



# CONSOLIDATED REPORT 2022

Version not compliant with ESEF

20.06.2023

## **European Single Electronic Format (ESEF)**

This document is an unofficial and unaudited version of the official document reporting the accounts of Metropolitano de Lisboa, EPE, submitted on the CMVM website on 29 June 2023. 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 2022 – Unofficial version – unaudited”. In case of discrepancy, the official financial information submitted to CMVM prevails.

## **Digital Signature**

This report is signed in digital format.

### **The Board of Directors**

Vítor Manuel Jacinto Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

The financial statements and their Appendices are signed in digital format.

### **The Certified Accountant**

Pedro Miguel Galante Antunes Paiva

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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 of 2022.

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 2022”, issued in the Circular Letter SAI\_DGTF/2023/630 of 10 February 2023, 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 Activities 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, decarbonization 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 Article 451(6) 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.”



## EXECUTIVE SUMMARY

### 1. Message from the Chairman. Highlights of the year

To all stakeholders.

This document presents the Integrated Report referring, in detail and rigour, to the activity 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 of 2022.

The year of 2022 marked the end of the COVID-19 Pandemic, which peaked between 2020 and 2021 and, at the same time, witnessed the onset of military conflict in Europe, following Russia’s incursion into Ukraine.

This conflict, the end of which we all desire, but in which we witness new personal, humanitarian and civil disasters on a daily basis, without any real glimmer of embarking on a path leading to the much sought after peace, is having profound repercussions across all sectors of society, causing inflationary upsurges, a widespread shortage of products and services, impacting all of our lives, particularly the most vulnerable.

Despite all these adverse realities, Metropolitano de Lisboa began its recovery in 2022, mitigating the impacts of two years of pandemic. Last year, ML emerged as one of the public transport operators that most effectively recovered, witnessing a 63% surge in demand in relation to 2021. Compared with pre-COVID values, the total number of validations (passengers recorded) in 2022 reached 133 million, which is still 23% lower than the figures for 2019. Revenue (including Fixed Fare Reduction Support Programme (PART) and co-funding) showed an increase of 64.2% when compared with 2021 and 6.4% below the comparable figures for 2019.

Although still trailing below the 2019 figures, the return to normalcy is inevitable. While we are currently confronted with the costs of inflation and the consequences of Russia’s invasion of Ukraine, in 2022 ML consolidated its recovery. From operation to sustainability initiatives, from certifications to the ticketing system, from construction works to the launch of new projects, ML has pursued a path towards the consolidation of its indispensable role in Lisbon’s new mobility challenges, at a time when it celebrates its 75<sup>th</sup> anniversary.

In line with the Asset Recovery Plan and the National Plan for Promotion of Accessibility, ML has made significant strides towards fulfilling the principal of “Accessibility and Mobility for all”. This includes the successful installation of lifts at the Entre Campos and Cidade Universitária stations, and the completion of review for the Campo Pequeno, Picoas, and Campo Grande projects, with tenders launched at the start of 2023. Additionally, 2023 is set to see the launch of tenders for the installation of lifts at Martim Moniz, Intendente, and Anjos stations. These steps are crucial in achieving our primary goal of full accessibility for the forthcoming Circle Line. By 2025, ML anticipates having a total of 52 fully accessible stations.

In December, as part of its commitment to promoting accessibility, ML also awarded the contract work for the replacement of four escalators and the modernization of three more at Baixa-Chiado station. Furthermore, at the start of the year, ML initiated the tender process for the replacement of escalators at Campo Grande and Cidade Universitária stations, as well as for the replacement of lifts at Alameda and the escalators at Entre Campos.

The recovery of its many assets, in the area of technical installations and systems, involved the installation, renovation and overhaul of several fundamental systems for the control and supervision of ML’s network: SADI (Fire Detection Support System), SSIT (Technical Installations Supervision System) and CITV (Internal Television Circuit).

Concerning the existing rolling stock, ML continued with two key initiatives: the replacement of the door mechanisms in the ML90 series trains and overhaul of the existing mechanisms in the remaining ML95, ML97 and ML99 fleets. These upgrades entail a total investment of approximately 8 million euros. In April 2022, ML completed the refurbishment of the seating of the entire rolling stock fleet with the new cork cover. Additionally, in 2022 ML also decided to extend the painting of the train doors to include the fronts, thus continuing the efforts to attract new customers.



The manufacture of the new grinding machine continues in the USA, which is intended to replace the existing equipment of 1976, with delivery forecast for 2024, representing an investment of about 8 million euros.

Regarding the ticketing system, although the anticipated qualitative leap with the introduction of bank card use at the fare gates did not materialize this year as hoped, ML expects to implement this project across the entire network in the upcoming months.

During 2022, ML continued the efforts to install the Communications-Based Train Control (CBTC), the new train control system, which embodies the most important part of ML's Modernization project, enabling better traffic regulation with a very significant reduction of the frequency of train circulation and, consequently, improving the quality of the customer service.

The ML network modernization project foresees an investment of 114.5 million Euros in the new CBTC signalling system for the Blue, Green and Yellow lines, which includes the procurement of 14 new triple units (41 cars), as well as the adaptation of 70 triple units to the new signalling system. During 2022, our control and supervisions teams made regular visits to the supplier's factory (ACE SIEMENS STADLER), in Valência, Spain, as well as to several locations of the component manufacturing centres. Representatives of the Workers' Committee were given the opportunity to inspect and provide feedback on the prototype of the driving seat/train driver's cab.

The construction of the Circle Line, which aims to connect the Yellow and Green lines, has been progressing at a good pace across the three awarded lots. In Lot 1, the tunnel is already fully open between the School Pedro Nunes and the start of the future Santos station, with the rest of the contracted work being actively pursued. Similarly, Lot 3, involving the Viaducts in Campo Grande, performed soundly in 2022, with its completion expected in 2023. The greatest difficulties emerged in Lot 2 (between Santos and Cais do Sodré) due to the specific complexities of this contract work.

In 2022, the public tender process was initiated to award the contract work for design and construction of the finishes and systems (Lot 4).

In 2021, for the promotion of Public Transport in the Lisbon Metropolitan Area, ML and the "RECUPERAR PORTUGAL" [RECOVER PORTUGAL] Mission Structure signed the funding contracts for carrying out investments aimed at extending the Red Line up to Alcântara and the implementation of an Odivelas/Loures Light Surface Metro, both foreseen in the 2026 Recovery and Resilience Plan.

Under the expansion project, following the submission of the Preliminary Study for the Red Line Extension between São Sebastião and Alcântara for Environmental Impact Assessment purposes to the Portuguese Environment Agency (APA) in December 2021, ML received the approval of the Environmental Impact Statement in the third quarter of 2022.

In January 2023, coinciding with ML's 75th Anniversary, a public tender was launched for the extension of this line. This extension will commence through an existing tunnel section near the Justiça Palace and will have a total length of approximately 4 km, including 380 metres in viaduct. Plans have been laid for the construction of three new underground stations (Campolide/Amoreiras, Campo de Ourique and Infante Santo) and one at ground level (Alcântara).

In relation to the Loures/Odivelas Light Surface Metro, its Environmental Impact Study was submitted to the Portuguese Environment Agency in August of this year, with its Environmental Impact Assessment (AIA) currently underway. We received the Preliminary Environmental Assessment Report in March 2023, which is generally favourable to the issuance of the corresponding Environmental Impact Statement (DIA).

Despite all the efforts made by the Company's various departments, the investment volume significantly undershot our initial target.

The Innovation and Sustainable Development areas had a successful intervention in 2022, culminating in the achievement of Carbon Neutrality in the beginning of 2023.

In terms of innovation, ML continued with the implementation of the selected proposals in the internal programme of Ideas and Projects – MetroGO. Additionally, there was a continued focus on the development of joint innovation initiatives with the Instituto Superior de Engenharia (Lisbon Institute of Engineering of the University of Lisbon (ISEL) and the University of Aveiro (UA).

In March, with to the goal of strengthening the focus on sustainability, the Company planted 1,875 trees in Leiria National Forest. This was the first action of its kind, and which is pursued in 2023, to contribute to the recovery of the pine forest and offsetting the direct CO<sub>2</sub> emissions generated by ML in the Lisbon Metropolitan Area. In 2022, the Company also consistently developed a series of measures and projects aimed at progressively reducing water and energy consumption and CO<sub>2</sub> emissions, in addition to the rational management of these resources.

To optimize and decrease network energy consumption, a plan is in progress to change and replace the existing lighting in stations with LED technology. In 2024, ML plans to launch a photovoltaic plant at the Calvanas Depot and Workshop, with capacity to produce 2 MW of energy per year, which will contribute to a 5% reduction in ML's reliance on external energy suppliers.

Especially noteworthy is the textile collection campaign which took place between 21 November and 23 December in the context of the European Week for Waste Reduction, aimed at engaging ML's customers in an action to foster sustainability and the circular economy.

The year in which ML launched new uniforms for the operational categories covering around 800 workers in the operation, maintenance and customer support areas, also marked the Company's connection to culture: in September, ML installed 32 sculptures by Françoise Schein at Encarnação station, culminating a decades-long cycle of artistic interventions.

Also in the area of cultural initiatives, the Baixa-Chiado, Odivelas, São Sebastião and Senhor Roubado stations hosted the itinerant photography exhibition titled "People Seeking a Dignified Life" dedicated to the theme of migration.

One of the areas that merits ML's continued attention is the endeavour to ensure the profitability of its physical assets scattered across Lisbon. During 2022, we continued negotiations with Lisbon City Council 's new administration regarding the approval of the urban plan for the plots of land of the former Sete Rios Depot and Workshop, which unfortunately have not yet reached a conclusion.

Throughout 2022, in the Risk and Compliance area, ML focused on enhancing corporate ethics. The Risk Management System was consolidated and the Corporate Compliance Programme was bolstered, with increased transparency and the engagement of all staff members.

As Cybersecurity is currently such an important factor, ML also enhanced its cybersecurity measures and developed actions aimed at fostering the information security culture within the organisation.

In financial terms, 2022 saw ML maintain its long-term rating of BBB+ investment grade, with stable outlook in relation to the previous year.

Concerning human capital management, we highlight the recruitment of new staff for especially relevant areas in the Company, both to reinforce the teams of various departments and replace staff who have reached the retirement age. These hires were authorized by the Government, under the Activities Plan and Budget for 2022, for a total of 58 workers: 34 station staff members, 13 maintenance officials, 2 construction work inspectors and 9 specialized technicians. Special reference should also be made to the training of 22 new train drivers, which significantly enhanced out capacity of implement supply plans and thus improve customer service. ML also launched various recruitment and selection processes to further strengthen the staff pool. Particular note is made of the launch of the second Trainee Programme for the sourcing and reinforcement of young employees and the strengthening of ML's commitments to social responsibility through various initiatives.

We emphasise the continued importance of collective bargaining as an indispensable instrument for promoting social peace and improving our staff's wellbeing.

In November 2022, the Company Agreements for the Workers in General and Senior Technicians were signed with the representative unions, thus completing the Collective Bargaining Process with the updating of the salary tables and their indexed clauses and payment of retroactive payroll from 1 January 2022. Agreements were reached in other matters, which enabled, namely, the extension of the enforcement of the Company Agreements.

The activity of Ferconsult, S.A. during 2022 continued to focus on the closure of international projects, namely in Algeria.

Metrocom, S.A., the subsidiary fully owned by ML and responsible for operating the network's shops and commercial spaces, implemented a management strategy primarily focused on mitigating the impact of the pandemic crisis, and directed its activity to transforming and repositioning the business. In 2022, this subsidiary achieved a turnover of approximately 2.6 million euros, corresponding to an increase of 45.4% compared to 2021. The effective development of its business urgently requires the extension of the ML's Public Transport Service Concession Contract.

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

The Company celebrated its 75 years of existence in 2023.

We are unquestionably of considerable benefit to the city and the Lisbon Metropolitan Area, serving both as an operator and catalyst of mobility for its development and improvement of the quality of life of its populations based on growth and environmental sustainability.

ML's progress is evident in initiatives such as the split of the former Rotunda station and the creation of the double station at Marquês de Pombal.

Or, for example, the arrival at Baixa Chiado and Cais do Sodré or Santa Apolónia. Other achievements include the discovery of the remains of the Roman Circus of Olisipo, in Rossio, the contribution to stabilize the ruins of Convento do Carmo and the arrival at Expo and then the Airport.

We are currently experiencing a moment of transition to an economy and society that aspire to relinquish dependence on fossil fuels. In that context, our Company is fundamental for the future.

And the future is the next station.

We extend our deepest gratitude to the workers of Metropolitano de Lisboa for their unwavering professionalism over the past two challenging years. Their dedication has been instrumental in sustaining the Company's daily operations and ensuring their vital contribution to maintaining an essential transport service for sustainable mobility in the city and the Lisbon Metropolitan Area. We also extend thanks to the members of the governing 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 Company's normal operation.

A word of gratitude to all those who have worked directly and indirectly with ML and who have contributed on a daily basis to making this Company a benchmark company, crucial to the public transport service.

Lisbon, 20 June 2023

Chairman of the Board

Vítor 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	Unit	2022	2021	2020	2019	Var. 2022/2021		Var. 2022/2019	
						Abs	%	Abs	%
<b>DEMAND Indicators <sup>1</sup></b>									
PT (Passengers Transported)	10 <sup>3</sup>	136 726	83 716	90 567	183 801	53 010	63.3	(47 075)	(25.6)
PKT (Passengers x km)	10 <sup>3</sup>	711 833	403 679	433 114	880 985	308 153	76.3	(169 152)	(19.2)
<b>SUPPLY Indicators</b>									
C km (Cars x km)	10 <sup>3</sup>	27 965	24 398	26 373	27 623	3 568	14.6	342	1.2
PSK (Passenger Spaces x km)	10 <sup>6</sup>	3 580	3 123	3 376	3 536	457	14.6	44	1.2
<b>Quality of Service</b>									
Frequency	%	94.9	96.8	96.9	98.7	-	(1.9) p.p.	-	(3.7) p.p.
Occupancy Rate	%	19.9	12.9	12.8	24.9	-	7.0 p.p.	-	(5.0) p.p.
<b>HR INDICATORS</b>									
No. of employees on 31 Dec	Unit	1 575	1 521	1 517	1 504	54	3.6	71	4.7
Wage Bill	thousand euros	61 962	59 267	58 359	57 651	2 695	4.5	4 311	7.5
Compensation for Termination	thousand euros	0	0	0	0	0	-	0	-
<b>SHAREHOLDER STRUCTURE</b>									
Total Share Capital	million euros	3 849.3	3 667.9	3 414.0	3 093.6	181	4.9	756	24.4
Share Capital owned by the State	%	100	100	100	100	-	0.0 p.p.	-	0.0 p.p.
<b>NET ASSETS</b>									
Non-current assets	million euros	5 634.3	5 680.6	5 662.6	5 549.2	(46)	(0.8)	85	1.5
Current assets	million euros	216.6	196.5	111.4	88.7	20	10.2	128	144.1
<b>Total Assets</b>	<b>million euros</b>	<b>5 850.9</b>	<b>5 877.1</b>	<b>5 774.0</b>	<b>5 637.9</b>	<b>(26)</b>	<b>(0.4)</b>	<b>213</b>	<b>3.8</b>
Equity	million euros	1 914.8	1 730.4	1 501.0	1 246.0	0	10.7	669	53.7
Liabilities	million euros	3 936.0	4 146.7	4 273.0	4 391.9	(211)	(5.1)	(456)	(10.4)
<b>Total Equity and Liabilities</b>	<b>million euros</b>	<b>5 850.9</b>	<b>5 877.1</b>	<b>5 774.0</b>	<b>5 637.9</b>	<b>(26)</b>	<b>(0.4)</b>	<b>213</b>	<b>3.8</b>
<b>INVESTMENTS <sup>1</sup></b>									
Long-Term Infrastructure Investments	million euros	44.2	52.8	16.4	9.7	(9)	(16.2)	35	357.7
Other Investments	million euros	5.9	34.5	5.0	4.3	(29)	(83.0)	2	37.5
<b>Investment Expenses</b>	<b>million euros</b>	<b>50.1</b>	<b>87.3</b>	<b>21.4</b>	<b>13.9</b>	<b>(37)</b>	<b>(42.6)</b>	<b>36</b>	<b>259.7</b>
<b>STRUCTURE INDICATORS</b>									
Remunerated Liabilities	million euros	3 293	3 395	3 494	3 614	(102)	(3.0)	(320)	(8.9)
Financial Autonomy%	%	32.73	29.44	26.00	22.10	-	3.3 p.p.	-	10.6 p.p.
Solvency%	%	48.65	41.73	35.13	28.37	-	6.9 p.p.	-	20.3 p.p.
<b>FINANCIAL INDICATORS</b>									
<b>Average period for payment (PMP)</b>	<b>Days</b>	<b>21</b>	<b>36</b>	<b>41</b>	<b>47</b>	<b>(15)</b>	<b>(41.7)</b>	<b>(26)</b>	<b>(55.3)</b>
Consolidated Turnover	million euros	112.0	67.4	67.5	120.1	45	66.1	(8)	(6.8)
Consolidated EBITDA (adjusted) <sup>2</sup>	million euros	1.50	(3.97)	(28.43)	6.15	5	(137.7)	(5)	(75.7)
Consolidated EBITDA Margin (adjusted)	%	1.34	(5.89)	(42.10)	5.12	-	7.2 p.p.	-	(3.8) p.p.
Consolidated Operating Income (adjusted) <sup>2</sup>	million euros	128.89	112.70	92.31	125.5	16	14.4	3	2.7
Consolidated Operating Expenses (adjusted) <sup>2</sup>	million euros	127.39	116.67	120.74	119.4	11	9.2	8	6.7
<b>Coverage Rate of Consolidated Operating Expenses (adjusted)</b>	<b>%</b>	<b>101.2</b>	<b>96.6</b>	<b>76.5</b>	<b>105.2</b>	<b>-</b>	<b>4.6 p.p.</b>	<b>-</b>	<b>(4.0) p.p.</b>

<sup>1</sup> "Investment expenses" considers only the investment net of TPE and financial costs.

<sup>2</sup> Adjusted value of Provisions, Adjustments, Impairments, Fair value increases/reductions, Investment grants, Equity/subsidiaries and other non-cash items.

**ORGANISATION**

**1. ML and its Subsidiary Companies**

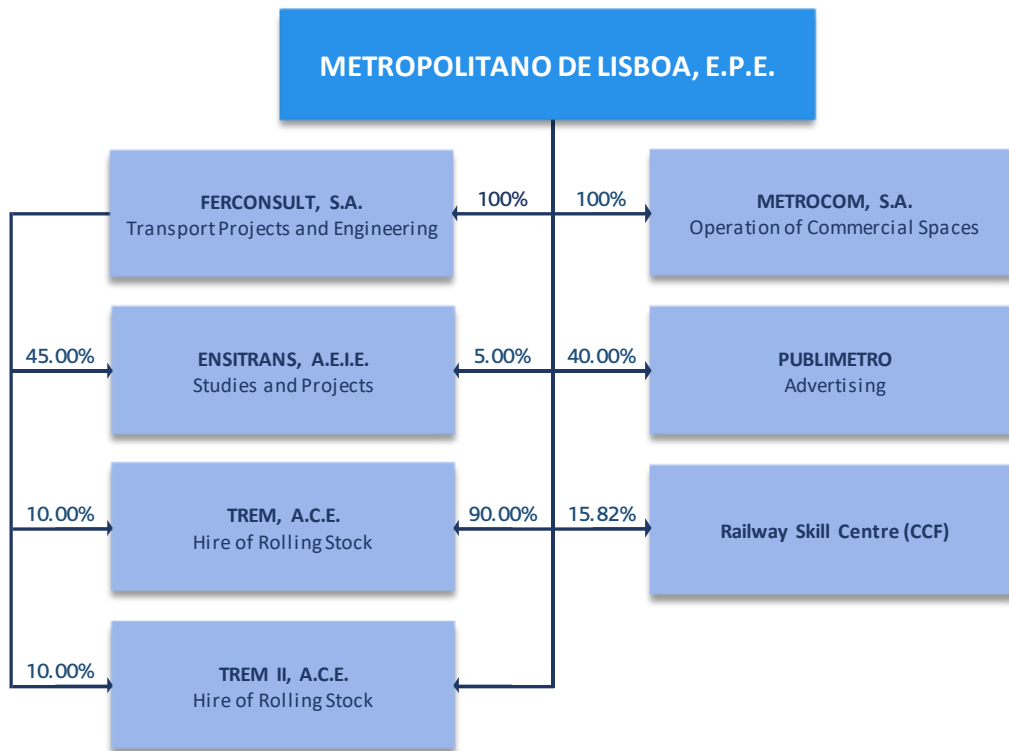
Metropolitano de Lisboa provides public transport services by metro in the city of Lisbon and neighbouring municipalities under concession. For this purpose it develops related activities such as operation, promotion of Public Transport (PT) and infrastructure maintenance.

It also commercially operate 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 Publímetro, 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 lines. 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.

Through appointment by the Board of Directors for the term of office 2022-2024 determined by Order 9167/2022 of the Ministry of Finance and Ministry of Environment and Climate Action of 13 July (D.R. 2nd series – no. 144 of 27 July 2022), the current Board of Directors took office on 13 July 2022.

Figure 1 – Structure of shareholdings



**2. Purpose, Scope and Management Principles**

Metropolitano de Lisboa, E.P.E. is a Public Business Entity with legal personality, endowed with administrative, financial and patrimonial autonomy, 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”<sup>1</sup> was approved by the Board of Directors which authorized including the reference of the Certification pursuant to standard NP4475, the integration of Ferconsult and respective process adjustment.

<sup>1</sup> Resolution no. 1625645 of 7 April 2022.

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

In 2021<sup>2</sup>, the Board of Directors approved the replacement of “Mission, Vision and Values” with adoption of the concepts “Purpose, Scope and Management Principles”, which are set out below:

### i. Purpose

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

### ii. Scope

To provide a public passenger transport service in metro or other mobility systems in a dedicated channel, 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.

### iii. Management Principles

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

- The best interests of our clients.
- 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.

### iv. Management Policy

The Quality and Environment Management System (SGQA) is ruled by a set of assumptions defined by the Board of Directors based on ML’s general principles:

- **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.
- **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.
- **Shared and clearly defined responsibilities** – Defining clear responsibilities at the various levels of the organisation and providing the means for responsibilities to be fulfilled.
- **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.
- **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.
- **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.

<sup>2</sup> Resolution no. 1587859 of 16 September 2021.

- **Making decisions in a sustained manner**– Ensuring that data is available to enable decision making to be based on facts.
- **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.
- **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.
- **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.
- **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.

## v. Customer Charter

### A. Declaration of Commitment

Metropolitano de Lisboa primarily aims to ensure the continuous improvement of the quality of service provided, in order to meet customer needs and expectations, underpinned by sustainable management. This Declaration of Commitment seeks to strengthen the dialogue between the Company and its Customers, contributing to social wellbeing.

#### I. Transport service supply:

- Provide a quality service that meets customer expectations;
- Contribute to the reinforcement of intermodal articulation;
- Implement schedules which respond to current demand in an effective manner.

#### II. Human resources:

- 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.

#### III. Safety:

- 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;
- Keep vehicles in a good state of repair;
- Ensure that the equipment available to the customer is in perfect working order.

#### IV. Accessibility:

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

#### V. Regularity:

- Maintain high service regularity levels, promoting the possible measures to minimise disruptions caused by circulation problems of the service.

#### VI. Suggestions and complaints:



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

#### VII. Information and customer support:

- Provide relevant information about the service provided in a perceptible and rigorous manner, in the appropriate spaces and through the various means of communication with the customer, both in normal situations and during service disruptions;
- Make the sales network more dynamic by providing various ways and means of purchasing tickets;
- Provide own channels and spaces for customers to resolve anomalous situations or those that require specialized analysis due to their specific nature.

#### VIII. Environment

- Comply with legal requirements regarding pollutant emissions, contributing to the protection of the environment;
- Promote and provide means that offer customers with good environmental protection practices.

#### IX. V. Cleaning and conservation:

- Ensure that stations, trains and equipment are in good state of repair and cleanliness.

