handover of a “resource base” able to meet their needs. This implies a balanced integration of economic, sociocultural and environmental systems and institutional aspects related to the very modern concept of "good governance".

Effectiveness

Extent to which the planned activities were accomplished and the planned results were achieved.

Efficiency

Relationship between the results obtained and the resources used.

Energy efficiency

Number of passengers multiplied by the km transported per unit of energy consumed.

Direct emissions

Emissions from sources that are owned or controlled by the company.

Indirect emissions

Emissions that arise from the company's activities, but that occur from sources that are not owned or controlled by the company.

Entity

Normally corresponds to an organization or operation, whether legally incorporated or not.

Company Climate Study

Satisfaction Questionnaire applied to the company's employees, on an annual basis.

Local suppliers

Organization or person supplying materials, products and services located in Portugal.

Greenhouse gas (GHG)

Natural and anthropogenic gas existing in the earth's atmosphere that absorbs and re-emits infrared radiation. The six main GHG, covered by the Kyoto Protocol are: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF_6).

Global Reporting Initiative (GRI)

Global and independent institution that develops a worldwide structure of reporting guidelines, enabling companies to draft reports on their economic, environmental and social performance.

Environmental Impact

Any change in the environment, whether adverse or beneficial, fully or partially arising from an organization's environmental aspects.

Indicator

Calculation formula or measurement that reflects a particular relationship or state of play in relation to a specific predefined target or goal.

Duration index

Average number of days lost per work accident

Frequency index

Number of accidents with sick leave occurred in a year, per million hours x man hours worked

Severity index

Number of business days lost per year, per million hours x man hours worked

Incidence index

Number of accidents with sick leave occurred, per year of work per thousand workers

Seats x km

Number of carriages multiplied x km by the average capacity of each carriage.

Monitoring

Series of actions aimed at monitoring the full functioning of the organization’s operations or its goals, processes, indicators or other matters of economic, environmental and social performance.

ISO 9001

International Organization for Standardization on quality management systems.

ISO 14001

ISO 14000 series standard specifying the Requirements for an Environmental Management System. Specifications and guidelines for use.

Death

The death of a worker occurring in the current reporting period, arising from an occupational disease or injury sustained or contracted while performing work as an employee of the organization.

Incidents per million passengers transported

Number of criminal incidents involving passengers per million passengers transported.

Organization

Group of people and facilities included in a chain of responsibilities, authorities and relationships.

Stakeholders

Entities that are affected by or affect the company.

Passenger x km

Measurement unit corresponding to a passenger’s travel in a vehicle, over the distance of one kilometre, when this vehicle assures the intended service.

Passengers transported

Number of passengers transported, in metro mode, including fraudulent passengers.

Valid passengers

Number of passengers transported, in metro mode, with a valid ticket, not including fraudulent passengers.

Recycling

Reprocessing of waste through its biological, physical or chemical transformation, for its initial purpose or other purposes, namely as raw material, excluding energy recovery.

Complaints

Manifestation of lack of satisfaction formalized by third parties verbally or in writing to ML. Any customer complaints addressed to the services, whether personally (verbally or in writing) or by telephone, postal mail, electronic mail or any other written form.

Waste

Any substances or objects of which the holder disposes or has the intention or obligation to dispose.

Service

Result of a process established between the provider and customer in the framework of a contract, including the features that enable its assessment.

Management system

System for the establishment of the policy and goals, and for the achievement of these goals.

Quality Management System

Management system to direct and monitor an organization concerning quality.

Environmental Management System

Part of an organization's management system used to develop and implement its environmental policy and manage its environmental aspects.

Sustainability

Ability to meet present needs without compromising the ability of future generations to meet their needs.

Absenteeism rate

Percentage obtained by dividing the hours of absence by the work potential.

Turnover rate

Movement of recruitment and leaving of employees in a company, demonstrated by a turnover rate.

Processing

Series of legal requirements for the formation of a process.