### B. Customer Duties

Customer collaboration is essential to achieve the proposed quality standards. Accordingly, simple rules should be respected when using ML, which will enable improving the quality of service provided, with benefits for everyone. Thus, customers should:

- Travel with valid tickets and passes and show them to the Company staff whenever requested;
- Always validate the ticket or pass; customers who do not comply are committing a transgression (Law no. 28/2006 of 4 July, as amended by Law no. 83-C/2013 of 31 December);
- No smoking inside the premises and trains; customers who do not comply are committing an offence established and punishable by law (Article 4(1)(u) of Law no. 37/2007 of 14 August);
- Respect the existing rules concerning the transport of animals (Decree-Law no. 315/2009 of 29 October, Ordinance no. 968/2009 of 26 August and Ordinance no. 422/2004 of 24 April), bicycles and other personal objects which, due to their volume or content, could cause inconvenience or constitute danger;
- Use the equipment properly;
- Respect the door closing sign and safety warnings;
- Collaborate with priority and disabled customers whenever necessary and respect the seats intended for them;
- Help to keep the waiting areas and trains clean, using the existing waste disposal containers;
- Avoid making noise that could disturb the other passengers;
- Warn the Company staff of the existence of any anomalous or dangerous situation.

In a nutshell, customers should behave in a responsible and compliant manner, both in relation to other customers and the Company staff, always respecting the latter's indications.

## CONTEXT ANALYSIS

### i. Stakeholders

For Metropolitano de Lisboa, E.P.E. and Metrocom, S.A., both in the present and future, the stakeholders are all the groups identified in concordance with the AA1000 Stakeholder Engagement guidelines, whose quality of life may be affected by the activities pursued.

For this purpose, and in addition to including all those with whom these companies have contractual or regulatory relationships (customers; employees and pensioners; suppliers; supervision authorities; bodies and associations which ML has voluntarily joined), an analysis of the impact of their activity 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.

Figure 3 – Stakeholder alignment with forms of consultation

	COMPLIANCE OBLIGATIONS (Type of documentation)	FORMS OF CONSULTATION/COMMUNICATION
CUSTOMERS	Customer Charter NP 4475 – Public passenger transport – Metro Network – Characteristics and supply of the service	Customer Satisfaction Survey (ISC) Complaints Company Website
SUPERVISION AUTHORITY	Concession contract ( <i>under review</i> )	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
EMPLOYEES	Employment Contract Company Agreements: AE II (Graduates and Bachelors) and AEI (Non-graduated workers)	Company Website Email Employee Satisfaction Survey (Company Climate Study)
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 ( <i>under implementation</i> )	ML website Environmental complaints
OTHER TRANSPORT OPERATORS	Documented decisions taken at TML	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:

### ii. Political

The State Budget for 2022 presented by the Government in 2021 was voted down by the opposition. The opposition stronghold that had validated the State Budget for 2021 in the midst of the pandemic period did not maintain their support, contributing to early elections. This process left the country without a State Budget, operating under a provisional twelfths system. The year of 2022 thus began with Parliamentary Elections and the election of a new Government with an absolute majority.

Russia spearheaded a large-scale military operation against Ukraine on 24 February 2022. The invasion triggered a war in Europe, destabilizing European nations and eroding political, economic and social relations. The geopolitical scenario was characterized by major uncertainty, which still appears to be extensive in 2023.

On the last Thursday of September 2022, after several periodic meetings involving the Directorate General of Health, Infarmed, the Ricardo Jorge Institute and following a very high vaccination level, the Government decided not to renew the situation of alert, putting an end to the measures published in Diário da República (D.R. or official gazette), after Portugal had experienced a series of situations of calamity, disaster and states of emergency since March 2020.

In view of the high energy prices, the Member States formally endorsed a Council regulation with common measures to reduce the demand for electricity and redistribute the energy sector's surplus revenue to households and small and medium-sized enterprises.

### iii. Economic

In line with the projections, the Portuguese economy grew by 6.7% in 2022, the best result of the last 35 years, accelerating after the 4.9% growth recorded in 2021. Indeed, national aggregate economic activity confirmed the upward path, after having fallen by 8.4% in 2020, thus recovering from the decline in wealth generated in that year of severe contraction.

GDP variation year-on-year (%)						
2019	2022	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2022
2.7%	4.9%	11.8%	7.1%	4.9%	3.2%	6.7%

Source: INE

Special reference is made to the strong weight of exports in 2022, which reached 50% of the weight of gross domestic product (GDP) and the acceleration of private consumption. On the other hand, the scenario of volatility in the confidence of economic agents, generated by the geopolitical context and the risks stemming from the increased inflation, combined with the response of governments and central banks to the inflation, gave rise to a slowdown and postponement of investment by individuals and entities.

The results for 2022, illustrated by economic and management indicators, in addition to reflecting the expected post-pandemic recovery, also clearly revealed the consequence of the war in Ukraine. That war was the initial driver of rising inflation (due to the energy product index), combined with the post-COVID shortfalls in supply chains, the increased cost of living via the real wage reduction, generating a slowdown of economic activity in Portugal in the second half of the year.

We highlight the significant contribution of the Tourism sector to the historic level reached by the export item in 2022. In fact, tourism activity in Portugal for the calculations of 2022 is remarkable, being equivalent to the levels of 2019, as illustrated, for example, by the number of overnight stays. It is noteworthy that the trend of the number of passengers transported by ML is intensely affected by the tourist activity in the city of Lisbon and its surroundings.

	Total Overnight Stays (10 <sup>3</sup> )			
	2019	2021	2022	Var (%) 2019/2022
National	70,159.0	37,332.4	69,571.3	-0.84%
Lisbon MA	18,639.1	7,731.5	17,996.7	-3.45%

Source: INE

### iv. Social

The year of 2022 was marked by the end of the restrictions due to COVID-19. On 28 September, inspired by the considerably high population that was already vaccinated and the lower aggressiveness of the SARS-CoV-2 strains in circulation, the incidence of the disease and above all by its impact on people's health and on the functioning of the National Health System, the Government put an end to the COVID-19 restrictions, keeping the use of masks only mandatory in health units and residential homes for the elderly, despite having continued its monitoring up to 7 November and not ending the use of masks in health services.

From an opposite angle, the war in Ukraine not only had political consequences, but was also reflected in the economic and social spheres of European countries. Increased inflation and interest rates will invariably exacerbate economic and social inequality levels. Workers saw their real income decline, as opposed to company unit profits, according to European Central Bank (ECB) data of May 2022. A social context of some agitation and friction is clearly evident.

	Unemployment Rate year-on-year (%)						
	2019	2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	2022
National	6.6%	6.6%	5.9%	5.7%	5.8%	6.5%	6.0%
Lisbon MA	7.1%	6.8%	6.8%	6.8%	7.6%	7.6%	7.2%

Source: INE

Even so, and in line with the increased GDP, unemployment fell by 0.6 percentage points (p.p.) at a national level, despite the unemployed population of Lisbon Metropolitan Area having recorded an increase of 0.4 p.p.

Proportion of the Population Employed in Telework (%)	
2021	2022
9.3%	17.0%

Source: INE

Invariably, and confirming the trend that has emerged since the pandemic, the proportion of the population employed through telework stood at 17% for the year of 2022 as a whole, having increased by 7.7 p.p. year-on-year. Considering that the portion of workers under remote schemes due to the COVID-19 pandemic is currently low, telework is particularly consolidated as a new system of organisation of companies and their workers, operating as one of the explanatory variables for the fact that the pre-pandemic level of passengers transported by ML has not yet been reached.

#### v. 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 in terms of people's willingness to use it.

Portuguese small and medium-sized enterprises (SME) show some resistance to adopting artificial intelligence (AI) solutions, despite the numerous benefits to business. After the pandemic, artificial intelligence actually helped many companies to overcome obstacles. According to Eurostat data published in April 2021, only 9% of SME in Portugal use artificial intelligence. Although Portugal is still above the European average, which stands at 7%, there is still a long way to go. Nowadays, artificial intelligence is indispensable in companies and the market offers a plethora of solutions at affordable prices. Companies prepared to digitalize processes are more suitable for scenarios of telework and online sales. Accordingly, SME could reduce the time spent on monotonous tasks and increase the satisfaction of their workers. The Digitalization aspect included in the Recovery and Resilience Plan (PRR) will also enable the Portuguese economy to increase its productivity and competitiveness at an international level.

Generally speaking, the implementation of artificial intelligence is linked to cloud computing, which facilitates and greatly improves the efficiency of processes, as it enables access to the Company's internal information from any place. But the focus on new technologies also carries with it risks, which accentuates the importance of cybersecurity in organisations. In 2022, cyberattacks intensified in some companies based in Portugal (Impresa, Vodafone, Hospital Garcia da Horta, Sonae, BCP, EMGFA, TAP, among others), which resulted in more or less destructive attacks with impact on company operation and theft of their customers' data, in some cases, irrecoverably.

#### vi. Environmental

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

Climate change arising from global temperature increase has already started to be felt, increasing the rate of extreme weather events. The Oceans Conference promoted by the United Nations was held in July 2022 in Lisbon, during which Portugal experienced a heat wave, making July its peak month with tropical nights. However, the country was also marked by a drought and wildfires. The year did not close without experiencing another extreme weather event, with

intense rains causing violent flooding, especially in Lisbon Metropolitan Area. As a consequence of these weather conditions, some metro stations were constrained with impact on service functioning. These disasters caused a shortage of resources and consequently higher prices.

## vii. 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.

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 help the Company to focus on its objectives, ensuring organisational alignment and allowing, in an easier way, to separate the essential from the accessory.

Concerning 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 Data Protection Officer (DPO) and has introduced all the necessary changes to ensure full compliance with the legislation in force.

Companies are required, since 1 January 2022, to begin to disclose information in conformity with EU taxonomy, in compliance with the requirements stipulated in the Non-financial Reporting Directive (NFRD) and Taxonomy Regulation. Accordingly, market participants covered by the NFRD must disclose information on their efforts of adaptation to and mitigation of climate change relative to specific economic activities pursuant to the taxonomy rules in relation to the year of 2021.

On the other hand, 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. Following the end of the restrictions due to COVID-19, some companies definitively adopted the Telework rules.

## 2. Internal Analysis

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

### i. Organisation

Metropolitano de Lisboa has a relatively stable organisation, in force since 1 April 2017, which is the date on which the Company's organisational independence was restored (see Figure 5 – Metropolitano de Lisboa Organisation Chart's Organisation Chart, on page 30).

ML is currently undergoing a phase of network expansion and service improvement, in particular through major investments such as the creation of the Circle Line, the modernization of the signalling system and acquisition of rolling stock projects, the extension of the Red Line to Alcântara and connection of the municipalities of Odivelas and Loures with the construction of the Light Surface Metro (MLS). In this context, in July 2022, the Government, through the Minister of Finance and Minister of the Environment and Climate Action, appointed the Board of Directors for the term of office 2022–2024<sup>3</sup>.

In 2022, the Maintenance Department (DMT) and the Asset and Property Management Office (GVP) were adjusted in order to enhance the innovation dynamics of the Company based on assured sustainability. Consequently, new technical divisions were created in the existing Maintenance Department to boost the development of its work on the new rolling stock and signalling. The Asset and Property Management Office changed its name to "Asset and Property Planning, Control and Management (DPG)", following the new duties arising from the creation of the Department named "Planning and Management Control".

<sup>3</sup> Order no. 9167/2022 of 27 July (Diário da República no. 144/2022, Series II of 2022-07-27, pages 96 – 99)

These changes continued a series of adjustments that the Board of Directors implemented to adjust ML's organisation to current challenges.

During the pandemic phase, ML had to adapt its work organisation by establishing permanent, rotating and mirror remote teams. This organisation has been adapted over time according to the intensity of the pandemic and Government guidelines. In 2022, the Board of Directors authorized some corporate departments to delineate telework rules as best suited to their type of work, with the Innovation and Sustainable Development Centre (CIDS), Human Capital Management (DCH), Finance Management (DFI), Information and Technology (DTI) and Internal Audit (GAI) areas having put those rules into practice.

## ii. Processes

Work processes and the manner according to which Metropolitano de Lisboa's activities are performed are set out and documented, among others, 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 national and international practices and backed by knowledge and the follow-up through the benchmarking of international organisations, such as International Association of Public Transport (UITP), Latin American Association of Metros and Underground Railways (ALAMYS) or Community of Metros (COMET), leads to work processes that are by and large effective and efficient.

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 achieved the certification of 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.

## iii. 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 continues to be based on a recruiting strategy for the next 5 to 10 years, which enables the appropriate 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 modernization projects in progress.

Hence, in 2022, the process started in 2018 to recruit new employees for the commercial and maintenance areas continued, as well as senior technicians for other key areas of the Company, although it has been difficult to recruit for some areas due to a lack of specialized workers and also because of market values.

The second edition of the trainee programme was launched in 2022 to recruit 10 (ten) trainees for different specialities for a period of one year. This year was also marked by the recruitment of 8 (eight) of the 10 (ten) trainees of the first edition of that programme.

Absenteeism continues to be the most impacting problem in the Company in terms of human resources, given the scarcity of resources, and increased significantly in relation to the previous year.

## iv. Material resources

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

In 2022, the implementation of special public procurement measures continued, specifically regarding projects with European funding or co-funding, implementing the Economic and Social Stabilization Programme and the Recovery and Resilience Plan.



In view of the current market conditions and considering the longer delay in the logistics chain, it is increasingly necessary to draw up plans for shortage of materials to meet the Company's needs in due time.

#### v. Financial resources

In 2022, regarding the individual accounts of Metropolitano de Lisboa, turnover stood at 111.2 million euros, recording growth of 44.3 million (euros) (+66.3%), compared to 2021. The Activities and Budget Plan for 2022 estimated a turnover of around 75.7 million euros, which was exceeded by 35.5 million euros (+46.9%).

EBITDA (adjusted) remained in negative territory, reaching -5.3 million euros, however there was an improvement of 9.1 million euros when compared to 2021. In the comparison with the estimate of the Activities and Budget Plan for 2022, there is also an improvement of 19.2 million euros.

In 2022, the Metropolitano de Lisboa group of companies recorded, in its consolidated accounts, an increase in turnover of 66% (+44.5 million euros) compared to 2021, as a result of the increased demand.

EBITDA (adjusted) of the ML group, despite having improved in relation to 2021 (+6.5 million euros, +69.9%), is still on negative ground, standing at -2.8 million euros. Operating Income stood at -905 thousand euros, representing a reversal of results, having decreased by 3.3 million euros, due to the increased expenses related to personnel, supplies and external supplies and services, and increased impairments and provisions.

#### vi. Infrastructure and Rolling stock

Infrastructure and rolling stock are essential for the performance of ML's mission, and their availability is a key factor for the quality of the service provided. Complementing this, maintenance activities, major interventions and routine maintenance, assure the functioning of the equipment prolonging its useful life.

The historic delay in the long-term maintenance plan of the operating rolling stock components (maintenance cycles of more than 150,000 km) has been substantially reduced. In fact, the number of overdue maintenance routines at the end of 2022 had fallen by 18% when compared to the same period of the previous year, which led to a condition of settlement of the operating rolling stock maintenance.

Notwithstanding the significant effort pursued in projects for rehabilitation or reconversion of the fleet with extended immobilization, such as the contracts for retrofit of passenger door mechanisms or the reconversion of existing compositions for automated driving, it was possible to maintain appropriate levels of fleet operational availability, which is particularly relevant in business day morning peak periods, surpassing the needs derived from the supply plan.

In 2022, the average availability of the fleet in the business day morning peak period stood at 95.8 compositions available for public service, for a daily maximum need of 88 compositions, representing an increase of 1.2% year-on-year.

The main infrastructure showed stable levels of technical performance throughout the entire year of 2022.

Monthly unavailability showed a performance consistently below the established maximum figure of 4 hours monthly accumulated in the entire network.

The level of reliability of the main infrastructure showed an average 122 hours between failures, above the quality goals established for these infrastructures.

In 2022, the rescheduling of the funding sources was authorized for expenses related to the Expansion Plan – Circle Line, essentially caused by the rise in prices, the abnormal and unpredictable change of works requested by Lisbon City Council (CML) and Fire Brigade Regiment (RSB), the change of the General Regime for Waste Management (RGGR), and the increased deadline triggered by the approvals of the Directorate General of Cultural Heritage (DGPC) and Portuguese Environment Agency (APA). This contract work has three lots:

- Despite the delay stemming from the archaeological works, Lot 1 shows 70% implementation, with its completion being forecast for December 2023;

- Lot 2 is 25% implemented, also overdue due to the seven-month delay in approval of the Decision on Environmental Compliance of the Detailed Design (DCAPE) by Portuguese Environment Agency. As a result, and keeping the existing planning for what is still to be done, the operational start-up will not occur on the initially foreseen date;
- The works of Lot 3 show 55% implementation, with a delay lower than that of the other lots (four months), following the delay of consignment and approval of the traffic deviations by Lisbon City Council and due to some performance below that expected in the execution of the strengthening of the existing structures in the CGI Station building.

Under the Recovery and Resilience Plan, works are underway for the extension of the Red Line to Alcântara and the Light Surface Metro connecting Odivelas to Loures (Violet Line). In 2022, the procedural documents were prepared for the public procurement of a design/construction contract for the extension of the Red Line to Alcântara. In the beginning of November, ML was informed of the content of a protective order requesting the nullity of this project's environmental impact statement, of the value of 405.4 million euros which would be approved by Council of Ministers Resolution before the end of 2022.

ML visited the premises of Stadler, the supplier of the future rolling stock, to validate the different aspects concerning the construction of new Metro cars. The acquisition of 14 (fourteen) new triple units (42 cars) falls under the ML network modernization project. This contract also foresees the modernization of ML's existing railway signalling system with the installation of the CBTC train automated and continuous control system in 70 (seventy) existing trains.

Under the Accessibility Programme, ML now has two more fully accessible stations – Cidade Universitária and Entre Campos. By 2022, ML was able to assure full access to persons with reduced mobility at 43 of the 56 stations, corresponding to about 77% of the total stations comprising its network and Metro.

### 3. Risks and Opportunities

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

Figure 4 – SWOT Analysis



In 2022, Metropolitano de Lisboa consolidated its Risk Management System (SGR), using computer tools developed internally (SAP and SAC), with revision of the Risk Manual and its 3rd edition being kept in force. In this context, the Organisation’s Risk Committee fulfilled its duties laid down in the Regulation, having held quarterly meetings and aligned the Risk Management System with the Company’s strategy.

It should be highlighted that the first step was taken for the integration of the Risk Management System in the Quality and Environment Management System (SGQA), with the updating of the procedural manual on internal audit and risk management.

In 2022, the Organisation's TOP risks identified by the Risk Management System were as follows:



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

In this regard, we should highlight, among others, the sub-system of the expansion of the Metro network for the Circle Line (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 Offences (PPR)<sup>4</sup> is another relevant risk management sub-system, with its 6th edition, of 2020, being kept in force, which included the subsidiary Ferconsult. The Plan for Preventing Risks of Corruption and Related Offences identifies the areas which could be vulnerable to acts of corruption, the main risks arising thereof, the implemented internal controls aimed at mitigating and preventing these risks, the corresponding impacts and likelihood of occurrence.

In the 2022 financial year, GAI carried out various audits with an impact on the fraud matrix, highlighting the following:

- Audit of the control and recording procedures of the permanent inventory of Maintenance Department (DMT) stocks;
- Audit of the procedure to return security deposits provided or equivalent (withheld payments) in the context of contracts signed (in progress);
- Audit of the circuit of record of occurrences (in progress).

Follow-up actions were also carried out on the implementation of recommendations of the audit reports approved by the Board of Directors.

In 2022, under the framework of the Plan for Preventing Risks of Corruption and Related Offences, which applies across the Company, and aligning with other projects promoting ethics and integrity, all departments underwent thorough analyses for corruption risks. No instances of corruption were identified. See – GRI 205-1, in GRI Indicators, page 236 and Tables of GRI Indicators, page 253

Communication campaigns and training actions are an essential element for the promotion of ethics and integrity, being established in the reinforced in the recent General Regime for the Prevention of Corruption (RGPC), approved by Decree-Law no. 109-E/2021 of 9 December.

Metropolitano de Lisboa implemented an awareness-raising action through the periodic publication of news<sup>5</sup> on the topic (on the Company intranet) aimed at the entire Working Community. On the other hand, to reach the remaining stakeholders, it disclosed its Code of Ethics and Conduct through news published both on its website and social network LinkedIn. On this issue, the Company also engaged in a campaign to disclose the BCSD Portugal charter of principles, subscribed by ML, related to goal "16. Living ethics in all decisions".

<sup>4</sup> Available on the ML website at [https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2020/10/PPRCIC\\_ML\\_FC\\_2020.pdf](https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2020/10/PPRCIC_ML_FC_2020.pdf)

<sup>5</sup> 13 News.

In addition to training on anti-corruption matters having been carried out, in certain areas, notably the Internal Audit, Risk and Compliance Office, a structured training plan was also prepared in the last quarter of the year to be implemented in 2023 among the entire Working Community, including members of the Board of Directors and other Directors.

Furthermore, in accordance with ISO 37001 (Anti-Corruption Management System), the Company's anti-corruption policies and the controls put in place were communicated to our commercial partners. This included explicit references to our policy on gifts and the dissemination of our Code of Ethics and Conduct. Additionally, we requested information from our commercial partners about their own implemented policies. See [GRI 205-2 Communication and training about anti-corruption policies and procedures](#), in GRI Indicators, page and Tables of GRI Indicators, page 236

## 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.

### i. 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 Council of Ministers Resolution (RCM), following a proposal from the Government members 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 members are executive.

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 one alternate member, one of whom 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 Statutes of Metropolitano de Lisboa, E.P.E. as being optional, and its appointment has not taken place.

### ii. Remuneration status

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

As established in Article 28(1) of 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 Members also 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 Article 33(3) of 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<sup>6</sup> term of office, was determined by the Joint Order of the Ministry of Finance and 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 Metropolitan 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.

### iii. Governance Obligations

Table 2 – Correspondence table with the disclosure of non-financial information

Decree-Law 89/2017 of 28 July	Chapter / Section	Page(s)
Article 3 (referred to in 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 11 Page 14 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;	<a href="#">PPRCRO Code of Ethics and Conduct</a>	Page 23, 85 Page 86
c. The results of the policies followed by the Group;	<a href="#">PPRCRO Implementation Report Management System Policies</a>	Page 23, 85 Page 12
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;	<a href="#">PPRCRO Plan for Prevention of Risks of Corruption and Related Infractions (PPRCIC) Implementation Report</a>  <a href="#">Corporate Governance Report (available on ML website)</a>	Page 23, 85 -
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 <a href="#">Social Responsibility Charter</a>	Page 23 Page 65
f. Key performance indicators relevant to its specific activity.	Activity indicators Risks and Opportunities GRI Indicators	Page 10 Page 23 Page 234

<sup>6</sup> À data do presente relatório ainda não houve nomeação, por despacho conjunto do Governo, de novos membros do Conselho Fiscal, pelo que se mantém em funções o Conselho Fiscal designado para o triénio 2017–2019

Decree-Law 89/2017 of 28 July	Chapter / Section	Page(s)
<p>Article 4 (referred to in Article 245(1)(r) and (2) of the Portuguese Securities Market Code (CVM)):</p> <p>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.</p>	<p>Social Performance GRI Indicators <a href="#">Corporate Governance Report (available on the website)</a></p>	<p>Page 65 Page 234 -</p>

Table 3 - Correspondence table with the public corporate sector

Law 62/2017, of 1 August.	Chapter / Section	Page(s)
<b>Article 4:</b>		
<i>Public corporate sector</i>		
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.	<p>Identification of the Governing Bodies <a href="#">Corporate Governance Report (available on the website)</a></p>	<p>Page 28 -</p>
2. If the management bodies comprise executive and non-executive directors, the threshold must be met for both.	<p>Governance Model Remuneration Status <a href="#">Corporate Governance Report (available on the website)</a></p>	<p>Page 25 Page 25 -</p>
3. The threshold defined in no. 1 shall not apply to terms of office in progress, subject to the provisions in no. 5.	<a href="#">Corporate Governance Report (available on the website)</a>	-
4. For the purposes of the provisions of the preceding numbers, 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 no. 1 to be met.	<p>Governance Model <a href="#">Corporate Governance Report (available on the website)</a></p>	Page 28
5. Renewal and substitution in office shall be in accordance with the threshold defined in no. 1.	<p>Governance Model <a href="#">Corporate Governance Report (available on the website)</a></p>	Page 28



## 5. Governing Bodies

### i. Identification of the Governing Bodies

The Board of Directors for the term 2019–2021 (in office up to April 2022), was appointed by Council of Ministers Resolution no. 56/2019 of 28 February (D.R. 1st series – no. 53, of 15 March 2019), starting its office on 1 March 2019.

The current Board of Directors for the term of office 2022–2024 was appointed by Order 9167/2022 of the Ministry of Finance and Ministry of the Environment and Climate Action of 13 July (D.R. 2nd series – no. 144, of 27 July 2022), taking office on 13 July 2022.

Table 4 - Identification of the Members of the Board of Directors of the Metropolitano de Lisboa group of companies (January to April 2022)

Table 5 - Identification of the Members of the Board of Directors of the Metropolitano de Lisboa group of companies (April to December 2022)

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

On 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 6 – Identification of the Members of the Board of Directors of Metropolitano de Lisboa – Term of 2017–2019

Term (Start - End)	Position	Name	Appointment		No. of terms
			Form <sup>(1)</sup>	Date	
2017-2019	Chairman	Dr José Carlos Pereira Nunes	DC SETF and SEAMB	1/11/2017	2 <sup>(2)</sup>
2017-2019	Member	Dr Cristina Maria Pereira Freire	DC SETF and SEAMB	1/11/2017	1
2017-2019	Member	Dr Margarida Carla Campos Freitas Taborda	DC SETF and SEOPTC	1/11/2017	1
2017-2019	Alternate member	Dr 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.

(2) The first term of office of Dr José Carlos Pereira Nunes was fulfilled as a permanent member.

The current Statutory Audit Firm (SROC) stemmed 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 of the Secretary of State for the Treasury and the Deputy Secretary of State and Mobility on 15 October 2019. As no new Statutory Auditor was appointed, the contract is extended for the period of one year.

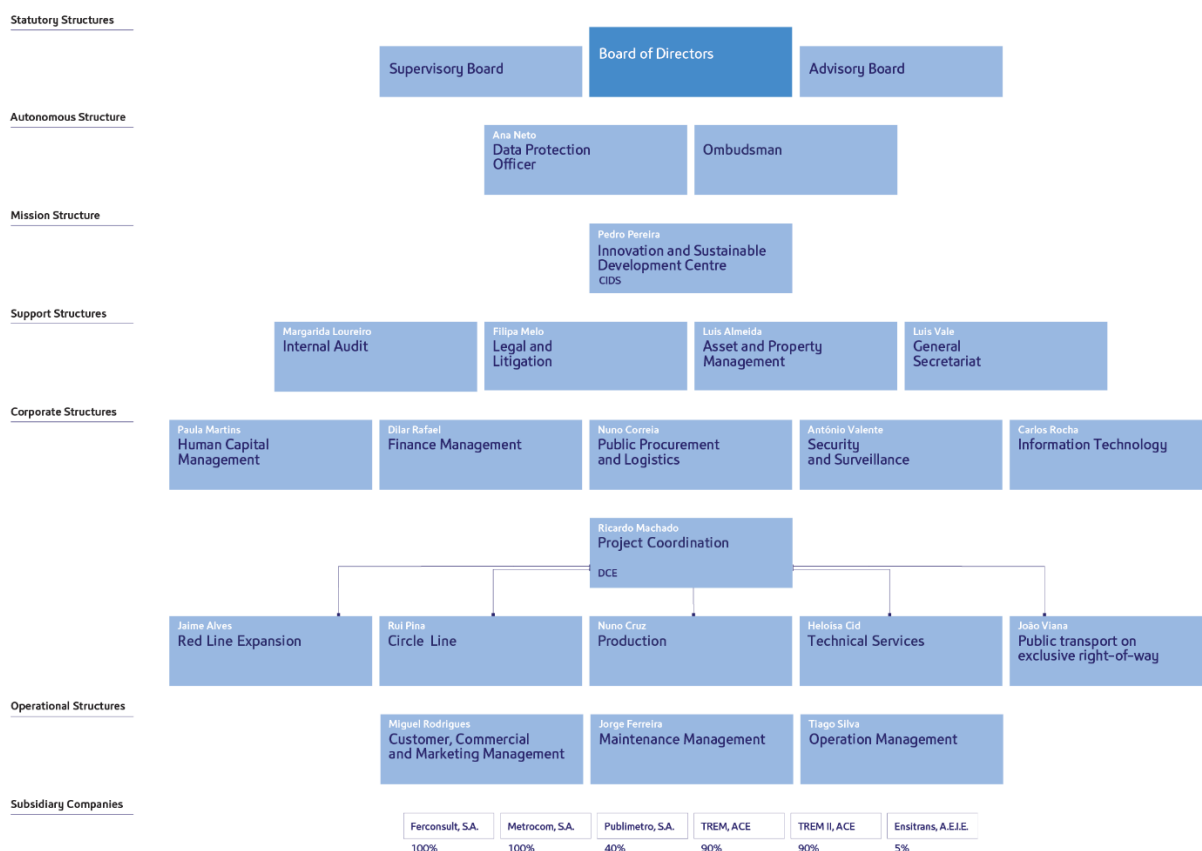
Table 7 – Members of the Statutory Audit Firm/Statutory Auditor of Metropolitano de Lisboa – Term of 2019–2021

Term (Start-End)	Position	Audit firm/statutory auditor identification			Appointment			No. of years of service performed in the group	No. of years of service performed in the company
		Name	OROC no.	CMVM no.	Form	Date	Date of the contract		
2019-2021	Permanent statutory auditor	Alves da Cunha, A. Dias & Associados, SROC, Lda. represented by: Dr José Luís Areal Alves da Cunha	74	20161409	Joint Order Secretary of State for Treasury and Deputy Secretary for State Mobility	10/15/2019	10/15/2019	7	7
	Alternate statutory auditor	Oliveira, Reis & Associados, SROC, Lda. represented by: Dr Joaquim Oliveira de Jesus	23	20161381					

On the date of this report, the new permanent and alternate statutory auditors had not yet been appointed by joint order of the Government, so the statutory auditor appointed for the 2019–2021 three-year period remains in office.

## ii. Organisational Structure

Figure 5 – Metropolitano de Lisboa Organisation Chart



## STRATEGY

### 1. Strategic Objectives

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
2. Improve Customer service levels
3. Strengthen Innovation
4. Expand and plan for the future, improve and renew the existing one
5. Promote sustainability at an environmental and energetic level
6. Ensure the company's financial balance
7. Ensure the well-being and motivation of employees

#### Strategy for the three-year period 2022-2024

The development strategy to be pursued by ML in the three-year period 2022-2024, with particular impact on the activities plan and budget for 2022, is underpinned by action lines whose implementation promotes the achievement of the strategic objectives. These actions will be monitored through quantifiable targets.

Simultaneously, and in accordance with the public commitment assumed, Metropolitano de Lisboa’s strategy incorporates 4 (four) of the Sustainable Development Goals (SDGs) of the United Nations Agenda 2030 for Sustainable Development, which cross with its strategy.

Figure6 – The SDGs undertaken by METRO



**1. Promote and develop urban mobility through the use of public transport**

Following the increased demand, driven by the recovery of economic activity and by the implementation of the Fare Reduction Support Programme (PART), Metro’s priority objective is the promotion of sustainable mobility and public transport in metro mode in particular, fostering:

- Improved one-off supply, namely with timetables and frequencies tailored to demand;
- Continuous improvement of the regularity and reliability of the service provided;
- Demand and continuous development of new solutions that respond to new increases in demand.

**2. Improve Customer service levels**

Metropolitano de Lisboa has a policy of continuous focus on the customer. For this three-year period, the objective focuses on improving the customer’s experience as a service user, facilitating the use of the transport and supplying complementary services, namely through:

- Implementation of new payment systems for the transport ticket, facilitating and simplifying its use;
- Improvement of accessibility by increasing the number of fully accessible stations;
- Improvement of cleanliness of stations and trains;
- Improvement and innovation in customer information systems;
- Improvement of the quality of supply and of commercial spaces existing in stations.

**3. Strengthening of Innovation**



- Strengthening of the innovation strategy, adopting methodologies characteristic of innovation in the design of new solutions and in project implementation, involving the whole ML community; start of the Building Information Modelling (BIM) implementation process.
- Development of partnerships for innovation with other entities, such as suppliers, universities, technological centres, associations, among others, through the creation of partnerships in RDI projects, promoting the creation of value for all parties involved;
- Establishment of systematic methodologies for technology watch, benchmarking and trend analysis to ensure up-to-date knowledge on best practices and trends in the sector;
- Promotion of a culture of innovation with collaborative work dynamics.

#### 4. Expand and plan for the future, improve and renew the existing one



Metropolitano de Lisboa will continue the network expansion and modernization project, approved by the supervision authority, namely:

- Replacement of the current conventional signalling system by a Communications-Based Train Control (CBTC) system;
- Acquisition of new rolling stock required for the Circle Line and Red Line;
- Construction of a Circle Line in the centre of Lisbon, extending the line between Rato and Cais do Sodré, with two new stations at Estrela and Santos;
- Launch of the tender for the extension of the Red Line, between São Sebastião and Alcântara, with the new section due to become operational before 2027;
- Extension of CBTC signalling to the Red Line and Rolling Stock not yet reviewed (41 triple units);
- Construction of a new Operations Control Centre, bearing in mind the alteration of the signalling system;
- Start the procedures for the project to connect Telheiras to Benfica of the new Yellow Line, including a new connection to the Depot and Workshops (PMO III);
- Schedule the creation of full accessibility in the Circle Line stations by 2024;
- Renewal of the centralised video surveillance system, of the supervision system of the technical premises and overhaul of the doors of all the existing Rolling Stock;
- Alteration of the Central Ticketing System and renovation of the equipment for sales and validation in the channels;
- Launch of the tender for a Light Metro between Infantado and Hospital Beatriz Ângelo, with the new section due to become operational before 2027;
- Comply with the cooperation protocol between ML and Lisbon, Oeiras and Loures City Councils for the preparation of studies for the "LIOS, Sustainable Intermodal Line" project in its various technical, environmental, financial and operational aspects until the LIOS construction work is launched (signed in September 2021).

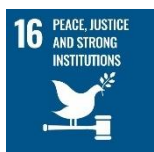
#### 5. Promote sustainability at an environmental level



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:

- Replacement in all its stations of traditional lighting systems with LED systems;
- Implementation of a photovoltaic plant on the Depot and Workshops (PMO II) premises;
- Improving energy efficiency through technological and behavioural change;
- Reduction of consumption of natural resources, namely electricity, gas, water and paper;
- Achieve Carbon Neutrality.

## 6. Ensure the company's financial balance



The company's financial sustainability is an essential condition for its maintenance and for it to be able to honour the commitments made with the different stakeholders.

- Signing of a new Public Service Concession Contract, clarifying the situation of the LTI assets, asset management and form of remuneration of ML;
- Settlement of existing debt situations;
- Profitability of non-operating assets, namely of the former Depot and Workshops (PMO I);
- Search for increased fare and non-fare revenue.

## 7. Ensure the well-being and motivation of employees



The people of Metropolitano de Lisboa are a precious asset and the promotion of their wellbeing, organisational alignment and motivation is part of ML's strategy for the three-year period. This also includes increased employee skills and the promotion of gender equality (SDG 5).

- Skills enhancement, alignment and motivation through training and internal communication;
- Reinforcement of staff and start of ML staff renewal;
- Improvement of working conditions;
- Regulation of Telework;
- Implementation of the gender equality plan.

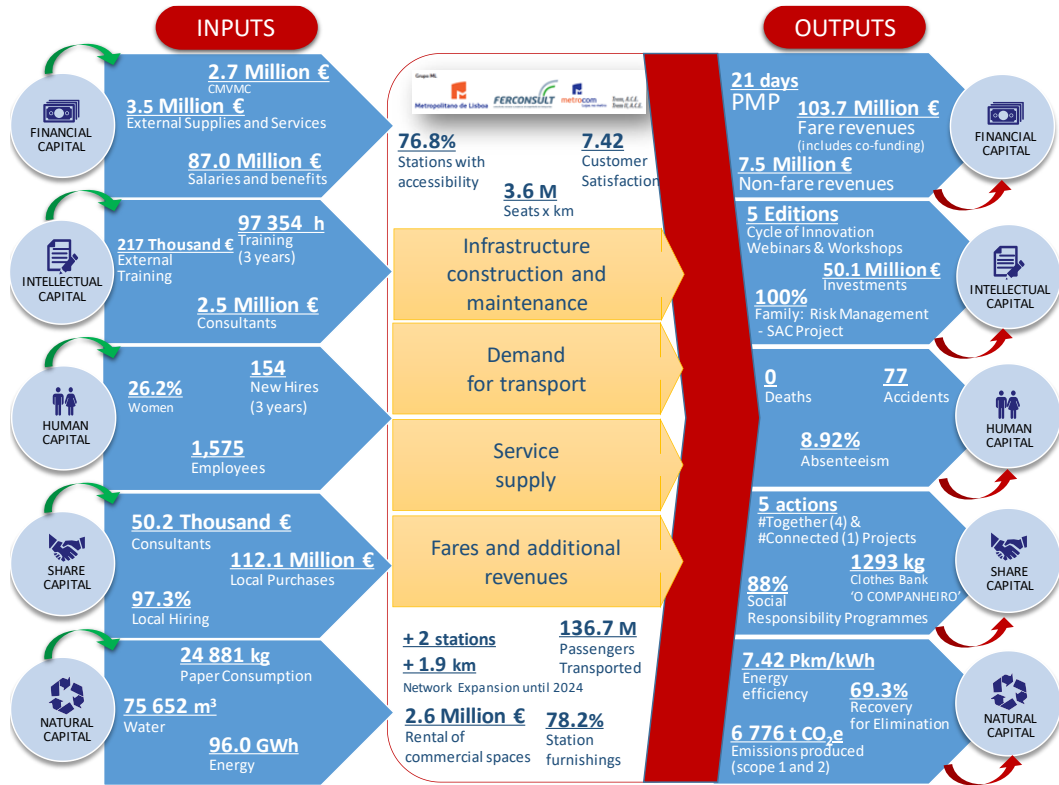
## BUSINESS MODEL

### 1. Business Areas and Value Creation

As a public passenger transport service provider whose main goal 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 to achieve 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.

Figure7 – Value creation model of the Metro Group of Companies



**i. 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. ML currently has certifications of the Quality Management System, Environmental Management System and of Transport in metropolitan mode.

ML’s ongoing improvement of service quality is a constant effort on a daily basis in relation to its customers who are increasingly more demanding and require excellent service. On the organisation’s side, it is expected and desirable that this effort should be valued and acknowledged. In 2022, the result of the customer satisfaction survey (ISC) reached 7.42.

**2. Investment and network expansion**

**i. Infrastructure Expansion and Maintenance**

The year 2022 was characterized by the restoration of normal operating conditions prior to the public health crisis caused by the COVID-19 pandemic, notably the withdrawal of restrictions on the movement of people and the replenishment of maintenance materials across all maintenance activities. It was possible to fulfil preventive maintenance plans, recover from the delays and re-establish rolling stock and infrastructure investment and rehabilitation plans.

In terms of expansion, the contract work continued for the Circle Line project, the necessary studies were conducted for the launch of the design/construction procedure for the expansion of the Red Line between São Sebastião and Alcântara, and the studies were made for the Violet Line - Light Surface Metro (MLS) between Odivelas and Loures.



## ii. Improve Customer service levels

The accessibility and safety of the transport network were enhanced through the completion of the Fire Detection Support System (SADI) renovation, the upgrade of the electrical installation/lighting, the installation of bicycle parking equipment at interfaces, and the modernization of the mechanical accesses, under the protocol with the Environmental Fund, included in the Economic and Social Stabilization Programme for the Promotion of Sustainable Mobility.

## iii. Expand and plan for the future, improve and renew the existing one

### Circle Line

The second tender for finishes and systems (Lot 4) was launched in October 2022, with the proposals having been submitted on 2 December. The contract was signed on 13 April 2023, having been submitted for prior approval of the Court of Auditors (TdC).

### Expansion of the Red Line between São Sebastião and Alcântara

This project is included in the Recovery and Resilience Plan (PRR). The necessary studies to obtain the Environmental Impact Assessment for preparation of the design/construction contract work tender process were conducted during 2022. The new Council of Ministers Resolution (143/2022) was approved in December, which authorizes the increase of the investment value by 106.4 million euros.

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

Following the studies made for the creation of a light rail line in the municipalities of Loures and Odivelas, in 2022, all the elements for obtaining the Environmental Impact Assessment were submitted to the Portuguese Environment Agency, the necessary negotiations were pursued with the municipalities involved, and the elements started to be prepared for the design/construction tender process, with launch forecast in 2023. This undertaking is also included in the Recovery and Resilience Plan.

### Station refurbishment (Fire Detection Support System and electrical installation/lighting at stations)

The Fire Detection Support System (SADI) system was renovated at Alto dos Moinhos, Laranjeiras, Praça de Espanha, Avenida, Olivais, Cidade Universitária, Entre Campos, Anjos and Intendente stations.

The electrical installation/lighting was replaced and low-consumption equipment installed, using LED technology, at São Sebastião I and II, Saldanha I and II, Campo Pequeno, Olaias, Odivelas, Senhor Roubado, Lumiar, Quinta das Conchas, Alfovelos, Amadora Este, Pontinha and Baixa Chiado I and II stations.

### Renovation of mechanical accesses

The escalators of Avenida, Rato and Anjos stations, and the lifts of Cidade Universitária and Entre Campos stations were modernized.

## iv. Communications-Based Train Control and New Rolling Stock

In February 2020, ML 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 contract award were suspended, paralysing the acquisition process that was already underway. Following the withdrawal of the complaint, the process was submitted for prior inspection by the Court of Auditors which approved it in May 2021, imposing an overall delay of more than 300 days in the execution of the contract.

The project foresees the supply of 14 new triple units (42 cars) and a train automatic control system for the Blue, Yellow and Green lines, and the installation of 70 compositions of the existing fleet. These new acquisitions reflect a significant qualitative leap in the operation, programming and management of the Metro's network.

.This system, in conjunction with the new trains, will facilitate an increase in both the frequency and regularity of the public transport service offered by Metropolitano de Lisboa. It will ensure a more effective provision of train services, with schedules more closely aligned to the demands of public service and enhanced safety.

As at 31 December, the project's physical implementation stood at 28%, generally characterized by the development of the detailed technical specifications and the detailed design of rolling stock and signalling systems, as well as the installation of test track for trains equipped with Communications-Based Train Control (CBTC). Work completion is forecast for 2026.

## v. Systems and equipment

At the area of maintenance, several projects were developed to:

- Ensure the operational functionality of infrastructures or equipment due to obsolescence of those currently in use:
  - Acquisition of a grinding machine for track maintenance
  - Renovation of the passenger door drive system of ML90 rolling stock
  - General overhaul of passenger doors of ML95, ML97 and ML99 rolling stock
  - Renovation of 160kVA (30kV/400V) transformers at Amadora Este, Santa Apolónia and Alameda substations
  - Replacement of the self-contained emergency lighting units in stations, tunnels and technical installations of Metropolitano de Lisboa lines
  - Installation of a pit-mounted wheel lathe and automatic wheel measuring system at the Depot and Workshops III, Replacement of the wooden sleepers of the special track sections of the Depot and Workshops II;
- Ensure the provision of maintenance services for infrastructures, equipment, or support services that are vital for maintenance operations:
  - Procurement of preventive and corrective maintenance services for the telephone network, including general overhaul of 72 couplings (24 automatic and 48 semi-permanent);
  - procurement of services for repainting the front of the engines and cab doors of the rolling stock;
  - Procurement of services for installation of battery packs for emergency lighting and alkaline batteries for the traction substations;
  - Procurement of maintenance services for the centralized control of energy and remote control units (URT) of the energy network;
  - Procurement of uninterrupted power supply (UPS) installation services and respective battery packs which supply power to the signalling system of the metro network;
  - Procurement of management and operation services for the vehicle fleet to transport stand-by and maintenance support teams.

Among these projects, two are of strategic importance for the maintenance and safety of the infrastructures and for quality of the public transport service provided by the company:

- Acquisition of a grinding machine for track maintenance  
The project intends to replace the existing vehicle which is obsolete after 46 years of uninterrupted operation and currently shows low reliability, and aims to ensure the integrity, safety and operability of the railway track infrastructure, also including the digital monitoring and recording of the essential geometric parameters, which will lead to a significant improvement in the planning, implementation and quality control of the railway track maintenance.

Although the 8 million euros contract was concluded in 2021 with Harsco Rail Europe GmbH, due to the post-pandemic market conditions and disturbances in global supply chains as a result of the shortage of raw materials, the equipment will only be delivered in mid-2024. At the end of 2022, the project's physical implementation stood at 5%, generally characterized by the development of the detailed technical specifications.

- Renovation or general overhaul of the passenger door drive system of the entire rolling stock fleet divided into two distinct contracts, the project seeks to restore the reliability of the passenger door subsystem, responsible for the majority of the failures occurred in the compositions.

FAIVELEY TRANSPORT IBERICA, S.A. was hired, for a period of 24 months with a contract value of 2.4 million euros, to replace the pneumatic drive with new electric drives of greater safety and sensitivity in 18 compositions of the ML90 series, covering a total of 324 doors.

For the rest of the rolling stock, KNORR-BREMSE, ESPAÑA, S.A. was hired, for a period of 36 months with a contract value of 6 million euros for the general overhaul of the current drives, including the replacement of obsolete or worn materials in 93 compositions, covering a total of 1674 doors.

By the end of 2022, the fleet already had 48 fully overhauled compositions.

The following main projects were developed in the Information Systems process in 2022:

- SAP BW/4HANA Platform
  - Implementation of more indicators in the BW/4HANA Platform, as is the case of the risk management, passengers/km, journeys per line and dashboard indicators. Human resources and attendance indicators were developed which are forecast to be available in 2023.
- Application for Management of Materials in custody of the Logistics Department
  - Development of a system for recording and management of materials and equipment that do not have a SAP record and which are in the Central Warehouse of the procurement area.
- Information to the public on equipment working order
  - Implementation of a functionality that enables informing the customers of the working order of the mechanical equipment through the ML website.
- Autocue improvements
  - Implementation of the Employee Canteens Portal module of the Autocue system which enables automation of the process of meals consumed and reserved, and their viewing by the employees.
  - Implementation of various improvement, notably in the holiday management process.
- Time clock with biometric technology
  - Implementation of a prototype with the provision of three time clocks with biometric technology at the Depot and Workshops (PMO III).
- Upgrade of the ticketing back-office platform (CORE2), including the renovation of the semi-automatic ticket vending machine (MSAVT) (still under implementation)
  - Consolidation of the operationalization of ML's new ticket vending platform, based on a new back-office infrastructure, endowing the organisation with an updated technological platform with resources that enable envisaging the adoption of new forms of acquiring and validating transport tickets and passes (such as, for example, the EMV project). With this platform, a new semi-automatic ticket vending machine (MSAVT) was also implemented, which provides a more appealing and agile interface, with more functionalities that allow for better customer service.

- Upgrade of the remote access infrastructure
  - Technological renovation of part of the infrastructure supporting secure remote access to ML, enabling the availability of more redundant resources to deal with telework.
- Upgrading of the security infrastructure supporting interoperability with external platforms
  - Replacement of the technological infrastructure ensuring the external sending/reception from outside of e-mails, as well as the infrastructure ensuring the secure publication of contents on the Internet. This measure enabled renovating the technology used previously, which enhanced the robustness of the security mechanisms and provided more technical resources to meet the needs for communication outside the company.
- Upgrading of the security infrastructure that supports Internet access
  - Replacement of the security technological infrastructure (firewall) that ensures access to/from the Internet. 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.