Recovery

Any operation that aims to reuse waste (including processes of reuse, recycling, regeneration, energy recovery, among others).

xi. Abbreviations and Acronyms

Abbreviation / Acronym	Meaning
ACE	Complementary Group of Companies
AE I	Company Agreement I
AE II	Company Agreement II
AML	Lisbon Metropolitan Area
APA	Portuguese Environment Agency
ATM	Automated Teller Machine
AVAC	Heating, Ventilation and Air Conditioning (HVAC)
AVE	Advertising Value Equivalent
CBTC	Communications Based Train Control
CCDR	Regional Coordination and Development Commission
CITV	Closed-Circuit Television (CCTV)
CLC	Legal Certification of Accounts
CML	Lisbon City Council
CSC	Commercial Companies Code
DGPC	Directorate General of Cultural Heritage
DPO	Data Protection Office
EBIT	Earnings Before Interest
EBITDA	Earnings before Interest, Taxes, Depreciation and Amortization
EGP	Public Manager Statute
Grupo Comet	The Community of Metros
GWh	Gigawatt hour
I.P.	Public Institute
ICNF	Institute for Nature Conservation and Forests
IDI	Research, Development and Innovation (R&D&I)
LTI	Long-Term Infrastructure Investments
IMT	Instituto da Mobilidade e dos Transportes, I.P.
IP	Infraestruturas de Portugal, S.A.
IPSS	Private Social Solidarity Institution
ISEG	Instituto Superior de Economia e Gestão (Lisbon School of Economics and Management)
ISEL	Instituto Superior de Engenharia de Lisboa (Lisbon Institute of Engineering)
ISO 14001	Environmental Management Systems - Requirements and Guidelines for Use
ISO 45001	Occupational Health and Safety Management Systems - Requirements and Guidelines for Use
ISO 5001	Energy Management Systems - Requirements and Guidelines for Use
ISO 9001	Quality Management System- Requirements
LIOS	Sustainable Inter-modal Line
LKO	Seats x km
MAVT	Automated Ticket Sale Machine
MKBF	Mean Kilometres Between Failure
ML II	Metropolitano de Lisboa
ML90, ML95, ML97, ML99	The four series of ML's rolling stock
MLS	Light Surface Metro
MTBF	Mean Time Between Failures
MWh	Megawatt hour
n.a.	Not Available
SDG	Sustainable Development Goals

Abbreviation / Acronym	Meaning
OTLIS	Operadores de Transportes da Região de Lisboa, A.C.E.
p.p.	Percentage Point
PAO	Activities Plan and Budget
PART	Fare Reduction Support Programme
PESTAL	Political, Economic, Social, Technological, Environmental and Legal Context Review
PISA 2030	Environmental Integrated Sustainability Plan 2030
Pkm	Passenger x km
PKT	Passenger x km Transported
PMO	Depot and Workshops
PMO I	Sete Rios Depot and Workshops
PMO II	Calvanas Depot and Workshops
PMO III	Carnide Depot and Workshops
PMP	Average Payment Period
PNPA	National Accessibility Promotion Plan
PRR	Recovery and Resilience Plan
RCM	Council of Ministers Decision
ROC	Statutory Auditor
ROI	Return on Marketing Investment
y / n / n.a.	Yes / No / Not Applicable
S.A.	Public Limited Liability Company
SADI	Automatic Fire Detection System
SAP	Systems Applications and Products in Data Processing (integrated business management system)
SAP BPC	SAP Business Planning and Consolidation
SCIE	Security Against Fire in Buildings
SEAMB	Secretary of State for the Environment
SEE	State Business Sector
SETF	Secretary of State for the Treasury and Finance
SIGO	Budget Management Information System
SOE	State Budget System
SSIT	Technical Installations Supervision System
SWOT	Strengths, Weaknesses, Opportunities and Threats
TML	Transportes Metropolitanos de Lisboa
UA	University of Aveiro
EU	European Union
UTAM	Technical Unit for Supervision and Monitoring of the State Business Sector
UTE	State Treasury Unit
V. Abs.	Absolute Value
Var.	Variation