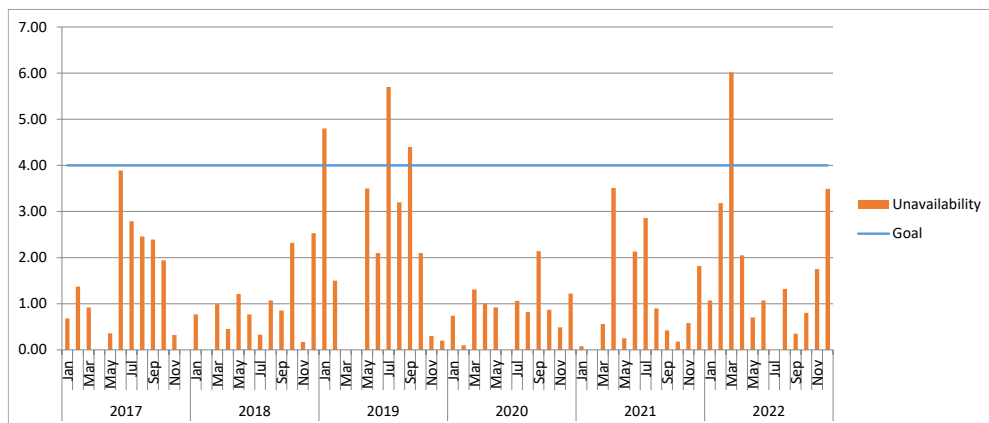
### 3. Conservation and maintenance of infrastructure and rolling stock

#### i. Operating performance of the main infrastructure

Despite the operational constraints caused by the pandemic, especially in the capacity to allocate human resources to scheduled or corrective maintenance tasks, the infrastructure showed a relatively stable performance, synonymous with the high resilience of these systems, in which it was possible to continue with the implementation of the scheduled maintenance programmes and projects in progress for renovation or rehabilitation of systems or equipment.

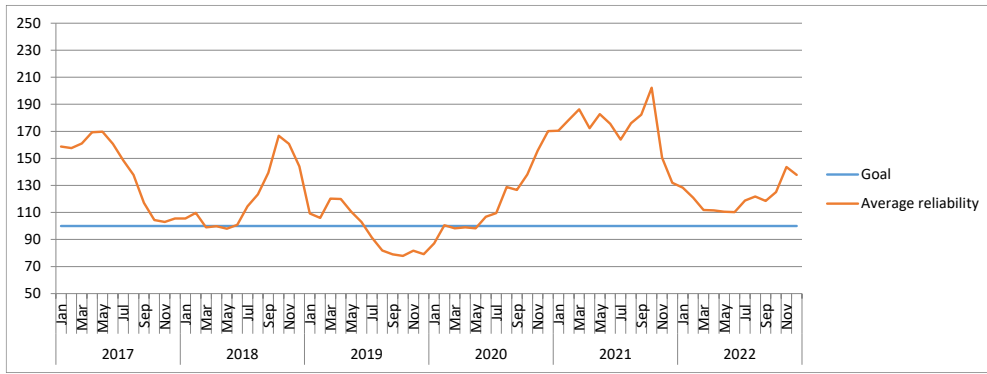
The monthly unavailability of the main infrastructure showed relatively stable figures in 2022, below the established maximum figure of 4 hours monthly accumulated in the entire network.

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



The reliability of the main infrastructure maintained stabilised values above the operational objective practically throughout the entire year of 2022.

Chart 2 - Reliability of the main infrastructure (average for 12 months; values in hours)

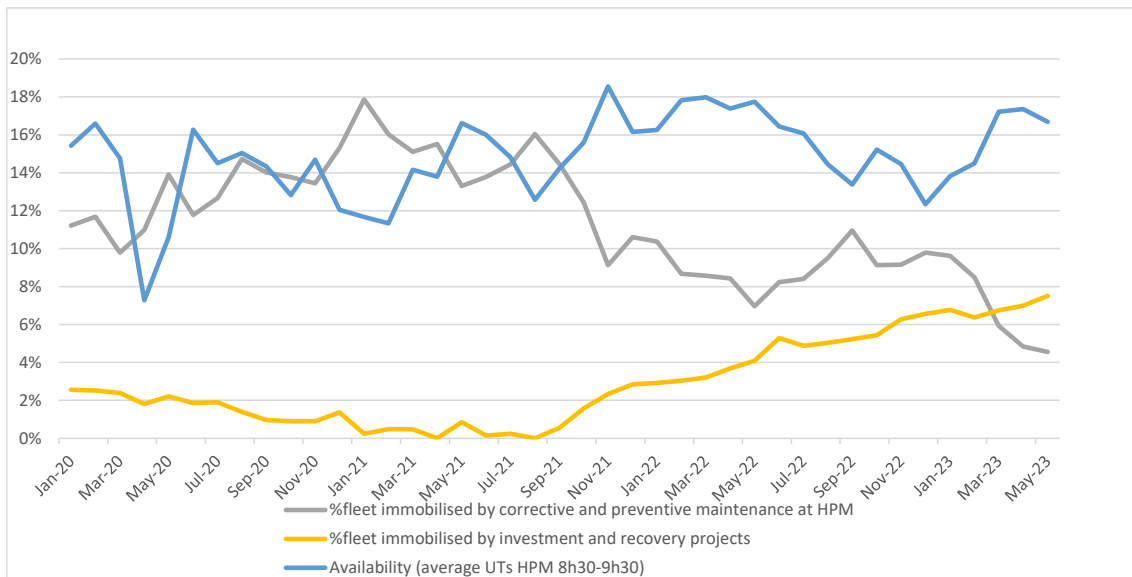


ii. Rolling stock operational performance

In 2022, significant efforts were made towards revitalizing equipment maintenance plans and restoring the functionality of long-immobilized rolling stock. Additionally, investment programs were implemented for the rehabilitation and renovation of passenger doors across all fleet units. These initiatives resulted in a level of operational readiness in the rolling stock not seen in several years, significantly improving operational availability during morning peak periods on business days (HPM).

The recovery of the historic delay in scheduled maintenance routines, as shown by the figures below, enabled the launch of intense fleet rehabilitation programmes. This includes extended projects the general overhaul of passenger doors in the entire fleet, which require extended immobilization of compositions, however, without compromising the capacity to fulfil the planned supply.

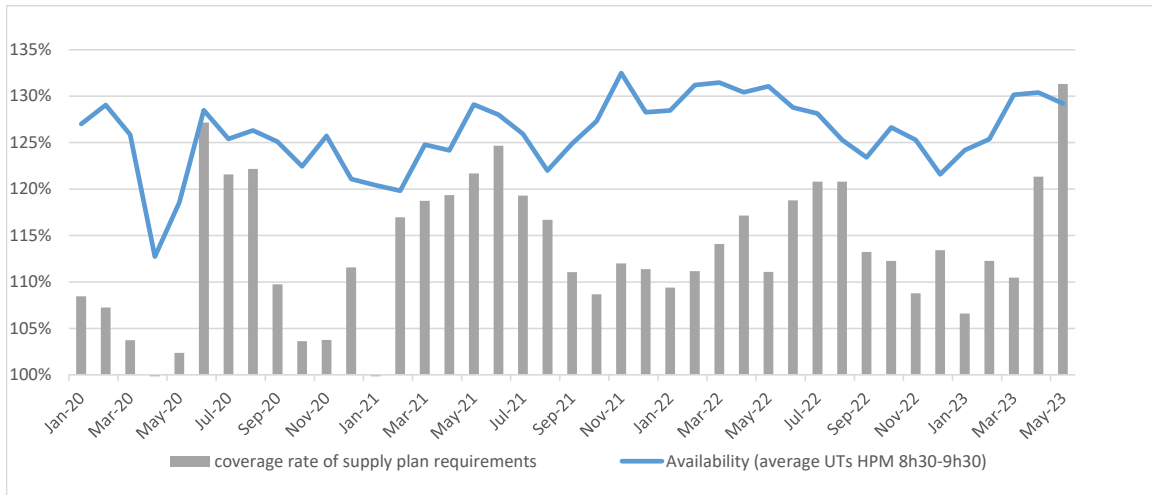
Chart 3 - Fleet availability (%)



Of a growing value over the entire year of 2022, by December, 7% of the fleet was being intervened under investment contracts, corresponding to 8 immobilized triple units.

Despite this fleet rehabilitation effort, it was possible to assure a rate of coverage of rolling stock needs above 110% throughout the entire year, for supply plan implementation.

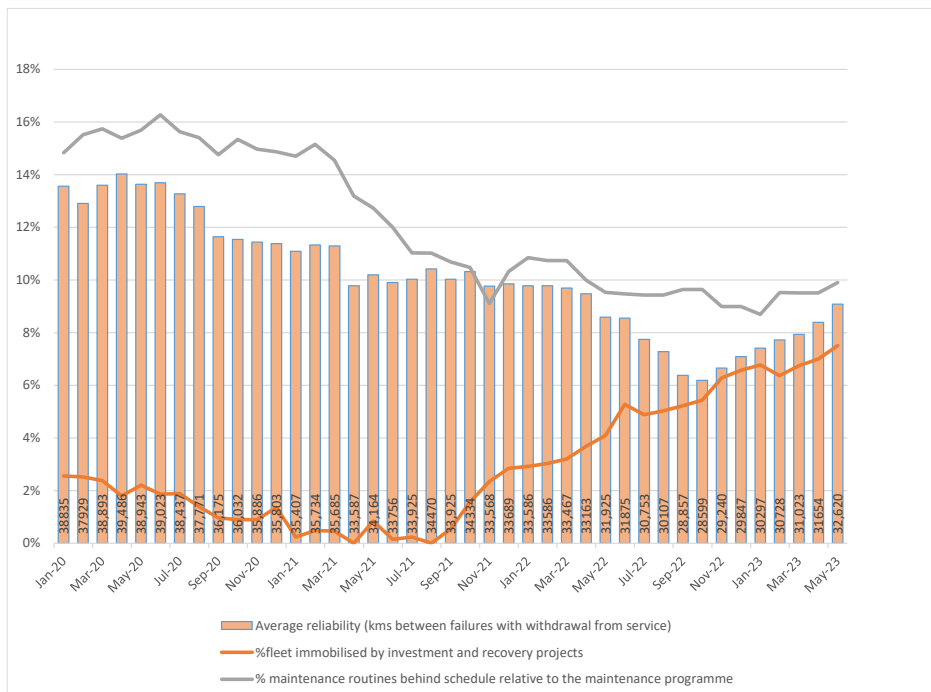
Chart 4 - Rate of Coverage (%)



The historical data set of the average reliability of the rolling stock reveals a trend towards progressive decline, especially in the older series, ML90 and ML95, with more than 20 years of service. This trend is above all the result of the ageing of the fleet and its equipment, and the strong disinvestment occurred between 2015 and 2016 which made it impossible to fully implement the scheduled maintenance programmes or develop half-life investment programmes, particularly in the passenger door drive mechanisms and traction equipment.

Notwithstanding this reality, a progressive and consistent increase of the average fleet reliability was recorded by the end of 2022 and is expected to last throughout the first half of 2023, which could be associated with the strategy to recover critical physical assets implemented in ML.

Chart 5 - Reliability (km and %)



## 4. Transport service supply

During the year under review, Metropolitano de Lisboa's supply was adapted to the evolution of the COVID-19 pandemic, accompanying the observed upswing of demand.

The 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.

The average number of cars x km and seats x km produced on the network in 2022 recovered in relation to 2021, albeit lower than forecast in the Activities and Budget Plan for 2022, especially in the blue and green lines.

Table 8 - Evolution of supply

Evolution of supply (public service)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019		
						Abs.	%	Abs.	%	Abs.	%	
<b>Cars x km</b>												
Blue Line	10 <sup>3</sup>	8 984	7 911	8 572	9 139	9 304	1 072	13.6	( 320)	( 3.4)	( 155)	( 1.7)
Yellow Line	10 <sup>3</sup>	7 015	6 040	6 356	6 412	7 129	975	16.1	( 113)	( 1.6)	603	9.4
Green Line	10 <sup>3</sup>	5 738	5 028	5 453	5 681	5 992	710	14.1	( 254)	( 4.2)	57	1.0
Red Line	10 <sup>3</sup>	6 228	5 418	5 993	6 377	6 251	810	15.0	33	( 0.4)	( 149)	( 2.3)
<b>Total</b>	<b>10<sup>3</sup></b>	<b>27 965</b>	<b>24 398</b>	<b>26 373</b>	<b>27 610</b>	<b>28 676</b>	<b>3 568</b>	<b>14.6</b>	<b>( 710)</b>	<b>( 2.5)</b>	<b>356</b>	<b>1.3</b>
<b>Seats x km</b>												
Blue Line	10 <sup>3</sup>	1 149 913	1 012 633	1 097 174	1 169 795	1 190 902	137 279	13.6	( 40 990)	( 3.4)	( 19 883)	( 1.7)
Yellow Line	10 <sup>3</sup>	897 961	773 181	813 511	820 782	912 472	124 780	16.1	( 14 512)	( 1.6)	77 178	9.4
Green Line	10 <sup>3</sup>	734 466	643 601	697 969	727 209	766 980	90 865	14.1	( 32 513)	( 4.2)	7 257	1.0
Red Line	10 <sup>3</sup>	797 241	693 523	767 104	816 272	800 156	103 718	15.0	( 2 915)	( 0.4)	( 19 031)	( 2.3)
<b>Total</b>	<b>10<sup>3</sup></b>	<b>3 579 580</b>	<b>3 122 938</b>	<b>3 375 758</b>	<b>3 534 058</b>	<b>3 670 510</b>	<b>456 642</b>	<b>14.6</b>	<b>( 90 930)</b>	<b>( 2.5)</b>	<b>45 522</b>	<b>1.3</b>
<b>Circulations</b>												
Blue Line	No.	116 551	112 692	115 530	118 458	122 894	3 859	3.4	( 6 343)	( 5.2)	( 1 907)	( 1.6)
Yellow Line	No.	120 357	112 914	117 996	122 550	126 490	7 443	6.6	( 6 133)	( 4.8)	( 2 193)	( 1.8)
Green Line	No.	113 097	116 002	112 625	116 243	119 991	( 2 905)	( 2.5)	( 6 894)	( 5.7)	( 3 146)	( 2.7)
Red Line	No.	107 087	109 430	108 482	111 068	112 042	( 2 343)	( 2.1)	( 4 955)	( 4.4)	( 3 981)	( 3.6)
<b>Total</b>	<b>No.</b>	<b>457 092</b>	<b>451 038</b>	<b>454 633</b>	<b>468 319</b>	<b>481 417</b>	<b>6 054</b>	<b>1.3</b>	<b>( 24 325)</b>	<b>( 5.1)</b>	<b>( 11 227)</b>	<b>( 2.4)</b>

Despite the adaptations of the supply to the evolution of demand, the fulfilment of the supply plan was affected, namely due to absenteeism caused by medically required isolation of train drivers and occurrences with rolling stock or infrastructure.

The achievement rate of seats x km recovered by about 7 p.p. in relation to 2021. This difference was due to changes made to the supply plan in force, increasing the number of cars in circulation per train, in order to offset the supply reduction caused by the suppression of circulations.

Table 9 - Supply execution rate

Achievement Rate	2022	2021	Var. 2022/21	
<b>Achievement Rate passenger seats x km</b>				
Blue Line	%	96.56	90.65	5.91 p.p.
Yellow Line	%	98.41	96.13	2.28 p.p.
Green Line	%	95.76	87.39	8.37 p.p.
Red Line	%	99.64	86.76	12.88 p.p.
<b>In the network</b>	<b>%</b>	<b>97.52</b>	<b>90.33</b>	<b>7.19 p.p.</b>
<b>Achievement rate of circulations</b>				
Blue Line	%	94.84	96.41	(1.57) p.p.
Yellow Line	%	95.15	96.24	(1.09) p.p.
Green Line	%	94.25	96.97	(2.71) p.p.
Red Line	%	95.58	97.70	(2.12) p.p.
<b>In the network</b>	<b>%</b>	<b>94.95</b>	<b>96.82</b>	<b>(1.87) p.p.</b>



## 5. Demand

There was a favourable impact on passenger demand in 2022, due to the significant alleviation of the measures to contain the COVID-19 pandemic.

It should be highlighted that, from 15 March 2022 onwards, the Government embarked on a programme to ease and reduce the imposed lockdown measures. As of 26 August 2022, it was only mandatory to use masks in retirement homes and health establishments. Despite the alleviation of the restrictions, in light of the reduction of COVID-19 cases, demand did not reach the figures of 2019.

The growth of passengers with tickets free of charge, the demand for which was actually higher than in the pre-pandemic period (2019), was explained by the gratuity attributed to customers meeting the following criteria:

- More than 65 years old, with tax residence in the municipality of Lisbon. Since 25 July 2022, customers meeting these criteria are eligible to receive the Navegante Urbano “3.º idade” [Senior Citizen Urban Navegante] pass free of charge;
- Young students, between 13 and 23 years old (in the case of higher education students enrolled in Medicine and Architecture courses, up to 24 years old, inclusively), with proven tax residence in the municipality of Lisbon. Customers who meet these criteria, from 1 September 2022, are eligible to receive the Navegante Municipal Lisboa 4-18 / under-23 [Lisbon Municipal Navegante 4-18 / under-23] pass free of charge.

The demand recorded the following variations:

- Increase of 63.26% in passengers with paid tickets and 63.32% in total passengers compared with 2021;
- Increase of 28.87% in passengers with paid tickets and 25.22% in total passengers in relation to the Activities and Budget Plan;
- Increase of 24.79% in passengers with paid tickets and 25.61% in total passengers in compared with the pre-pandemic year of 2019.

Table 10 – Evolution of supply

Passengers		2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
							Abs.	%	Abs.	%	Abs.	%
<b>Occasional tickets</b>	10 <sup>3</sup>	29 201	14 863	13 139	39 812	16 078	14 339	96.47	13 123	81.62	(10 611)	(26.65)
Carris   Metro travel ticket	10 <sup>3</sup>	13 928	7 349	6 310	18 809	7 410	6 578	89.51	6 518	87.97	(4 881)	(25.95)
Zapping	10 <sup>3</sup>	10 183	5 939	5 365	13 857	5 444	4 244	71.46	4 739	87.05	(3 675)	(26.52)
24-Hour Tickets	10 <sup>3</sup>	4 114	1 326	1 144	5 692	2 500	2 788	210.31	1 614	64.56	(1 579)	(27.73)
Other	10 <sup>3</sup>	977	249	320	1 454	725	728	292.82	253	34.86	( 476)	(32.78)
<b>Monthly passes</b>	10 <sup>3</sup>	96 799	62 314	68 304	127 727	81 694	34 485	55.34	15 105	18.49	(30 928)	(24.21)
Navegante Metropolitano	10 <sup>3</sup>	70 724	45 275	48 264	66 182	55 196	25 449	56.21	15 528	28.13	4 542	6.86
Navegante Lisboa	10 <sup>3</sup>	16 584	10 549	12 893	20 951	18 008	6 034	57.20	(1 425)	(7.91)	(4 368)	(20.85)
Other Navegante passes	10 <sup>3</sup>	7 415	4 920	5 354	6 605	6 100	2 495	50.72	1 315	21.55	810	12.26
Navegante Urban and Network	10 <sup>3</sup>	837	890	1 111	19 130	956	( 53)	(5.95)	( 118)	(12.39)	(18 293)	(95.62)
Intermodal	10 <sup>3</sup>	0	0	0	5 793	0	0	-	0	-	(5 793)	(100.00)
Combined	10 <sup>3</sup>	1 239	679	681	9 065	1 433	560	82.49	( 195)	(13.58)	(7 826)	(86.33)
<b>Total with paid tickets</b>	10 <sup>3</sup>	126 000	77 176	81 443	167 539	97 772	48 824	63.26	28 228	28.87	(41 539)	(24.79)
Free of charge	10 <sup>3</sup>	7 642	4 094	4 166	6 117	5 554	3 548	86.67	2 088	37.60	1 525	24.92
<b>Total validations</b>	10 <sup>3</sup>	133 642	81 270	85 609	173 657	103 325	52 372	64.44	30 316	29.34	(40 015)	(23.04)
Fraude	10 <sup>3</sup>	3 084	2 446	4 958	10 145	5 866	638	26.09	(2 782)	(47.43)	(7 061)	(69.60)
<b>Total transported</b>	10 <sup>3</sup>	136 726	83 716	90 567	183 801	109 192	53 010	63.32	27 534	25.22	(47 076)	(25.61)
Average journey per passenger	km	5.16	4.82	4.78	4.79	4.82	0	7.04	0	7.07	0	7.69
Passenger x km transported	10 <sup>3</sup>	711 833	403 679	433 114	880 985	526 360	308 153	76.34	185 473	35.24	(169 152)	(19.20)

## i. Complementary Activities

Metropolitano de Lisboa customized approximately 162 thousand Lisboa Viva/Navegante travel pass cards, 70.2% of which were urgent. Compared with 2021, the variation was +52.9% (56 thousand more customizations), and compared with 2019 the variation was -25.2% (55 thousand less customizations).

Table 11 – Lisboa Viva card production

Card production LV 2022	Metro
Normal	40 947
<b>10 days</b>	
4_18	2 898
Under-23	3 232
<b>Total</b>	<b>47 077</b>
Normal	99 371
<b>- Urgent</b>	
4_18	4 467
Under-23	10 070
<b>Total</b>	<b>113 908</b>
Portal Viva	0
Workers	1 260
<b>TOTAL</b>	<b>162 245</b>

A total of 15,325 cards were produced in 2022, at the two Viva Kiosks installed at Alameda 2 station, which enable the immediate issuance in self-service mode of Lisboa Viva cards. A portion of the value paid by the customer represents ML revenue, which amounted to 69 thousand euros.

## 6. Commercial activity

### i. 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 ML 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 ML network.

Still recovering from the effects of the pandemic, the economy was strongly affected by the war in Ukraine, which triggered fuel and energy price increases and consequently led to an overall rise of the prices of goods and services. These circumstances led to an atypical growth of contract termination requests and a reduction of the demand for commercial spaces by potential stakeholders, resulting in a decline in the retail business at Metropolitano de Lisboa network stations. In order to mitigate these contract termination requests and help the customers to settle their debts, Metrocom negotiated temporary and one-off reduction of rents in arrears and continues to delineate repayment plans.

Table 12 – Metrocom – Activity Indicators

ACTIVITY INDICATORS	Unit	2022	2021	2020	2019	Var. 2022/2021		Var. 2022/2019		
						Abs	%	Abs	%	
<b>Commercial Activity</b>										
Turnover (Blue Line)	thousand euros	883	637	577	1 037	246.0	38.6	(154.0)	(14.9)	
Turnover (Yellow Line)	thousand euros	966	652	578	1 028	314.0	48.2	(62.0)	(6.0)	
Turnover (Green Line)	thousand euros	208	127	110	197	81.0	63.8	11.0	5.6	
Turnover (Red Line)	thousand euros	547	374	365	612	173.0	46.3	(65.0)	(10.6)	
<b>HR INDICATORS</b>										
Employment Volume (R C M no. 16/2012)	Unit	6	5	4	4	1.0	20	2.0	50.0	
Average number of employees	Unit	6	5	4	4	1.0	20	2.0	50.0	
Wage Bill	thousand euros	186	165	106	106	21.0	12.8	80.1	75.6	
<b>SHAREHOLDER STRUCTURE</b>										
Total Share Capital	thousand euros	750	750	750	750	0	-	0	-	
Share Capital held by METRO	%	100	100	100	100	-	0.0 p.p.	-	0.0 p.p.	
<b>NET ASSETS</b>										
Non-current assets	thousand euros	486.0	554.1	485.8	7.9	(68.1)	(12.3)	478.1	6,052.0	
Current assets	thousand euros	3 437.2	3 296.3	3 497.5	3 864.7	140.9	4.3	(427.5)	(11.1)	
<b>Total Assets</b>	<b>thousand euros</b>	<b>3 923.2</b>	<b>3 850.4</b>	<b>3 983.3</b>	<b>3 872.6</b>	<b>72.8</b>	<b>1.9</b>	<b>51</b>	<b>1.3</b>	
Equity	thousand euros	3 339.7	3 221.3	3 245.5	3 223.0	118.4	3.7	116.7	3.6	
Liabilities	thousand euros	583.5	629.1	737.8	649.6	(45.6)	(7.2)	(66.1)	(10.2)	
<b>Total Equity and Liabilities</b>	<b>thousand euros</b>	<b>3 923.2</b>	<b>3 850.4</b>	<b>3 983.3</b>	<b>3 872.6</b>	<b>72.8</b>	<b>1.9</b>	<b>51</b>	<b>1.3</b>	
<b>STRUCTURE INDICATORS</b>										
Financial Autonomy %	%	85.1	83.7	81.5	83.2	-	1.5 p.p.	-	1.9 p.p.	
Solvency %	%	572.3	512.0	439.9	496.2	-	60.3 p.p.	-	76.2 p.p.	
<b>FINANCIAL INDICATORS</b>										
Turnover	thousand euros	2 604.0	1 790.7	1 630.1	2 874.4	813.3	45.4	(270.4)	(9.4)	
EBITDA (Adjusted)	thousand euros	236.9	32.1	36.3	284.4	204.7	636.8	(47.6)	(16.7)	
EBITDA Margin (Adjusted)	%	9.1	1.8	2.2	9.9	-	7.3 p.p.	-	(0.8) p.p.	
Operating Income (adjusted)	thousand euros	2 699.6	1 868.1	1 726.5	3 015.9	831.5	44.5	(316.4)	(10.5)	
Operating Expenses (adjusted)	thousand euros	2 462.7	1 835.9	1 690.2	2 731.5	626.8	34.1	(268.8)	(9.8)	
Coverage Rate of Operating Expenses (adjusted)	%	109.62	101.75	102.14	110.41	-	7.9 p.p.	-	(0.8) p.p.	

Despite these circumstances, Metrocom upheld its effort to increase the profitability, diversification of the existing commercial services in the ML station network, and add value to customers using the Metro. With the drafting of a consistent Strategic Plan for business/retail, guidelines were established for a strong focus on promotion in the market, aimed at finding new commercial solutions for Metrocom's portfolio. As a result of the identified financial and commercial strategies, there was a return to positive net income in 2022, although considerably lower than the levels of 2019.

The Total Occupancy Rate (Fixed and Temporary Use) at the end of 2022 stood at 84.6%, higher than the 81.4% recorded in 2021 (+3.2%). Broken down by type of use, the following figures emerge:

- Occupancy Rate of Fixed Use (Shops, Kiosks and Storage Rooms) of 80.7%, lower by -0.9% in relation to 2021 (-1 Shop);
- Temporary Use at the end of the year: of 121 vending machines (+3 than in 2021), 54 ATM (+2 than in 2021), 20 sales stands (-7 than in 2021) and 6 fairs dispersed over the ML network (+2 than in 2021).

Despite the circumstances, by the end of 2022, Metrocom had assured its shareholder compliance with all its legal and financial obligations.

Table 13 – Metrocom Turnover

Year	METROCOM Turnover	Value given to shareholder (72% of turnover)
2019	2,861.9	2,060.5
2020	1,630.1	1,173.7
2021	1,790.7	1,289.3
2022	2,571.6	1,851.6

In relation to 2021, EBITDA (adjusted) showed an increase of 204.7 thousand euros, corresponding to 236.9 thousand euros, and net income stood at 118.4 thousand euros, representing an increase of 142.6 thousand euros.

## ii. Ferconsult, S.A.

FERCONSULT, S.A. is a multidisciplinary company specialized in Consultancy, Studies and Transport Engineering Projects, which has operated in national and international markets since 1991. The company's sole shareholder is ML.

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 14 - Ferconsult – Activity Indicators

ACTIVITY INDICATORS	Unit	2022	2021	2020	2019	Var. 2022/2021		Var. 2022/2019	
						Abs	%	Abs	%
<b>Commercial Activity</b>									
Turnover (National Market)	thousand euros	0.0	35.7	2 058.2	1 228.4	(35.7)	(100.0)	(1 228.4)	(100.0)
Turnover (International Market)	thousand euros	0.0	0.0	0.0	491.7	-	-	(491.7)	(100.0)
<b>Production Indicators</b>									
Hours worked (National Market)	%	0.0	0.0	100.0	87.7	-	-	(87.7)	(100.0)
Hours worked (International Market)	%	0.0	0.0	0.0	12.3	-	0.0 p.p.	-	( 12.3) p.p.
<b>HR INDICATORS</b>									
Employment Volume (RCM no. 16/2012) <sup>1</sup>	Unit	0	0	48	48	-	-	(48.0)	(100.0)
Average number of employees	Unit	0	0	44	48	-	-	(48.0)	(100.0)
Wage Bill	thousand euros	0.0	0.0	1 572.0	1 619	-	-	(1 619.0)	(100.0)
<b>SHAREHOLDER STRUCTURE</b>									
Total Share Capital	thousand euros	5 295.3	5 295.3	5 295.3	5 295.3	0.0	0.0	0.0	0.0
Share Capital held by METRO	%	100	100	100	100	-	0.0 p.p.	-	0.0 p.p.
<b>NET ASSETS</b>									
Non-current assets	thousand euros	0.0	0.0	0.0	1.1	-	-	( 1.1)	(100.0)
Current assets	thousand euros	411.3	645.0	1 823.0	2 730.3	(233.7)	(36.2)	(2 319.0)	(84.9)
<b>Total Assets</b>	<b>thousand euros</b>	<b>411.3</b>	<b>645.0</b>	<b>1 823.0</b>	<b>2 731.4</b>	<b>(233.7)</b>	<b>(36.2)</b>	<b>(2 320.2)</b>	<b>(84.9)</b>
Equity	thousand euros	(1 253.1)	(1 019.4)	(1 094.0)	(1 379.8)	(233.7)	22.9	126.7	(9.2)
Liabilities	thousand euros	1 664.4	1 664.4	2 917.1	4 111.2	(0.0)	(0.0)	(2 446.8)	(59.5)
<b>Total Equity and Liabilities</b>	<b>thousand euros</b>	<b>411.3</b>	<b>645.0</b>	<b>1 823.0</b>	<b>2 731.4</b>	<b>(233.7)</b>	<b>(36.2)</b>	<b>(2 320.2)</b>	<b>(84.9)</b>
<b>STRUCTURE INDICATORS</b>									
Financial Autonomy %	%	( 304.7)	( 158.1)	( 60.0)	( 50.5)	-	( 146.7) p.p.	-	( 254.2) p.p.
Solvency %	%	( 75.3)	( 61.2)	( 37.5)	( 33.6)	-	( 14.0) p.p.	-	( 41.7) p.p.
<b>FINANCIAL INDICATORS</b>									
Turnover	thousand euros	0.0	35.7	2 058.2	1 720.1	(35.7)	(100.0)	(1 720.1)	(100.0)
EBITDA (adjusted)	thousand euros	27.6	( 41.8)	( 105.4)	(1 820.8)	69.4	(166.1)	1,848.4	(101.5)
EBITDA Margin (adjusted)	%	-	(117)	(5)	(105.9)	-	-	-	-
Operating Income (adjusted) <sup>2</sup>	thousand euros	41.1	43.1	2 279.4	1 762.8	( 2.1)	(4.8)	(1,721.7)	(97.7)
Operating Expenses (adjusted) <sup>2</sup>	thousand euros	13.5	84.9	2 384.8	3 583.5	( 71.4)	(84.2)	(3,570.1)	(99.6)
Coverage Rate of Operating Expenses (adjusted)	%	305.12	50.78	95.58	49.19	-	254.3 p.p.	-	255.9 p.p.

<sup>1</sup> 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.

<sup>2</sup> Operating Income and Expenses adjusted for provisions, impairments and gains/losses of subsidiaries.

Table 15 – Ferconsult EBITDA and Operating Income

ITEMS	2022	2021	2020	2019	2022/2021		2022/2019		Unit €
					Abs	%	Abs	%	
Services Rendered	0	35,744	2,058,201	1,720,089	-35,744	-100.0%	-1,720,089	-100.0%	
Gains attributed to subsidiaries, associates and joint ventures	0	158,681	0	0	-158,681	-100.0%	0	-	
Impairment of receivables (reversals)	0	0	225,643	735,075	0	-	-735,075	-100.0%	
Provisions (reductions)	0	0	310,363	556,441	0	-	-556,441	-100.0%	
Other Income	43,979	7,413	221,220	42,673	36,566	493.3%	1,306	3.1%	
<b>TOTAL Operating Income [1]</b>	<b>43,979</b>	<b>201,838</b>	<b>2,815,427</b>	<b>3,054,277</b>	<b>-157,859</b>	<b>-78.2%</b>	<b>-3,010,298</b>	<b>-98.6%</b>	
External supplies and services	9,451	34,852	397,930	1,528,896	-25,402	-72.9%	-1,519,446	-99.4%	
Losses attributed to subsidiaries, associates and joint ventures	1,152	0	113,827	6,517	1,152	-	-5,364	-82.3%	
Personnel expenses	0	824	1,971,095	2,048,728	-824	-100.0%	-2,048,728	-100.0%	
Provisions (increases)	241,675	0	0	0	241,675	-	241,675	-	
Other expenses and losses	4,007	53,161	15,810	5,900	-49,154	-92.5%	-1,893	-32.1%	
<b>Operating Expenses (excluding depreciation and amortization) [2]</b>	<b>256,284</b>	<b>88,837</b>	<b>2,498,661</b>	<b>3,590,040</b>	<b>167,447</b>	<b>188.5%</b>	<b>-3,333,756</b>	<b>-92.9%</b>	
<b>EBITDA [3] = [1] - [2]</b>	<b>-212,305</b>	<b>113,001</b>	<b>316,766</b>	<b>-535,763</b>	<b>-325,306</b>	<b>-287.9%</b>	<b>323,458</b>	<b>-60.4%</b>	
Depreciation and amortization expenses /reversals [4]	0	0	707	2,288	0	-	-2,288	-100.0%	
<b>Total Operating Expenses [5] = [2] + [4]</b>	<b>256,284</b>	<b>88,837</b>	<b>2,499,368</b>	<b>3,592,328</b>	<b>167,447</b>	<b>188.5%</b>	<b>-3,336,044</b>	<b>-92.9%</b>	

In 2022, EBITDA decreased in relation to 2021 (-287.9%), explained by the total cessation of activity pursued by the company. It should be noted that the increased Operating Expenses (187.2%), due to the accounting recognition of a provision, resulted in the worsening of EBITDA, which stood at -212,305 euros.

Although turnover was zero in 2022, the movements in the following items are highlighted:

- Gains/losses in subsidiaries, associates and joint ventures: in 2021 a provision was made for the Net Income for 2021 of ENSITRANS, of the value of 5,391 euros, now reversed. On the other hand, a provision relative to 2022 for ENSITRANS was recognized of the value of 6,543 euros.
- Other Income: the accumulated value in this item refers to recovery of costs of technical support provided to ENSITRANS in 2022 and, primarily, settlements of balances with other entities of a total of 34,163 euros.
- External Supplies and Services: despite the non-existence of activity, Ferconsult continued to have expenses, in line with its intention to comply with legal obligations, namely audit fees, bank maintenance fees and guarantee settlements, in addition to litigation and notary expenses;
- Provisions (increases/decreases): the value of 241,675 euros is related to an emerging liability of late payment interest as a result of a debt related to Ferconsult projects in Brazil;
- Other Expenses and Losses: settlement of balances related to external supplies and services of previous years, taxes, rates and rounding differences.

### iii. Ensitrans

Ensitrans, A.E.I.E. (European Economic Interest Grouping) is 45% held by Ferconsult, S.A. and 5% held by Metropolitan 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 majority of these funds owed to Ensitrans by EMA belong to Ferconsult for work it has carried out).

#### iv. 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 Article 8(3) and (4) 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 16 – TREM Assets as at 31 December

Net Assets	2022	2021	2020	2019	Var. 2022/2021		Var. 2022/2019		Unit: €
					V. Abs.	%	V. Abs.	%	
					Total Assets	45,996	40,557	43,111	
Equity	(49,688,204)	(49,684,992)	(49,755,315)	(50,349,398)	(3,212)	0.01%	661,193	-1.31%	
Liabilities	49,734,200	49,725,549	49,798,426	51,687,005	8,651	0.02%	(1,952,805)	-3.78%	
Total Equity and Liabilities	45,996	40,557	43,111	1,337,608	5,439	13.41%	(1,291,612)	-96.56%	
Net Income	(3,212)	70,323	594,082	2,742,355	(73,535)	-104.57%	(2,745,567)	-100.12%	

#### v. 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 Article 8(3) and (4) 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 17 – TREM II Assets as at 31 December

Net Assets	2022	2021	2020	2019	Var. 2022/2021		Var. 2022/2019		Unit: €
					V.Abs.	%	V.Abs.	%	
Total Assets	67,841	1,338,969	3,400,274	4,337,161	(1,271,128)	-94.93%	(4,269,320)	-98.44%	
Equity	(105,226,936)	(107,267,028)	(112,146,268)	(117,693,721)	2,040,092	-1.90%	12,466,785	-10.59%	
Liabilities	105,294,777	108,605,997	115,546,542	122,030,883	(3,311,220)	-3.05%	(16,736,105)	-13.71%	
Total Equity and Liabilities	67,841	1,338,969	3,400,274	4,337,161	(1,271,128)	-94.93%	(4,269,320)	-98.44%	
Net Income	2,040,092	4,879,240	5,547,453	5,285,307	(2,839,148)	-58.19%	(3,245,215)	-61.40%	

## PERFORMANCE

### 1. Financial capital

#### i. Fare and Additional Revenues

The measures implemented to contain the COVID-19 pandemic continue to impact demand levels, which remain lower in relation to the pre-pandemic period (2019), with consequent effects on revenue.

Alongside this, other factors that influenced fare revenues in 2022 should be highlighted, namely:

- Fare increase, on 1 January, of some Occasional Tickets (Zapping, Bank Card, CA/ML 24-Hour Ticket, CA/ML/TT 24-Hour Ticket and CA/ML/CP 24-Hour Ticket);
- Entrance in force, on 25 July, of the Senior Citizen Urban Navegante pass free of charge for customers over 65 years of age, with tax residence in the municipality of Lisbon, with a monthly compensation for ML, via TML;
- Lisbon Municipal Navegante 4-18 / under-23 pass free of charge, from 26 August, for young students with proven tax residence in the municipality of Lisbon, with compensations via TML;
- 83% increase of the quantity of occasional tickets sold and 56.3% increase in the quantity of passes sold, in the ML sales network, compared with the 2021. Compared with 2019, there were decreases of 17.9% and 10.6% in the quantities sold of occasional tickets and passes, respectively;
- Allocation of payments on account, under the Fare Reduction Support Programme (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 attribution of a Former Combatant Pass, in force since 5 November 2021, under Ordinance no. 198/2021.

As a result of these factors, the revenue from occasional tickets and passes in 2022 recorded the following variations:

- 73.1% increase in the revenue from occasional tickets and passes in relation to 2021. Considering the 4-18 / under-23, Social +, Former Combatant Pass, Senior Citizen Urban Navegante and Lisbon Municipal Navegante 4-18 / under-23 co-funding/compensations, the increase was +73.3%;
- Increase of 54.3% in occasional tickets and passes, compared with the revenue foreseen in the Activities and Budget Plan. Considering the co-funding/compensations, the increase was 56.3%;
- Decrease of -14.2% in the revenue from occasional tickets and passes in relation to 2019. Considering the co-funding/compensations, the decrease was -10.2%;

To compensate the decrease in revenue, due to the fare change in April 2019 (Regulation no. 278-A/2019), the Lisbon Metropolitan Area allocated funds as payment on account. At the same time, in the pandemic scenario, additional funds as payments on account were provided with a view to strengthening public transport, through Decree-Law no. 14-C/2020 of 7 April, as currently worded. Decree-Law no. 104/2021 of 27 November extended its enforcement up to 30



June 2022. Decree-Law no. 42-A/2022 of 30 June extended the deadline for the Fare Reduction Support Programme (PART) co-funding (COVID-19) up to 31 December 2022.

Thus, in 2022, ML was allocated 7.9 million euros and 9 million euros in PART – AML and PART – COVID-19 payments on account, respectively.

If the PART – AML payments on account are considered, the variation in revenue for 2022, compared with 2021, was 64.2%. Compared with 2019, the variation was -6.4%.

Table 18 – Ticket and pass revenues

Ticket and monthly pass revenues (excluding VAT)		2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
							Abs.	%	Abs.	%	Abs.	%
<b>Occasional tickets</b>	10 <sup>3</sup> €	39 040	19 141	16 848	51 166	20 931	19 899	104.0	18 109	86.5	(12 126)	(23.7)
Carris   Metro travel ticket	10 <sup>3</sup> €	18 049	9 383	7 731	24 591	9 647	8 666	92.4	8 403	87.1	( 6 541)	(26.6)
Zapping	10 <sup>3</sup> €	14 247	7 898	7 000	18 448	7 087	6 349	80.4	7 160	101.0	( 4 201)	(22.8)
Other	10 <sup>3</sup> €	6 744	1 860	2 117	8 127	4 198	4 884	262.6	2 546	60.6	( 1 384)	(17.0)
<b>Monthly passes</b>	10 <sup>3</sup> €	50 319	32 485	33 208	53 026	36 993	17 834	54.9	13 326	36.0	(2 707)	(5.1)
Navegante Metropolitano	10 <sup>3</sup> €	34 291	21 451	21 089	24 072	22 047	12 840	59.9	12 244	55.5	10 218	42.4
Navegante Lisboa	10 <sup>3</sup> €	11 946	7 800	8 890	12 423	11 729	4 145	53.1	217	1.9	( 477)	(3.8)
Other Navegante passes	10 <sup>3</sup> €	2 899	2 967	2 967	10 786	1 751	( 68)	(2.3)	1 147	65.5	( 7 887)	(73.1)
Other Passes	10 <sup>3</sup> €	1 184	267	262	5 744	1 467	917	343.2	( 283)	(19.3)	( 4 561)	(79.4)
<b>Total revenues</b>	10 <sup>3</sup> €	89 359	51 626	50 057	104 192	57 925	37 733	73.1	31 434	54.3	(14 833)	(14.2)
4-18 / under-23 / social+ co-funding <sup>(1)</sup>	10 <sup>3</sup> €	3 506	3 574	3 458	2 502	3 388	( 69)	(1.9)	118	3.5	1 004	40.1
Former combatants co-funding	10 <sup>3</sup> €	1 296	92	0	0	0	1 203	1305.9	1 296	-	1 296	-
Senior Citizen Urban Navegante compensation	10 <sup>3</sup> €	578	0	0	0	0	578	-	578	-	578	-
Lisbon Navegante 4-18 /under-23 compensation	10 <sup>3</sup> €	1 068	0	0	0	0	1 068	-	1 068	-	1 068	-
<b>Total revenues with co-funding</b>	10 <sup>3</sup> €	95 807	55 293	53 515	106 694	61 313	40 514	73.3	34 494	56.3	(10 887)	(10.2)
Payments on account (AML) <sup>(2) (3)</sup>	10 <sup>3</sup> €	7 848	7 848	8 903	4 014	8 700	0.0	-	( 851)	(9.8)	3 834	95.5
<b>Total revenues with co-funding</b>	10 <sup>3</sup> €	103 655	63 141	62 418	110 708	70 012	40 514	64.2	33 643	48.1	( 7 053)	(6.4)
Payments on account (COVID) <sup>(4)</sup>	10 <sup>3</sup> €	9 050	36 718	21,451	0	31,680	( 27 668)	(75.4)	( 22 630)	(71.4)	9 050	-

(1) The carrying value for 2019 is lower by approximately 620 thousand euros, due to the settlement of surplus values recognized in previous years.

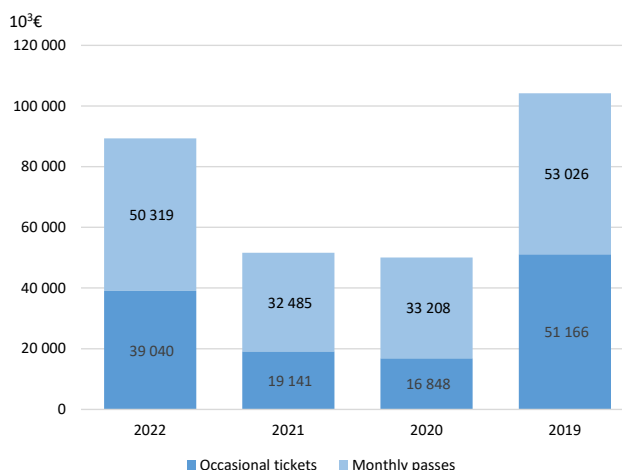
(2) The value of payments on account (AML) - 2020, includes 989,524 euros of adjustment of the estimated final financial compensation for 2019, as per AML letter no. 353/2021.

The value of payments on account (AML) - 2022, includes the final adjustment to the financial compensations for 2021 and correction of the available sum.

(3) Of the total revenue from the Fare Reduction Support Programme (PART) compensation of the period under review, ML only received a partial value of 2.93 million euros in 2019, with the remaining balance having been received in 2020.

(4) Assignment of the "variable" PART, which was recorded as an operating grant.

Chart 6 – Ticket and pass revenues



There was an increase of additional revenue of 102.8% in 2022, in relation to 2021, and a decline of 6.7%, in relation to 2019.

The additional fare revenues show, in particular, those obtained from Viva Viagem Cards, with increased revenue of 1.5 million euros, in relation to 2021. However, compared with 2019, there was a decline of 363 thousand euros.

The additional non-fare revenues show, in particular, the significant increases in revenues of the sub-concessions Metrocom and Publimetro, when compared with the previous year (+44.6% and +880.3%, respectively). Compared with 2019, there was a -10.1% decrease in Metrocom revenues, and a 4.6% increase in Publimetro revenues.

Table 19 - Additional revenues

Additional revenues (excluding VAT)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019		Unit: €
						Abs.	%	Abs.	%	Abs.	%	
<b>Additional fare revenues</b>	<b>3 614 422</b>	<b>1 766 911</b>	<b>1 311 622</b>	<b>4 010 814</b>	<b>1 629 904</b>	<b>1 847 512</b>	<b>104.6</b>	<b>1 984 519</b>	<b>121.8</b>	<b>(396 392)</b>		<b>9.9</b>
Urgency fee	517 065	290 498	240 526	509 375	287 983	226 568	78.0	229 082	79.5	7 691		1.5
Viva Viagem cards	2 612 777	1 142 527	863 259	2 971 454	1 010 292	1 470 251	128.7	1 602 485	158.6	(358 677)		(12.1)
Customisation fee	342 553	262 819	157 201	383 159	272 925	79 733	30.3	69 627	25.5	(40 607)		(10.6)
Commissions	142 028	70 933	50 539	146 270	58 459	71 095	100.2	83 568	143.0	(4 242)		(2.9)
- CA/ML travel ticket sales commission	70 304	34 657	26 770	77 741	33 618	35 647	102.9	36 685	109.1	(7 437)		(9.6)
- Zapping sales commission	71 527	36 275	23 769	67 871	24 841	35 251	97.2	46 686	187.9	3 655		5.4
- Commission on sale of tickets without ML quota	197	0	0	658	0	197	-	197	-	(461)		(70.1)
Other additional fare revenues	0	135	96	557	244	(135)	(100.0)	(244)	(100.0)	(557)		(100.0)
<b>Additional non-fare revenues</b>	<b>3 899 355</b>	<b>1 934 152</b>	<b>3 051 576</b>	<b>4 031 303</b>	<b>3 741 181</b>	<b>1 965 203</b>	<b>101.6</b>	<b>158 173</b>	<b>4.2</b>	<b>(131 948)</b>		<b>(3.3)</b>
Assets	426 571	369 392	395 629	420 288	394 362	57 178	15.5	32 208	8.2	6 283		1.5
Renting of spaces	78 820	25 457	50 832	74 278	48 000	53 363	209.6	30 820	64.2	4 542		6.1
Renting of fibre optics and telecommunications	347 751	343 935	344 797	346 010	346 362	3 816	1.1	1 388	0.4	1 741		0.5
Fleet - Stations - Miscellaneous	80 661	46 898	41 527	88 951	57 840	33 763	72.0	22 821	39.5	(8 290)		(9.3)
Filming	62 200	21 500	32 900	54 100	28 200	40 700	189.3	34 000	120.6	8 100		15.0
Various (ADV insertion, merchandising/publications, roy.)	6 211	7 648	8 627	15 351	10 140	(1 437)	(18.8)	(3 929)	(38.7)	(9 140)		(59.5)
Special service	12 250	17 750	0	19 500	19 500	(5 500)	(31.0)	(7 250)	(37.2)	(7 250)		(37.2)
Other Revenues	70 314	87 287	95 634	56 763	95 634	(16 974)	(19.4)	(25 321)	(26.5)	13 551		23.9
Sub-concessions	3 321 810	1 430 574	2 518 786	3 465 301	3 193 345	1 891 235	132.2	128 465	4.0	(143 492)		(4.1)
Metrocom	1 851 923	1 280 628	1 169 004	2 060 546	2 069 541	571 295	44.6	(217 618)	(10.5)	(208 623)		(10.1)
Publimetro - MOP	1 469 887	149 946	1 349 782	1 404 755	1 123 804	1 319 940	880.3	346 083	30.8	65 132		4.6
<b>Total additional revenues</b>	<b>7 513 777</b>	<b>3 701 063</b>	<b>4 363 198</b>	<b>8 042 117</b>	<b>5 371 085</b>	<b>3 812 715</b>	<b>103.0</b>	<b>2 142 692</b>	<b>39.9</b>	<b>(528 340)</b>		<b>(6.6)</b>

(1) Revenues not managed by the Customer Department (CD)

## ii. Results

In 2022, the following facts in ML's economic and financial management are especially noteworthy:

- Turnover of 111.2 million euros, representing an increase of 44.3 million euros in relation to 2021, and showing a recovery to levels close to those recorded in 2019;
- Fare revenue (including co-funding) with an increase of 40.5 million euros (+64.2%), still standing below the values recorded in 2019 by approximately 7.1 million euros (-6.4%). A positive deviation was also recorded, in relation to that planned, of the value of 33.6 million euros (48.1%), due to the increased demand.
- Pass co-funding of the value of 14.3 million euros, representing an increase of 2.8 million euros (24.2%) in relation to the same period of 2021, and an increase of 7.8 million euros (119.4%) in relation to the same period of 2019. The deviation from the Activities and Budget Plan was 2.2 million euros (+18.3%).
- Payments on account (COVID) amounting to 9.1 million euros, corresponding to 27.7 million euros less (-75.4%) than in 2021 with a deviation of 22.6 million euros (-71.4%) in relation to the Activities and Budget Plan.
- Additional fare revenues increased by 1.8 million euros (+103.5%), with particular incidence in Viva Viagem cards by +1.5 million euros (+128.3%), representing a positive deviation of 1.6 million euros (+158.2%) in relation to that planned.
- Additional non-fare revenues increased by 2 million euros (+102.2%) in relation to 2021. Compared with 2019, a negative variation was recorded of the value of 120 thousand euros (-3.0%). The deviation in relation to the Activities and Budget Plan is positive, by 170 thousand euros (+4.5%).
- EBITDA was positive by 12.3 million euros, with a negative variation of 3.9 million euros in relation to 2021 and a positive deviation of 10.3 million euros in relation to the Activities and Budget Plan.

Excluding the non-cash items, which come to 19.1 million euros, we obtain an adjusted EBITDA of -5.3 million euros.

EBITDA DRN (amounts in thousand euros)	12,269
Equity method / Subsidiaries	8,412
Own work capitalised	-6,123
Inventory impairments	0
Impairment of debt receivables (losses/reversals)	488
Provisions (increases / decreases)	1,925
Impairment of depreciable/amortizable investments (losses/reversals)	1,000
Fair value increases/decreases	-19,018
Investment grants	-1,112
Exchange rate differences	-3,226
Inventory losses	203
Inventory gains	-142
<b>Adjusted EBITDA **</b>	<b>-5,326</b>

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 debt service payments and investment expenses.

Table 20 – Results – Individual accounts

Results (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Turnover	111 205	66 890	66 809	118 795	75 703	44 315	66.3	35 502	46.9	( 7 590)	(6.4)
Public Service Income*	103 655	63 141	62 418	110 708	70 012	40 514	64.2	33 643	48.1	( 7 053)	(6.4)
Other income	51 002	79 871	50 256	44 289	64 351	( 28 869)	(36.1)	( 13 350)	(20.7)	6 713	15.2
Total Operating Income	154 657	143 012	112 674	154 997	134 364	11 645	8.1	20 293	15.1	( 340)	(0.2)
Total Operating Expenses	155 622	140 672	145 424	144 903	147 249	14 950	10.6	8 374	5.7	10 720	7.4
EBITDA	12 269	16 148	( 17 253)	27 365	1 928	( 3 879)	(24.0)	10 341	536.4	( 15 097)	(55.2)
Adjusted EBITDA **	( 5 326)	(14 417)	(30 613)	19 616	(24 572)	9 091	(63.1)	19 246	(78.3)	( 24 942)	(127.1)
<b>Operating Income</b>	<b>( 966)</b>	<b>2 339</b>	<b>(32 750)</b>	<b>10 094</b>	<b>(12 885)</b>	<b>( 3 305)</b>	<b>(141.3)</b>	<b>11 920</b>	<b>(92.5)</b>	<b>(11 060)</b>	<b>(109.6)</b>
<b>Financial Profit</b>	<b>(20 151)</b>	<b>(25 234)</b>	<b>(24 381)</b>	<b>(26 926)</b>	<b>(20 277)</b>	<b>5 083</b>	<b>(20.1)</b>	<b>126</b>	<b>(0.6)</b>	<b>6 775</b>	<b>(25.2)</b>
<b>Profit before Taxes</b>	<b>(21 117)</b>	<b>(22 895)</b>	<b>(57 130)</b>	<b>(16 833)</b>	<b>(33 163)</b>	<b>1 778</b>	<b>(7.8)</b>	<b>12 046</b>	<b>(36.3)</b>	<b>(4 284)</b>	<b>25.5</b>

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

2 Adjusted value of provisions, adjustments, impairments, fair value increases/reductions, Investment grants, equity/subsidiaries and other non-cash items.

In consolidated terms, and in relation to 2021:

- Turnover amounted to 112 million euros, representing an increase of 44.5 million euros;
- Operating income reached 155.6 million euros, revealing an increase of 10.9 million euros;
- Operating expenses reached 156.5 million euros, showing an increase of 14.2 million euros;
- Operating Income was negative by 905 thousand euros, corresponding to a reduction of 3.3 million euros;
- Adjusted EBITDA recorded a negative value of 2.8 million euros, having improved by 6.5 million euros;
- Net Income, although still in negative territory (-21.1 million euros) improved by 1.8 million euros (7.7%).

<b>EBITDA DRN (amounts in thousand euros)</b>	<b>22,990</b>
Equity method / Subsidiaries	-36
Own work capitalised	-6,123
Inventory impairments	516
Impairment of debt receivables (losses/reversals)	2,166
Provisions (increases / decreases)	1,000
Fair value increases/decreases	-19,018
Investment grants	-1,112
Exchange rate differences	-3,229
Inventory losses	203
Inventory gains	-142
<b>Adjusted EBITDA **</b>	<b>-2,785</b>

Table 21 – Results – Consolidated and individual accounts if the Metro Group of Companies – 2022

Results (amounts in thousand euros)	Consolidated Accounts	Individual Accounts				
		ML	Ferconsult	Metrocom	TREM	TREM II
Turnover	111,951	111,205	-	2,604	-	2,044
Operating Income	155,577	154,657	44	2,700	-	2,052
Operating Expenses	156,482	155,622	256	2,551	3	4
<b>EBITDA</b>	<b>22,990</b>	<b>12,269</b>	<b>(212)</b>	<b>209</b>	<b>(3)</b>	<b>2,048</b>
<b>Adjusted EBITDA *</b>	<b>(2,785)</b>	<b>(5,326)</b>	<b>28</b>	<b>237</b>	<b>(3)</b>	<b>2,048</b>
<b>Operating Income</b>	<b>(905)</b>	<b>(966)</b>	<b>(212)</b>	<b>148</b>	<b>(3)</b>	<b>2,048</b>
<b>Net Income</b>	<b>(21,139)</b>	<b>(21,135)</b>	<b>(234)</b>	<b>118</b>	<b>(3)</b>	<b>2,040</b>

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

Table 22 – Results – Consolidated accounts

Results (amounts in thousand euros)	Consolidated Accounts				Variation 2022/2021		Variation 2022/2019	
	2022	2021	2020	2019	Abs.	%	Abs.	%
Turnover	111,951	67,431	67,525	120,067	44,520	66.0	(8,116)	(6.8)
Operating Income	155,577	144,688	114,441	157,395	10,889	7.5	(1,818)	(1.2)
Operating Expenses	156,482	142,295	121,070	119,368	14,187	10.0	37,114	31.1
<b>EBITDA</b>	<b>22,990</b>	<b>26,823</b>	<b>(6,628)</b>	<b>38,027</b>	<b>(3,833)</b>	<b>(14.3)</b>	<b>(15,037)</b>	<b>(39.5)</b>
<b>Adjusted EBITDA *</b>	<b>(2,785)</b>	<b>(9,256)</b>	<b>(24,598)</b>	<b>5,227</b>	<b>6,470</b>	<b>69.9</b>	<b>(8,012)</b>	<b>(153.3)</b>
<b>Operating Income</b>	<b>(905)</b>	<b>2,393</b>	<b>(32,688)</b>	<b>10,195</b>	<b>(3,298)</b>	<b>(137.8)</b>	<b>(11,100)</b>	<b>(108.9)</b>
<b>Net Income</b>	<b>(21,139)</b>	<b>(22,901)</b>	<b>(57,134)</b>	<b>(16,879)</b>	<b>1,763</b>	<b>7.7</b>	<b>(4,260)</b>	<b>(25.2)</b>

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

### iii. Operating income

Consolidated operating income showed a positive variation of 10.9 million euros (+7.5%) in relation to 2021, amounting to the total of 155.6 million euros.

The most significant variations/deviations only include values obtained at the parent company, namely:

- Public service revenue (Passes and Tickets + Co-funding + Fare Reduction Support Programme (PART), which recorded a positive deviation of 33.6 million euros.
- Other income recorded a negative variation of 13.4 million euros (-20.7%), explained by:
  - Operating grants, which amounted to 10.6 million euros and showed a negative deviation of 21 million euros, with the recognition of 57 thousand euros from the Environmental Fund, 1.5 million euros from the Recovery and Resilience Plan and 9.1 million from PART- COVID-19;

- Fair value increases/decreases with a deviation of -0.2 million euros and a negative variation of 5 million euros in relation to 2021, recording the value of 19.0 million euros, essentially due to the end of the swap associated with the TREM II-2 operating lease;
- Other income, which showed a positive deviation of 7.9 million euros in relation to the Activities and Budget Plan, primarily via favourable exchange rate differences.

Table 23 - Operating income - Individual accounts

Operating income (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Monthly pass and ticket sales	89 359	51 626	50 057	104 192	57 925	37 733	73.1	31 434	54.3	(14 833)	(14.2)
4-18/under-23/social+ compensation and PART Compensation (AML)	14 296	11 515	12 361	6 515	12 087	2 781	24.2	2 209	18.3	7 780	119.4
<b>Public service revenue</b>	<b>103 655</b>	<b>63 141</b>	<b>62 418</b>	<b>110 708</b>	<b>70 012</b>	<b>40 514</b>	<b>64.2</b>	<b>33 643</b>	<b>48.1</b>	<b>(7 053)</b>	<b>(6.4)</b>
Operating grants	10 640	38 044	21 741	517	31 680	(27 404)	(72.0)	(21 040)	(66.4)	10 123	1 959.1
Non-fare revenues	7 550	3 749	4 390	8 087	5 691	3 801	101.4	1 859	32.7	(537)	(6.6)
Own work capitalised	6 123	5 825	4 652	3 102	6 204	298	5.1	(80)	(1.3)	3 021	97.4
Impairment of inventories (reversals)	-	-	300	-	-	-	-	-	-	-	-
Impairment of receivables (reversals)	-	1	314	129	-	(1)	(100.0)	-	-	(129)	(100.0)
Provisions (reductions)	-	40	-	-	-	(40)	(100.0)	-	-	-	-
Fair value (increases)	19 018	24 006	16 131	24 536	19 185	(4 987)	(20.8)	(167)	(0.9)	(5 518)	(22.5)
Other income	6 157	7 018	2 728	6 139	1 592	(861)	(12.3)	4 565	286.7	18	0.3
Impairment of depreciable/amortizable investments (reversals)	1 513	1 187	-	1 780	-	326	27.4	1 513	-	(267)	(15.0)
<b>Other income</b>	<b>51 002</b>	<b>79 871</b>	<b>50 256</b>	<b>44 289</b>	<b>64 351</b>	<b>(28 869)</b>	<b>(36.1)</b>	<b>(13 350)</b>	<b>(20.7)</b>	<b>6 713</b>	<b>15.2</b>
<b>Total operating income</b>	<b>154 657</b>	<b>143 012</b>	<b>112 674</b>	<b>154 997</b>	<b>134 364</b>	<b>11 645</b>	<b>8.1</b>	<b>20 293</b>	<b>15.1</b>	<b>(340)</b>	<b>(0.2)</b>

Table 24 - Operating income - Consolidated accounts

INCOME AND EXPENSES	Consolidated accounts				Variation 2022/2021		Variation 2022/2019	
	2022	2021	2020	2019	Abs.	%	Abs.	%
Sales and services rendered	111 951	67 431	67 525	120 067	44,520	66.0	(8,116)	(6.8)
Operating grants	10 640	38 044	21 741	517	(27,404)	(72.0)	10,123	1,959.1
Gains/losses attributed to subsidiaries, associates and joint ventures	36	927	(332)	249	(892)	(96.2)	(213)	(85.7)
Own work capitalised	6 123	5 825	4 923	4 360	298	5.1	1,763	40.4
Impairment of inventories (reversals)	-	-	300	-	-	-	-	-
Impairment of receivables (reversals)	-	-	-	-	-	-	-	-
Provisions (reductions)	-	40	240	556	(40)	(100.0)	(556)	(100.0)
Fair value increases	19 018	24 006	16 131	24 536	(4,987)	(20.8)	(5,518)	(22.5)
Other income	6 295	7 227	3 046	6 246	(932)	(12.9)	49	0.8
Impairment of depreciable/amortizable assets (reversals)	1 513	1 187	(318)	1 780	326	27.4	(267)	(15.0)
<b>Total operating income</b>	<b>155 577</b>	<b>144 688</b>	<b>113 256</b>	<b>158 311</b>	<b>10,889</b>	<b>7.5</b>	<b>(2,735)</b>	<b>(1.7)</b>

#### iv. Operating expenses

Consolidated operating expenses increased by 14.2 million euros (+10%) in relation to 2021, with particular incidence in External Supplies and Services (+7.4 million euros), primarily explained by the increased value of high-voltage electricity, which generated an increase of 6.3 million euros. Personnel expenses also increased by 4.0 million euros, due to new hiring and salary dynamics.

In relation the estimated figures in the Activities and Budget Plan for ML's operating expenses, there were significant deviations in Losses in subsidiaries (+8.4 million euros), External supplies and services (-4.0 million euros) and Other expenses (+1.4 million euros).

Table 25 – Operating expenses – Individual accounts

Operating expenses (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Losses imputed to subsidiaries	8 412	4 602	4 139	2 412	-	3 810	82.8	8 412	-	6 001	248.8
Cost of goods sold and materials consumed	2 700	2 530	2 614	3 596	3 597	170	6.7	( 897)	(24.9)	( 896)	(24.9)
External supplies and services	37 319	32 717	36 135	36 879	41 269	4 601	14.1	( 3 951)	(9.6)	440	1.2
Personnel expenses	86 761	82 774	80 232	80 057	86 677	3 987	4.8	84	0.1	6 704	8.4
Impairment of receivables (losses)	488	-	-	-	-	488	-	488	-	488	-
Provisions (increases)	1 925	-	70	-	-	1 925	-	1 925	-	1 925	-
Impairment of depreciable/amortizable investments (losses)	1 000	-	-	-	-	1 000	-	1 000	-	1 000	-
Other expenses	2 270	3 053	6 738	2 908	893	( 783)	(25.7)	1 377	154.3	( 638)	(21.9)
Depreciation and amortization expenses	14 748	14 996	15 179	19 052	14 813	( 248)	(1.7)	( 66)	(0.4)	( 4 304)	(22.6)
Impairment of depreciable assets (losses)	-	-	318	-	-	-	-	-	-	-	-
<b>Total operating expenses</b>	<b>155 622</b>	<b>140 672</b>	<b>145 424</b>	<b>144 903</b>	<b>147 249</b>	<b>14 950</b>	<b>10.6</b>	<b>8 374</b>	<b>5.7</b>	<b>10 720</b>	<b>7.4</b>

Table 26 – Operating expenses – Consolidated accounts

INCOME AND EXPENSES	Consolidated accounts				Variation 2022/2021		Variation 2022/2019		
	2022	2021	2020	2019	Abs.	%	Abs.	%	
Gains/losses attributed to subsidiaries, associates and joint ventures	-	-	-	-	-	-	-	-	-
Cost of goods sold and materials consumed	2 700	2 530	2 614	3 596	170	6.7	(896)	(24.9)	
External supplies and services	35 393	28 000	29,017	30 541	7,393	26.4	4,852	15.9	
Personnel expenses	86 997	82 981	82 336	82 240	4,016	4.8	4,757	5.8	
Inventory impairment (losses)	516	-	( 300)	-	516	-	516	-	
Impairment of receivables (losses)	2 166	10	( 535)	( 863)	2 156	21,776.6	3 030	(350.9)	
Provisions (increases)	1 000	-	-	-	1 000	-	1,000	-	
Fair value decreases	-	-	-	-	-	-	-	-	
Other expenses	2 301	3 156	6 771	2 991	(855)	(27.1)	(690)	(23.1)	
Depreciation and amortization expenses	25 409	25 618	25 742	29 612	( 209)	(0.8)	(4,204)	(14.2)	
Impairment of depreciable/amortizable assets (losses)	-	-	-	-	-	-	-	-	
<b>Total operating expenses</b>	<b>156 482</b>	<b>142 295</b>	<b>145 644</b>	<b>148 117</b>	<b>14,187</b>	<b>10.0</b>	<b>8,365</b>	<b>(5.6)</b>	

Operating expenses related to COVID-19 came to 441 thousand euros, reflecting a decrease of about 754 thousand euros compared to 2021.

Table 27 – Operating expenses (COVID-19) – Individual accounts

Operating Expenses (COVID-19) (amounts in euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Cost of goods sold and materials consumed	6 872	59 335	80 377	-	-	( 52 462)	(88.4)	6 872	-	6 872	-
External supplies and services	375 844	886 061	891 346	-	743 805	( 510 218)	(57.6)	( 367 961)	(49.5)	375 844	-
Personnel expenses	58 269	62 325	49 570	-	10 000	( 4 055)	(6.5)	48 269	482.7	58 269	-
Other expenses	117	1 301	-	-	-	( 1 184)	(91.0)	117	-	117	-
<b>Total</b>	<b>441 103</b>	<b>1 009 022</b>	<b>1 021 293</b>	<b>-</b>	<b>753 805</b>	<b>( 567 919)</b>	<b>(56.3)</b>	<b>( 312 702)</b>	<b>(41.5)</b>	<b>441 103</b>	<b>-</b>

## v. Personnel Expenses

Personnel expenses in 2022 came to 86.8 million euros, representing an increase of 4 million euros, due to new hires and the impact of the application of the Collective Labour Regulation Instrument (IRCT).

Compared with the estimated figures in the Activities and Budget Plan, there was a deviation of 84 thousand euros.

Table 28 – Personnel expenses – Individual accounts

Personnel expenses (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Remunerations	62,062	59,416	57,103	56,232	61,760	2,646	4.5	302	0.5	5,830	10.4
Pension supplement	11,921	12,054	12,310	12,523	12,123	(133)	(1.1)	(202)	(1.7)	(602)	(4.8)
Annulment of Pension Supplements	(11,922)	(12,050)	(12,310)	(12,560)	(12,123)	126	1.1	201	1.7	638	5.1
Pension liabilities	6,737	6,621	7,315	7,770	7,299	116	1.8	(562)	(7.7)	(1,033)	(13.3)
Other expenses	17,963	16,732	15,813	16,091	17,617	1,231	7.4	345	2.0	1,871	11.6
<b>TOTAL</b>	<b>86 761</b>	<b>82 774</b>	<b>80 232</b>	<b>80 057</b>	<b>86 677</b>	<b>3 987</b>	<b>4.8</b>	<b>84</b>	<b>0.1</b>	<b>6 704</b>	<b>8.4</b>
Wage Bill	61,733	59,103	56,787	55,926	61,447	2,630	4.5	286	0.5	5,807	10.4

## vi. Financial Profits

Financial profits amounted to 20.2 million euros, representing a favourable variation of 5.1 million euros in relation to 2021 and of 6.8 million euros when compared with 2019, due to the maturity of the financial derivative underlying the TREM II-2 operating lease.

Table 29 – Financial profits – Individual accounts

Financial profits (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Interest incurred with bank financing/TFDG	1 144	1 196	1 689	3 042	1 305	( 52)	(4.3)	( 161)	(12.3)	( 1 898)	(62.4)
Interest payable	19 007	24 039	22 691	23 884	18 972	( 5 031)	(20.9)	35	0.2	( 4 877)	(20.4)
<b>Operating financial expenses</b>	<b>20 151</b>	<b>25 234</b>	<b>24 381</b>	<b>26 926</b>	<b>20 277</b>	<b>( 5 083)</b>	<b>(20.1)</b>	<b>( 126)</b>	<b>(0.6)</b>	<b>( 6 775)</b>	<b>(25.2)</b>

## vii. Financial flows

In 2022, the cash flows of the operating activity generated a surplus of 11.1 million euros, representing an improvement of 28.4 million euros in relation to 2021, via increased revenues from customers, with a variation of 54.4 million euros, enabling the release of funds for investment activity. In relation to the Activities and Budget Plan, although the Fare Reduction Support Programme (PART) revenue stood 13.5 million euros below the estimate, the foreseen amount of revenues from customers was surpassed by 53.9 million euros.

The flows of the investment activities recorded a deficit of 33.5 million euros, corresponding to a negative variation of 37.1 million euros in relation to 2021, explained by lower investment grant revenues, by -80.9 million euros, combined with a level of payments that was also lower. In relation to the Activities and Budget Plan, there was a positive deviation of 88.0 million euros, due to the estimation of a level of payments higher than that observed by 126.8 million euros, due to the low investment made.

The flows of the financing activities recorded total revenues of 35.2 million euros through funding contracted with the Directorate General of Treasury and Finance (DGTF) and capital increase of a total of 181.4 million euros, of which 52 million euros were for the repayment of a loan related to the TREM II-2 operating lease, recorded under investment, which led to the balance of the financing flow component reaching 59.9 million euros. The cash balance at the end of the period came to 162.3 million euros.

Table 30 – Cash flow statement – Individual accounts

STATEMENT OF CASH FLOWS (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Cash flows from operating activities	11 066	(17 290)	(41 302)	17 324	(19 206)	28 356	(164.0)	30 272	(157.6)	(6 258)	(36.1)
Cash flows from investment activities	(33 544)	3 563	(42 431)	15 510	(121 504)	(37 107)	(1041.5)	87 960	(72.4)	(49 054)	(316.3)
Cash flows from financing activities	59 928	91 256	101 274	(19 342)	140 710	(31 328)	(34.3)	(80 782)	(57.4)	79 270	(409.8)
<b>Variation of cash and cash equivalents</b>	<b>37 450</b>	<b>77 529</b>	<b>17 542</b>	<b>13 492</b>	<b>0</b>	<b>(40 079)</b>	<b>(51.7)</b>	<b>37 450</b>	<b>-</b>	<b>23 958</b>	<b>177.6</b>
Cash and cash equivalents at the beginning of the period	124 800	47 271	29 730	16 238	24 317	77 529	164.0	100 483	413.2	108 563	668.6
Cash and cash equivalents at the end of the period	162 250	124 800	47 271	29 730	24 317	37 450	30.0	137 933	567.2	132 521	445.8

Concerning the financing activities and with respect to payments, 80.9 million euros were repaid relative to all the existing loans from the European Investment Bank (EIB), due to having reached their maturity, and payments of interest and similar expenses were recorded of the value of 75.7 million euros. This value included the payment of 43.5 million euros in debenture loan coupons, 29.5 million euros in financial derivatives and 2.7 million euros in guarantees.

The deviation presented in relation to the Activities and Budget Plan is essentially due to the reduction in funding needs, particularly with regard to the payment of interest associated with swap contracts, and due to the fact that the implementation level of investment projects not co-financed by the EU and/or national funds was below the estimated amount.

Table 31 – Financing activities – Individual accounts

FINANCING ACTIVITIES (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
<b>Receipts related to:</b>											
Capital increases and other equity instruments	181 391	253 905	320 681	549 784	248 523	(72 514)	(28.6)	(67 132)	(27.0)	(368 393)	(67.0)
Bank loans – DGTF	35 198	119 188	203 813	131 885	70 770	(83 990)	(70.5)	(35 572)	(50.3)	(96 687)	(73.3)
<b>Financing</b>	<b>216 588</b>	<b>373 092</b>	<b>524 494</b>	<b>681 669</b>	<b>319 293</b>	<b>(156 504)</b>	<b>(41.9)</b>	<b>(102 704)</b>	<b>(32.2)</b>	<b>(465 081)</b>	<b>(68.2)</b>
<b>Payments related to:</b>											
Bank loans	80 963	139 864	216 515	471 503	80 963	(58 901)	(42.1)	(0)	(0.0)	(390 540)	(82.8)
Interest and similar expenses	75 698	141 972	206 705	229 508	97 620	(66 275)	(46.7)	(21 922)	(22.5)	(153 811)	(67.0)
<b>Payments</b>	<b>156 660</b>	<b>281 836</b>	<b>423 220</b>	<b>701 011</b>	<b>178 583</b>	<b>(125 176)</b>	<b>(44.4)</b>	<b>(21 922)</b>	<b>(12.3)</b>	<b>(544 351)</b>	<b>(77.7)</b>
<b>Cash flows from financing activities</b>	<b>59 928</b>	<b>91 256</b>	<b>101 274</b>	<b>(19 342)</b>	<b>140 710</b>	<b>(31 328)</b>	<b>(34.3)</b>	<b>(80 782)</b>	<b>(57.4)</b>	<b>79 270</b>	<b>(409.8)</b>

## viii. Asset Structure

### Assets

ML maintained the criterion indicated by the supervision authority, regarding the presentation of its Balance Sheet, to report the figures of the long-term infrastructure (LTI) construction activity, highlighting the effects of the infrastructure investment made on the State's behalf and the corresponding responsibilities.

Assets came to 5,851 million euros, distributed as follows:

Table 32 – Total assets – Individual accounts

Assets (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Non-current	5 369	5 401	5 391	5 250	5 504	(31)	(0.6)	(134)	(2.4)	119	2.3
Current	0	0	0	0	0	0	-	0	-	0	-
<b>LTI</b>	<b>5 369</b>	<b>5 401</b>	<b>5 391</b>	<b>5 250</b>	<b>5 504</b>	<b>(31)</b>	<b>(0.6)</b>	<b>(134)</b>	<b>(2.4)</b>	<b>119</b>	<b>2.3</b>
Non-current	268	228	201	188	223	40	17.5	45	20.4	80	42.7
Current	213	192	105	79	189	21	11.2	24	12.8	134	169.1
<b>ML</b>	<b>481</b>	<b>420</b>	<b>306</b>	<b>267</b>	<b>412</b>	<b>61</b>	<b>14.6</b>	<b>70</b>	<b>16.9</b>	<b>214</b>	<b>80.2</b>
<b>Total assets</b>	<b>5 851</b>	<b>5 820</b>	<b>5 696</b>	<b>5 517</b>	<b>5 915</b>	<b>30</b>	<b>0.5</b>	<b>(65)</b>	<b>(1.1)</b>	<b>333</b>	<b>6.0</b>

Assets recorded an increase of 30 million euros, with the following variations/deviations:



Unit: million euros

<b>LTI</b>		
<u>Current non-current</u>	<b>Variation</b>	<b>Deviation</b>
-Property, plant and equipment	9.5	-146.6
-Investments in progress	40.9	46.9
-State account receivable	-31.4	43.4
-Receipt of investment grant	-36.2	-61.1
-Recognition of impairment loss	0.0	-2.0
-Fair value of financial instruments	-14.0	-15.0
<b>ML</b>		
<u>Non-current assets</u>	<b>Variation</b>	<b>Deviation</b>
-Property, plant and equipment	-9.4	-21.7
-Investment property	1.1	6.7
-Intangible assets	0.6	1.1
-Financial interests - Equity method	44.5	53.3
-Other financial assets	3.1	5.9
<u>Current Assets</u>	<b>Variation</b>	<b>Deviation</b>
Inventories	0.04	-1.1
Customers	-0.6	-3.2
-State and other public entities	-4.7	-3.4
-Other receivables	-10.6	-107.0
Deferrals	-0.2	1.0
-Cash and bank deposits	37.5	137.9

## Liabilities and Equity

Liabilities and Equity present the following structure:

Table 33 - Liabilities and Equity - Individual accounts

Liabilities and Equity (amounts in millions of euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Non-current	1 545	1 730	1 946	2 079	1 636	(185)	(10.7)	(91)	(5.6)	(534)	(25.7)
Current	1 216	1 169	1 056	1 041	992	47	4.0	224	22.6	175	16.8
<b>LTI</b>	<b>2 761</b>	<b>2 899</b>	<b>3 002</b>	<b>3 120</b>	<b>2 628</b>	<b>(138)</b>	<b>(4.8)</b>	<b>133</b>	<b>5.1</b>	<b>(359)</b>	<b>(11.5)</b>
Non-current	368	436	510	553	427	(68)	(15.7)	(59)	(13.9)	(185)	(33.5)
Current	777	724	680	593	743	53	7.4	34	4.5	184	31.0
<b>ML</b>	<b>1 145</b>	<b>1 160</b>	<b>1 189</b>	<b>1 146</b>	<b>1 171</b>	<b>(15)</b>	<b>(1.3)</b>	<b>(26)</b>	<b>(2.2)</b>	<b>(1)</b>	<b>(0.1)</b>
<b>Total liabilities</b>	<b>3 906</b>	<b>4 059</b>	<b>4 192</b>	<b>4 266</b>	<b>3 799</b>	<b>(154)</b>	<b>(3.8)</b>	<b>107</b>	<b>2.8</b>	<b>(360)</b>	<b>(8.4)</b>
Equity	1 945	1 761	1 505	1 251	2 116	184	10.4	(172)	(8.1)	694	55.4
<b>Total liabilities and equity</b>	<b>5 851</b>	<b>5 820</b>	<b>5 696</b>	<b>5 517</b>	<b>5 915</b>	<b>30</b>	<b>0.5</b>	<b>(65)</b>	<b>(1.1)</b>	<b>333</b>	<b>6.0</b>

Liabilities recorded an increase of 154 million euros, with the following variations/deviations:

*Unit: million euros*

<b>LTI</b>		
<u>Non-current liabilities</u>	<b>Variation</b>	<b>Deviation</b>
- Provisions LTI	2.6	0.2
- Loans obtained LTI	83.2	32.3
- Other financial assets LTI	99.7	59.0
<u>Current liabilities</u>		
- Suppliers	-3.2	-1.3
- Loans obtained	18.4	125.9
- Other debts payable	31.9	99.6
<b>ML</b>		
<u>Non-current liabilities</u>	<b>Variation</b>	<b>Deviation</b>
Provisions	2.1	-37.9
- Loans obtained	-21.9	2.4
- Liabilities due to post-employment benefits	-29.4	-24.9
- Other financial liabilities	-19.3	-0.4
<u>Current liabilities</u>		
Suppliers	0.04	-0.7
- State and other public entities	0.1	-2.2
- Loans obtained	40.9	28.5
- Other debts payable	10.4	3.4
- Deferrals	1.8	4.9

Equity recorded an increase of 184 million euros with the following variations/deviations:

*Unit: million euros*

<u>Equity</u>	<b>Variation</b>	<b>Deviation</b>
- Subscribed capital	181.4	-107.1
- Retained earnings	-22.9	7.4
- Adjustments/other changes in equity	23.3	-84.0

## ix. Financial risk management

ML has been consolidating its equity structure through the ongoing reinforcement promoted by the shareholder, with the resulting reduction of company indebtedness.

### Metropolitano de Lisboa's rating

Table 34 - ML's Rating

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

## x. Remunerated Liabilities

In 2022, ML had contracted debt worth 35.2 million euros and repaid debt to the European Investment Bank worth 80.9 million euros, representing a decrease of 1.4% in interest-bearing liabilities (-45.8 million euros).

Table 35 – ML Remunerated Liabilities (2019–2022) – Individual accounts

Remunerated liabilities (amounts in thousand euros)	2022	2021	2020	2019	ABP 2022	Var. 2022/2021		ABP deviation		Var. 2022/2019	
						Abs.	%	Abs.	%	Abs.	%
Debenture loans	910 000	910 000	910 000	910 000	910 000	-	0.00	-	0.00	-	0.00
EIB	-	-	80 963	220 826	-	-	-	-	-	(220 826)	(100.00)
Other long-term loans/Treasury	434 284	539 388	562 025	505 253	459 606	(105 104)	(19.49)	(25 322)	(5.51)	(70 969)	(14.05)
Shuldschein	300 000	300 000	300 000	300 000	300 000	-	0.00	-	0.00	-	0.00
<b>Medium and long-term debt</b>	<b>1 644 284</b>	<b>1 749 388</b>	<b>1 852 988</b>	<b>1 936 079</b>	<b>1 669 606</b>	<b>(105 104)</b>	<b>(6.01)</b>	<b>(25 322)</b>	<b>(1.52)</b>	<b>(291 795)</b>	<b>(15.07)</b>
EIB	-	80 963	139 864	216 515	-	(80 963)	(100.00)	-	-	(216 515)	(100.00)
Other short-term loans/Treasury	1 648 988	1 508 686	1 385 193	1 287 453	1 516 360	140 302	9.30	132 628	8.75	361 535	28.08
<b>Short-term debt</b>	<b>1 648 988</b>	<b>1 589 648</b>	<b>1 525 057</b>	<b>1 503 967</b>	<b>1 516 360</b>	<b>59 339</b>	<b>3.73</b>	<b>132 628</b>	<b>8.75</b>	<b>145 021</b>	<b>9.64</b>
<b>Total</b>	<b>3 293 272</b>	<b>3 339 037</b>	<b>3 378 045</b>	<b>3 440 046</b>	<b>3 185 967</b>	<b>(45 765)</b>	<b>(1.37)</b>	<b>107 305</b>	<b>3.37</b>	<b>(146 775)</b>	<b>(4.27)</b>

Additionally, in consolidated terms, the effect of the settlement of the loan (LEP 2001) related to TREM II, corresponds to the repayment of 56.1 million euros, reflecting a reduction of 3% (101.9 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 "Loans obtained" and "Long-term infrastructure investments", under Current liabilities and Non-current liabilities, according to the nature of the funding in question.

Table 36 – Remunerated Liabilities (2021–2022) – Consolidated accounts

Remunerated liabilities (amounts in thousand euros)	2022	2021	Var. 2022/2021	
			Abs.	%
Debenture loans	910 000	910 000	-	0.00
EIB	-	-	-	-
Other long-term loans/Treasury	434 284	539 388	(105 104)	(19.49)
Shuldschein	300 000	300 000	-	0.00
<b>Medium and long-term debt</b>	<b>1 644 284</b>	<b>1 749 388</b>	<b>(105 104)</b>	<b>(6.01)</b>
EIB	-	80 963	(80 963)	(1.00)
Other short-term loans/Treasury	1 648 988	1 564 786	84 202	0.05
<b>Short-term debt</b>	<b>1 648 988</b>	<b>1 645 748</b>	<b>3 240</b>	<b>0.20</b>
<b>Total</b>	<b>3 293 272</b>	<b>3 395 137</b>	<b>(101 865)</b>	<b>(3.00)</b>

## xi. Investment

In 2022, Gross fixed capital formation recorded an amount of 50.1 million euros, which includes the investment amounts which were capitalised in ML's Fixed assets accounts.

Table 37 – Investment Expenses 2022

Investment expenses (Unit: €)	Gross fixed capital formation	ABP 2022	Deviation		Investment at technical costs	Investment expenses
			Abs.	%		
<b>ML</b>	<b>5,861,636</b>	<b>27,869,277</b>	<b>-22,007,641</b>	<b>-79.0%</b>	<b>5,949,966</b>	<b>5,949,966</b>
Buildings and other constructions	335,194	1,535,000	-1,199,806	-78.2%	415,934	415,934
Refurbishment and expansion of spaces at Complexo de Carnide	8,448	100,000	-91,552	-91.6%	8,448	8,448
Operations Control Centre	0	500,000	-500,000	-100.0%	0	0
Relocation of the Traction Substation (PMO I)	9,930	500,000	-490,070	-98.0%	13,725	13,725
Photovoltaic Coverage of PMO II	257,403	1,075,000	-817,597	-76.1%	257,403	257,403
Basic equipment	794,661	1,549,000	-754,339	-48.7%	798,456	798,456
Modernization of Blue, Yellow and Green lines (Rolling Stock Acquisition 10 Triple Units + 4 Triple Units)	0	5,737,737	-5,737,737	-100.0%	0	0
Modernization of Blue, Yellow and Green lines (CBTC)	233,951	702,006	-468,056	-66.7%	233,951	233,951
Modernization of Red Line (CBTC-Rolling Stock)	0	600,000	-600,000	-100.0%	0	0
Customer information systems at stations	0	4,300,000	-4,300,000	-100.0%	0	0
General refurbishment of MAVT	315,385	2,347,000	-2,031,615	-86.6%	315,385	315,385
Renovation of video and communication systems and SADI installation in cars (ML90, ML95, ML97 & ML99)	23,224	320,000	-296,776	-92.7%	23,224	23,224
Technological upgrade of door drive system of ML90 series	241,711	1,526,220	-1,284,508	-84.2%	241,711	241,711
General upgrade of doors of ML95, ML97 & ML99 fleets	2,114,773	2,228,065	-113,292	-5.1%	2,114,773	2,114,773
Wheel lathe	4,010	1,500,000	-1,495,990	-99.7%	4,010	4,010
Tools and utensils	48,700	503,700	-455,000	-90.4%	48,700	48,700
Office equipment	1,474,130	2,817,550	-1,343,420	-47.7%	1,474,130	1,474,130
COVID prevention plan	117	28,000	-27,883	-99.6%	117	117
<b>LTI</b>	<b>44,244,832</b>	<b>141,366,890</b>	<b>-97,122,058</b>	<b>-68.7%</b>	<b>50,222,048.70</b>	<b>50,222,048</b>
Blue Line refurbishment	2,577,755	2,919,950	-342,195	-11.7%	2,844,518	2,844,518
Yellow Line refurbishment	630,272	1,925,000	-1,294,728	-67.3%	681,495	681,495
Green Line refurbishment	43,765	0	43,765	-	87,609	87,609
Red Line refurbishment	724,793	0	724,793	-	743,003	743,003
Overall network refurbishment	193,576	5,292,257	-5,098,681	-96.3%	199,049	199,049
National action plan on accessibilities	2,094,598	12,201,754	-10,107,156	-82.9%	2,390,517	2,390,517
Rato/Cais do Sodré extension	37,448,596	86,985,631	-49,537,035	-56.9%	42,739,955	42,739,955
São Sebastião / Alcântara extension	0	14,900,000	-14,900,000	-100.0%	0	0
Recovery of Yellow Line viaducts	0	3,080,000	-3,080,000	-100.0%	0	0
Loures/Odivelas Light Surface Metro	0	600,000	-600,000	-100.0%	0	0
Modernization of Blue, Yellow and Green lines (CBTC)	153,483	1,795,537	-1,642,053	-91.5%	153,483	153,483
Renovation of Comfort Systems (escalators, travelators and elevators)	420,059	5,895,336	-5,475,277	-92.9%	424,384	424,384
Areiro station refurbishment	-298,318	250,000	-548,318	-219.3%	-298,318	-298,318
Arroios station refurbishment	237,669	1,080,000	-842,331	-78.0%	237,767	237,767
Olivais station refurbishment	18,585	0	18,585	-	18,585	18,585
Cais do Sodré station refurbishment	0	4,148,426	-4,148,426	-100.0%	0	0
Colégio Militar station refurbishment	0	125,000	-125,000	-100.0%	0	0
Marquês de Pombal station refurbishment	0	168,000	-168,000	-100.0%	0	0
<b>Total investment</b>	<b>50,106,469</b>	<b>169,236,167</b>	<b>-119,129,699</b>	<b>-70.4%</b>	<b>56,172,015</b>	<b>56,172,015</b>

Investment recorded a negative variation of 119.1 million euros (-70.4%). Special note should be made of the non-implementation or low accomplishment of projects such as the Acquisition of Rolling Stock and Modernization of the CBTC, Information System for customers at stations, General remodelling of MAVT, Technological upgrade of the door drive system of the ML90 series, Wheel lathe and Overall network refurbishment.

The main projects in progress also show low implementation rates in relation to that budgeted, such as the Rato / Cais do Sodré Extension, with a negative deviation of 49.5 million euros (-56.9%), National Plan of Accessibility -10.1 million euros (-82.8%), São Sebastião / Alcântara Extension -14.9 million euros (-100%), Renovation of Comfort Systems -5.5 million euros (-92.9%) and Refurbishment of Cais do Sodré station -4.2 million euros (-100%).

Table 38 – Evolution of Investment 2020–2022

Investment (Unit: €)	2022	2021	2020	Var. 2022/21	
				V. Abs.	%
Gross fixed capital formation (GFCF)	50,106,469	87,359,940	21,888,243	-37,253,472	-74.35%
Investments at technical costs (ITC)	56,172,015	93,176,173	26,522,065	-37,004,158	-65.88%
Investment expenses (IE) (includes financial costs)	56,172,015	93,176,173	26,522,065	-37,004,158	-65.88%

Financial investments of 45.6 million euros were made, corresponding to 1 million euros in the financial interest in Railway Skill Centre, which was properly budgeted in the Activities and Budget Plan, and 44.6 million euros relative to the equity method (-3.3 million euros), income/gains in group companies (147 thousand euros) and income/gains in joint ventures (47.8 million euros).

Table 39 – Financial Investments

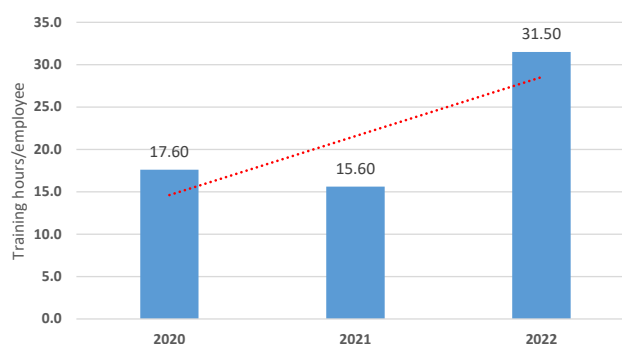
Investment (Unit: €)	2022
Financial Investments	45,590,952

## 2. Intellectual capital

The year of 2022 was marked by the transition to a digital training model and the strengthening of the connection to universities in the development of management and leadership skills. Special reference should also be made to the development of projects aimed at boosting innovation in the company, including support to the pursuit of higher education studies/theses.

With the progressive elimination of the pandemic protection and prevention measures, it was possible to resume much of the technical training that could not be transferred to digital format, which significantly increased the average training hours per permanent staff member (102%), although the number of actions carried out fell by 18% in relation to the previous year.

Chart 7 – Training



The training solutions developed sought to continue the following guidelines and trends established in the Training Plan 2021–2023:

- 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, prioritising strategic areas and populations;
- Progressive adjustment of training hours in accordance with the legislation;
- Promotion of the principle of equality and non-discrimination between women and men, namely as regards to qualification opportunities.

Under these policies and guidelines, the Follow Up Strategic Leadership Programme for Management Staff, and the #MetroGo initiative to disseminate, test and involve employees in the innovation methodology, were particularly important.

### 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. The policy guidelines for developing the promotion of skills, recognition of performance and maintenance of a good social environment and atmosphere are based on the assumption that the company's workers enable the accomplishment of its aim to be the structural public transport operator of mobility in Lisbon.

ML recognises the constant need for optimisation and balanced adaptation of human capital to meet the actual requirements of an organisation dedicated to efficiently fulfilling its public service mission. There's also a necessity to respond effectively to the evolving developments and challenges in the mobility sector for the future. Notable highlights in 2022 include:

- Reaching an agreement with unions representing workers under Company Agreement I and II in collective bargaining, to increase the salary tables by 0.9%. This underscores our commitment to recognising the value of collective bargaining as a vital tool for fostering social harmony and enhancing the well-being of our employees; Staff reinforcement to ensure the supply and quality of service, with special emphasis on recruiting technicians with various specialities for the maintenance area, Senior Technicians to strengthen the installed know-how, namely in the areas of Environment, Audit, Communication, Management Control, Engineering, Finance and Information Technologies;
- Reinforcement of the transition to the online format, with increased the offer of training contents while keeping 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. The initiatives to foster a culture of innovation at the company are also highlighted;
- Application of a hybrid work regime, combining the face-to-face component with remote work, covering a significant number of employees of various corporate area;
- Continuation of the intervention in the community and charitable causes, as per the principles of sustainability and social responsibility assumed in the company's 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.

#### i. Employees

With the approval of the Activities and Budget Plan for the 2022 financial year, authorization was granted for the recruitment of 58 new employees, while revoking all prior unfulfilled contract authorizations. This reinforcement in hiring permissions enabled the ongoing recruitment of new employees, particularly for station operations. This facilitated the internal reassignment of train drivers, thereby bolstering the execution of service provision plans. Additionally, it contributed to reinforcing the maintenance teams for the fulfilment of Maintenance Plans. Concurrently, this recruitment drive also served to rejuvenate the workforce, enhancing the established expertise across various areas.

Table 40 - Headcount of the Metropolitano de Lisboa group of companies

Headcount by type of contract	2022	2021	Var. 2022/2021
Fixed-term contract	0	2	-2
Open-ended contract	1,575	1,519	56
<b>TOTAL</b>	<b>1,575</b>	<b>1,521</b>	<b>54</b>

Table 41 - Headcount data of the Lisbon Metropolitan group of companies, by gender

	2022		TOTAL	2021		TOTAL
	Women	Men		Women	Men	
Overall headcount (No.)	413	1,162	1,575	388	1133	1,521
Weight of overall headcount (%)	26	74	100	25	75	100
Average age (years)	47.7	49.19	48.4	48.7	49.7	49.2
Average seniority (years)	19.49	22.94	21.2	19.8	22.9	21.4

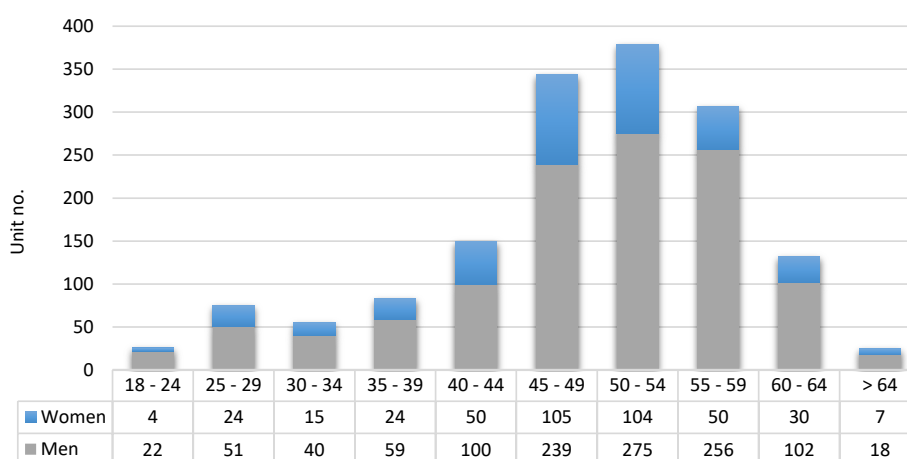
Table 42 - Total number of human resources

Total No. of HR (GB bodies+ senior positions + employees)	2022	2021	ABP 2022	Var. 2022/2021		ABP Deviation 2021	
				Abs.	%	Abs.	%
No. of governing bodies (GB)	6	6	6	0	0%	0	0%
No. of non-GB senior positions	23	21	21	2	10%	2	10%
No. of non-GB employees & non-GB senior positions	1,552	1,519	1,560	33	2%	33	-1%
<b>TOTAL</b>	<b>1,581</b>	<b>1,546</b>	<b>1,587</b>	<b>35</b>	<b>2%</b>	<b>-6</b>	<b>0%</b>

The overall headcount of the Metropolitan de Lisboa group of companies, on 31 December 2022, was 1575 employees, 413 of whom were women and 1162 men, corresponding to a representation of 26% women and 74% 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 33.7%.

The headcount is also characterised by a high average age (48.8 years), with 53% of the total headcount being over 50 years of age. Analysing this indicator by gender, we see that men have a higher average age (49.2 years) when compared to women (47.7 years). In areas core to the business of the ML group of companies, employee ageing is even more significant, with higher average ages reaching 52 years old in the case of train drivers.

Chart 8 - Headcount by gender and age group

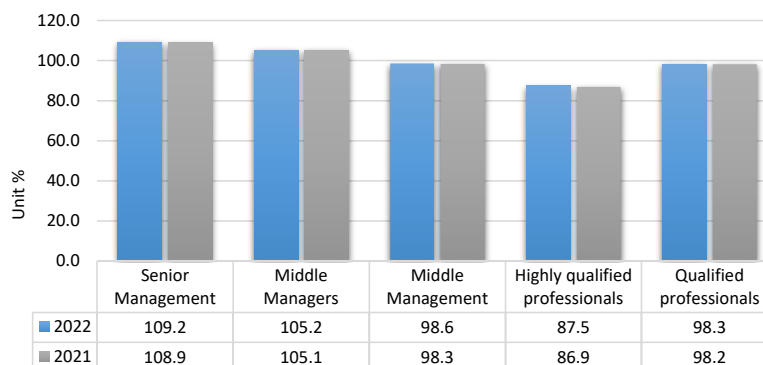


Similarly to the average age, the average length of service of the staff is high (21.2 years), although it has fallen slightly as a result of the replacement of employees who left during the year. It continues to be necessary to replace the staff in specific business areas and to rejuvenate the workforce to ensure the transfer of knowledge and guarantee long-term sustainability.

The State Budget Law for 2018 restored all acquired rights, by decreeing the application of the provisions in collective regulatory instruments in Article 23. This fact is also laid down in Article 135(1) of Decree-Law no. 53/2022 of 12 August, which establishes the rules for implementing the State Budget for 2022.

Thus, the entire effects on career progression and performance bonuses, derived from the performance assessment practice, were processed in 2022.

Chart 9 - Ratio of basic salary of the Metropolitano de Lisboa group of companies between women and men



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 recorded 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.

## ii. Health and safety at work

Regarding Occupational Health and Safety, 2022 marked a transition with the gradual phasing out of measures and actions implemented for the prevention, control, and monitoring of employee health amid the COVID-19 pandemic. The focus shifted towards enhancing working conditions, promoting health, and reinforcing programmes aimed at preventing occupational accidents and diseases, as well as improving overall quality of life for employees. All workers perform their duties under conditions of appropriate medical supervision, with 92.39% of the planned periodic exams having been carried out.

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 a new study on the psychosocial risks present in work environments, updating and refining those risks by professional category.

Table 43 - Accidents of the Metropolitano de Lisboa group of companies

Accident rate	2022	2021	Variation 2022/2021	
			Abs.	Abs.
Occupational accidents (n.º)	77	75	2	2.7%
Days lost (no.)	3 686	3 364	322	9.6%
Absenteeism rate (%)	8.92	7.48	-	1.4 p.p.



In 2022, work accidents showed a significant increase of days lost due work accidents compared with the previous year (9.6%), although the number of accidents did not increase significantly.

Table 44 - Accidents by gender

Accident rate	2022			2021		
	Women	Men	TOTAL	Women	Men	TOTAL
Occupational accidents (n.º)	13	64	77	11	64	75
Days lost (no.)	329	3 357	3 686	272	2 519	2 791

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

The absenteeism rate showed a significant increase of 1.4 p.p. in relation to 2021, reflecting the increased hours of absence due to illness.

Table 45 - Absenteeism rate

Absenteeism	2022	2021	Variation 2022/2021	
			Abs.	Abs.
Absenteeism rate (%)	8.92	7.48	-	1.4 p.p.

## 4. Share capital

### i. Social Responsibility

2022 was a year marked by a steadfast commitment to stakeholders. This included support for employees through measures promoting work-life balance and parental protection, as well as an increased focus on community engagement and contributions to charitable causes.

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

- Renewing the collaboration protocol with O Companheiro – IPSS, an organization dedicated to the psychosocial inclusion of prisoners, former prisoners, and their families. This involves developing personal and professional skills to facilitate the integration of former prisoners or other individuals in disadvantaged situations into work teams 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 vulnerable population in Lisbon, by organising the Christmas lunch for the homeless at the company's canteen once again. In addition to providing transport on the metro network and a traditional hot meal, a new circular economy project furthered the company's support to homeless people with a "Keep Warm" kit created from discontinued work clothes donated by the employees, which through a partnership with a start-up, have been transformed into bags and blankets.
- Development of the #Together and #Connected programmes, inspired by the United Nations 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 Ajuda APPACDM, Casa do Gaiato, Fundação AFID Diferença and Refood
- Food collection campaigns as part of the "Race for Goods" initiative, where in exchange for free race numbers, it was possible to collect goods to help the Fundação Obra do Ardina, Associação Acreditar and Lar Madre Teresa de Saldanha;

- Clothing collection campaigns as part of the "Vista esta Causa" (Wear this Cause) initiative in favour of the O Companheiro Association, which enabled 1.293 kg of clothes and toys to be donated to the O Companheiro Clothes Bank, almost doubling the figure of 2021;
- Partnership in the disclosure of the "Giving Tuesday" movement, ML renewed among the employees the appeal for solidarity and participation in social causes supported by this movement;
- 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.

## ii. 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 United Nation's Agenda 2030 for Sustainable Development into its strategy:

- SDG 5 - Achieve gender equality and empower all women and girls.
- SDG 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization 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/>)

To this end, in convergence with the National Strategy for Equality and Non-Discrimination 2018-2030 - Portugal Mais Igual (Portugal More Equal), Metropolitano continued to promote values and practices in accordance with the guiding principles of the management commitment to promote equal opportunities and non-discrimination, namely:

- Integration in a 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 BCSD (Business Council for Sustainable Development). Endorsement of the BCSD Portugal Charter of Principles, thus committing to the United Nations Agenda 2030 and Sustainable Development Goals.
- Endorsement in 2021 of 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 at ML, for integration in the "Women in Transport - EU Platform for Change" coordinated by the International Association of Public Transport (UITP), as a member of the UITP;
- Integration in "IGEN Forum Organisations for Equality" since 27 March 2014, annually renewing the Membership Agreement as a commitment to diversity, conciliation and communication ensuring equal opportunities for employees.
- Maintenance of the association with the Commission for Equality in Labour and Employment (CITE) 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, as a member of iGen;
- Inclusion in the Welcome Manual, in the context of equality, of 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;
- Promotion of a transparent remuneration policy, based on the assessment of the job components, with objective criteria, that repudiates the widespread structural disadvantage of women in the labour market concerning remunerations underpinned by a broader context of gender inequality.

### iii. Customers

In view of the positive evolution of the pandemic situation in 2022, there has been a progressive demobilization of the existing restrictive measures, through the closing the free of charge testing points created at metro stations, the removal of social distancing signage placed in stations, the information on the mandatory use of masks in public transport, and reactivation/new licensing, in 30 metro stations, of ML's Automated External Defibrillator Programme (PDAE) with INEM, suspended since 2021, as a result of the pandemic situation.

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, it was still possible to develop projects, among which the following stand out:

- Full accessibility in Entre Campos and Cidade Universitária stations, which are now equipped with three lifts connecting the train platform to the atrium and the street level;
- Modernization of the escalators of Avenida and Anjos stations, where intervention works are underway for technical updates and safety systems in the equipment of Avenida station and replacement of two escalators of Anjos station;
- Upgrading of Terreiro do Paço station, through placement of non-slip bands on the pedestrian stairs of the station's outdoor accesses;
- Intervention in the pedestrian stairs of Pontinha, where the intervention focused on repairing the curb stone;
- Upgrading of Saldanha station, through deep intervention to correct infiltration problems;
- Maintenance and expansion of the programme of periodic reversal of the mechanical equipment's rotation direction (escalators and travelators) to reduce equipment downtimes in situations of breakdown;
- Implementation of the Customer Satisfaction study in accordance with the quality criteria defined in NP 4415/2020. The Overall Satisfaction obtained was 7.42 points, on a scale of 0 to 10, revealing a negative variation in customer satisfaction (-4.63%), compared with the same period of the previous year;
- Conduct of Mystery Customer studies through audits of the provided service, according to the quality criteria defined in standard EN 13816 – Quality of Service in Public Passenger Transport. New specific audits were made to the Call Centre, Complaints and Inspection, and assessment dedicated to equipment conservation continued. The data presented was generally positive with a compliance rate of 92.0%;
- Development of a Customer Profile study to enable obtaining detailed information, in a segmented manner, and underpin strategies in terms of communication, recovery of former customers, capture of new customers and increased average revenue. This was considered essential to understand the changes in the pattern of transport by segment, arising from the social and structural changes that are part of the "new normal".

#### New Ombudsman

José Vieira da Silva is the new Ombudsman of Metro de Lisboa, a position held under a non-remunerative regime for the period of one year, and renewable successively for equal periods.

#### Customer Support and Marketing

Most of the initiatives developed were aimed at improving Customer service and support conditions, namely:

- Opening of new customer service points exclusively dedicated to Lisboa Viva/Navegante Customized Urgent cards. This measure, implemented in the months of greatest demand for cards, notably September and October, contributed to reduce the waiting queues at the permanent customer service points, by providing a faster and more effective service;
- Strengthening of the online adherence and renewal service for 4-18 / under-23 profiles, using the temporary outsourcing of resources to ensure a more fluid and uninterrupted service, and improve the response to the intense student demand observed in the months of September and October;

- Implementation of passes free of charge granted by Lisbon City Council to students (4-18 / under-23) and senior citizens over 65 years old, resident in the municipality of Lisbon. This measure also led to increased demand in Customer Space services, primarily in August and September;
- Launch of Moovit, one of the most popular urban mobility applications worldwide, aimed at simplifying and improving the travel experience in metro mode. The application is available on the ML website through a web solution jointly produced by the two companies, which enables searching routes.
- Installation of new semi-automatic ticket vending machine (MSAVT) at all stations, which are more modern and have new functionalities, replacing machines that are more than 20 years old;
- Implementation of the new work uniforms for ML employees, which are more practical and modern, enabling immediate identification of ML station staff by the customers;
- Provision of the status of the elevators on the website, which is a new functionality developed in-house, enabling customers to consult which station lifts are non-operational and overcome accessibility constraints caused by breakdown in network lifts, especially for customers with reduced mobility.
- Resumption of “the line that unites us to the university”, through which ML made its presence felt among university students at the premises of the University of Lisbon and ISCTE, where it provided services to issue Navegante cards and renew the under-23 profiles, aimed at facilitating the process of renewal of under-23 profiles and requests for the issue of Navegante cards.

All efforts were made to launch projects in early 2023 aimed at improving the Metro customer’s experience, namely:

- Preparation of a public procurement procedure with a view to the acquisition of a customer information management system, including digital dissemination means, with multimedia contents;
- Preparation of a public procurement procedure for development of an app dedicated to the Metro service, covering all the relevant travel information for the customer and related to mobile ticket vending;
- Investment in new validators to ensure, in partnership with VISA, validation and payment using bank cards;
- In-house development of a solution to enable the purchase of the customized Navegante card online.

### Fighting fraud

ML continued to pursue efforts with the IMT and Tax Authority to optimize the process of enforced collection of values payable due to passenger transport in situations of fraud, namely through provision of clarifications requested by the finance services responsible for the notifications served to customers committing fraud.

The inspection service was strengthened throughout the year with security guard teams, so as to enable a greater concentration of inspectors in the inspection and customer support procedures.

With regards to ticket inspections, 2022 was a very demanding but productive year, with a record number of more than 311 thousand inspection carried out by an unchanged and limited staff pool of inspectors.

The reduction of the fraud rate, resulting from a decrease in the number of fines applied in relation to the inspections, reveals a clear reduction of the number of customers committing fraud, partly explained by the extension of passes free of charge to several customer profiles.

The growing tendency of payment of the fines issued arises from the greater awareness among the fined customers of the implication of enforced collection by the Tax Authority.

Table 46 – Inspection activity

	Unit	2022	2021	2020	2019
Detected fraud rate	%	2.45	3.05	5.48	6.08
Approaches	No.	311,350	121,850	70,640	132,747
Fines applied	No.	7,638	3,721	3,871	8,065
Fines paid to ML	No.	3,231	1,146	1,146	2,440
Fines paid to ML a)	%	42.3	38.85	29.6	30.25
Amount paid to ML b)	€	193,815	86,670	68,670	146,400

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

b) Distribution of the value: 30% for ML, 60% for the State and 10% for the Public Transport

## Other activity indicators

In 2022 some customer service indicators stood out, namely

Table 47 – Other activity indicators

Activity indicators		2022	2021	2020	2019
Customer satisfaction index		7.42	7.78	7.35	7.35
Operational absenteeism (monthly average)	%	7.7%	7.2%	7.5%	8.2%
Rate of compliance with the station staffing plan	%	79.0%	71.2%	76.3%	74.8%
Call centre service level	%	81.2%	82.5%	79.8%	80.5%
Number of calls answered	Unit	41 976	32 384	34 911	70 665
Number of incoming calls	Unit	51 712	39 252	43 728	87 779
ML site - no. of visits (pages viewed)	Unit	5 365 871	1 839 473	1 042 858	4 169 715
ML website - no. of views/campaign (monthly average)	Unit	2 242	758	702	3 395
Complaints	Unit	4 978	3 253	1 593	4 813
Response within 30 days (monthly average)	%	94.7%	95.0%	94.0%	86.9%
Inspection - no. of approaches	Unit	311 350	121 850	70 640	132 747
Inspection - Fines	Unit	7 638	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 safely, maintaining the effort to disclose information on the website and social networks, and produce network information:

- Constant updating of the page on the Metro website about the COVID measures implemented by the company <https://www.metrolisboa.pt/covid-19/>
- Development of the campaign for free transport charge to the vaccination centre at FIL
- Cleaning and disinfection by spraying stations and trains with ZONNO Z-71 Microbe Shield

Various information campaigns on commercial products/services were carried out, including:

- 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;
- Online adherence to Navegante família (family Navegante pass) and 4-18 / under-23 profiles.
- Web Summit transport pass – incentive for the early purchase of the Web Summit transport pass;
- Rock in Rio 22 – Campaign to encourage the use of public transport and communication about the ROCKPass and ROCKCard tickets, which counted with Metro’s participation this year;
- Temporary service points for urgent navegante;
- New fares in force from 1 January 2022;

Various information campaigns were also developed about interventions and service changes in the Metro network, NAMELY:

- Closure of Alvalade station on 9 April from 9h30 to 12h due to a simulation exercise;
- Circulation by sections on the Blue Line due to railway track upgrade works. From 11 to 15 August, the Parque, São Sebastião, Praça de Espanha and Jardim Zoológico stations were closed, hence the trains circulated by sections between Reboleira – Laranjeiras and Marquês de Pombal (Blue Line) – Santa Apolónia;
- Temporary closure of Cidade Universitária station due to railway track intervention works. From 29 October to 7 November, the Yellow Line only circulated between Odivelas/Campo Grande and Entre Campos/Rato;
- Interruption of the Yellow Line between Lumiar and Entre Campos, on 6 and 7 November, to enable the early reopening of Cidade Universitária station and restoration of the Yellow Line’s circulation;
- Colégio Militar/Luz with lifts out of service, due to repair works in the station atrium between 8 November and 20 December;
- Constraints due to floods, as a result of the weather conditions experienced in Lisbon during the month of December some stations were temporarily closed;
- Special Christmas timetable on 24 and 25 December, ML closed at 22h on Christmas Eve and on 25 December all the stations reopened at 08h.

**Other important campaigns and actions:**

#### **Certification for Quality of the Service provided to the customer**

The Public Service for Passenger Transport in metropolitan mode provided by ML has been certified by standard NP 4475:2020, complying with all the quality requirements, namely a set of qualitative and quantitative parameters directly related to the service provided to the customer: reliability, regularity of the service, information provided to the customer and quality of the service provided. The certification was granted by SGS ICS, adding to the Quality and Environment Management System certifications.

#### **I go by Public Transport**

Campaign to encourage the use of public transport to Rock in Rio Lisboa. In addition to dissemination in Metro communication channels, a team of young volunteers SOLD “Carris/Metro” tickets and provided information on the use of Public Transport during the Festival duration.

### Reflections of “us” exhibition

An exhibition about ageing and the rights of senior citizens, developed by the Centre of Support to Young People and the Elderly of Lumiar (CAJIL) with its users, was shown at some Metro stations from 18 March to 25 July 2022.

The primary aim of this exhibition was to trigger reflection based on the question: “how do you want to age?”. Eleven panels with key words and personalized paintings, accompanied by quatrains lead us to reflect on ageing and the path we want to take to get there.

### Exhibition on prevention of child abuse

An action that sought to strengthen the connection with the community in which the stations are placed, displayed an exhibition in April allusive to the “International Child Abuse Prevention Month”, with artwork created by children at the schools of the Parish Council of Falagueira e Venda Nova.

### Natália Gromicho exhibition

Some stations acted at a stage, between 5 May and 26 August, for the renowned artist Natália Gromicho to present “Lisbon, noteworthy – paintings by Natália Gromicho”, a painting exhibition included in the commemorations of the 25th anniversary of the Portuguese artist’s career.

### Whose world is this | Urban Art in the Metro

The artists Nuno Alecrim and Doutros Tipos carried out an Urban Art intervention at the ML ventilation point in Marquês de Pombal, under the motto “Whose World Is This”.

### New work clothing line

Communication campaign to launch new work clothing, which was developed by a multidisciplinary team, fully composed of Metro staff, and produced by a national company. The campaign included the participation of company employees who featured in the dissemination materials.

### Encarnação station receives artwork by Françoise Schein

Encarnação station (Red Line) received a project of the Belgian plastic artist, Françoise Schein, named “Unfinished Mapping of Knowledge”. This work is a continuation of the art displayed at Parque station (Blue Line), allusive to the topic of Human Rights and the great Portuguese maritime discoveries.

### “As 3 da Manhã” live at Cais do Sodré station – 23 September

The Rádio Renascença team “As 3 da Manhã” was present at Cais do Sodré station with a live broadcast of the usual team comprising Ana Galvão, Inês Lopes Gonçalves and Joana Marques.

### There is music at the end of the tunnel

The 2nd edition of “There is music at the end of the tunnel”, an initiative of the National Coordination of Mental Health Policies of the Ministry of Health, was held on 27 and 28 October, at several Metro stations.

### Simulation exercises

Metro transports thousands of passengers on a daily basis and manages an immense number of facilities and equipment that require assurance of the highest possible safety. Based on this premise, Metro has progressively carried out various simulation exercises to test and assess the emergency procedures in the Internal Emergency Plan.

Various monthly simulation exercises were shared with the customers during 2022, carried out with the assistance of the Fire Brigade Regiment, Voluntary Fire Brigade, Public Security Police/Public Transport Security Division and Special Police Unit.



### The new trend is to recycle

Under the European Waste Week, the customers were involved in the achievement of a more sustainable planet, through a clothing collection campaign at Customer Spaces of Campo Grande and Marquês de Pombal.

### Metro Christmas

The Christmas programme included various initiatives:

- The “Travel by Metro and share smiles!” ML’s Christmas communication campaign aimed at encouraging the use of the metro during this festive season.
- The “Dragon who did not like Christmas”, a children's theatre performance offered to the customers on 18 December at the Alto dos Moinhos Auditorium, with the presence of Clube Metrox.
- Programme of Christmas concerts at various stations;
- “In the Metro I Tell...”, Metro project with the Portuguese Oncology Institute (IPO) of Lisbon, in which children create stories, messages and drawings allusive to Christmas. The outcome of this project was shown on the company’s website in the cars. Reusing diverse materials, the children also created a variety of Christmas decorations to adorn the Firefighter Pine Tree project at several stations.

#### iv. Facility security

In 2022, ML resumed the joint action plan with the Fire Brigade Regiment and Voluntary Fire Brigade of Amadora e Odivelas, which led to weekly simulation exercises and drills at the stations and in the network, and renovated the Internal Security plan, with self-protection measures pursuant to the model discussed previously with the model previously discussed with the National Authority for Emergency and Civil Protection (ANEPC).

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. This was carried out with double patrols, for a longer period, and circulating inside trains and at station platforms, in order to improve customer safety levels.

With regard to security, it was possible to continue the coordination with the Public Transport Security Division of the Public Security Police (PSP) in security and inspection actions, and start the project for renovation and improvement of the facilities of the police station at Marquês de Pombal station.

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

We also highlight the development of work on the installation of a new network infrastructure supervision system for the technical infrastructure of the network (SSIT) and the renovation of the internal television circuit (CITV), with the installation of a new management system for the network video surveillance system (VMS) and the installation of a system to detect descent onto the track and tunnel intrusion. Likewise, reference is made to the continuation of the programme to upgrade the automatic fire detection systems in the buildings and stations of the network.

Fire extinguishing systems using mineral salts were used for strategic assets of the station in station refurbishment, namely of Arroios station, and in new constructions.

The process of equipping the network with a cylinder lock system using mechatronic keys was started.



#### v. Institutional communication

Throughout 2022, ML was present at several sector events and conferences, mostly in digital format, given the pandemic context, sharing and learning about new market trends.

Institutional ceremonies were organized which were attended by the supervision authority, in particular, the signing of contracts, reopening of new spaces at stations, launch of new products related to innovation of the transport system and equipment, and the commemorations of the 74th anniversary of the foundation of Metropolitano de Lisboa, which took place in November.

The microsite contents about the expansion and modernization of the ML network were updated to enable following the evolution of the different work fronts, projects and studies under review, as well as the communication plans related to constraints due to works and temporary occupations of buildings.

This specific communication plan for the expansion of the ML network led to an increase in institutional contacts with local authorities and other stakeholders, which will continue to be pursued until the end of the works in progress and those projected. This is the case of the extension of the Red line from São Sebastião to Alcântara and the Loures/Odivelas Light Surface Metro, involving Loures and Odivelas City Councils and the respective Parish Councils in the areas of influence of the future stations/stops.

A specific procedure was also implemented for customer service instituted in 2021, aimed at responding to information requests and complaints related to the network modernization and expansion, essential to maintain appropriate levels of information in this sphere.

Also in the context of network modernization and expansion, the study, design and definition of facilities for the creation of a face-to-face customer service point were started, including the customer service methodology to be adopted.

Various actions were also developed for communication with the public in general, institutional stakeholders and press aimed at public clarification of the expansion projects and works in course.

Regarding contacts with the press, we highlight ML's participation in several information and news report television programmes that provided a positive image of the company.

In 2022, ML was mentioned in 6,181 news items, corresponding to an advertising value equivalent (AVE) of 42,120,258 euros. Of the total news items, 67% were published in online sources, reaching 15% of the total information. The television articles reached 44%, the traditional written press represented 11% of the coverage and radios 7%.

The number of positive/neutral articles represented 62% of the total news in the period under review and 82% of the news about the Expansion of Metropolitano de Lisboa presented a positive/neutral attitude.

#### vi. Participation in activities of national and international bodies

In 2022, with the lessening of the constraints imposed by the COVID-19 pandemic, the company continued its participation in international activities, both in terms of the entities in which ML is a member and through participation in diverse events of the transport sector.

In this context, ML continued its active role in the Policy Board of the International Association of Public Transport (UITP), the association's most senior body. ML is represented by the Chairman of the Board, who also serves as the national ambassador in this capacity, currently in his second term which spans from 2021 to 2023.

ML 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. ML continued its activity in the UITP Safety Committee, in which the company holds the Chair in the person of the Safety and Surveillance Director for the term of office 2021/2023.

The company also participated in various face-to-face and virtual meetings of UITP's governance and working bodies, in particular in the Policy Board meetings in Karlsruhe (May) and Riyadh (November), the General Assembly Meeting, in virtual format (June) and the Metro Division Meeting (November), which took place in Singapore simultaneously

with the SITCE Congress, the main public transport event in the Asia-Pacific region. In addition to the meetings of statutory bodies, ML 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.

ML also took part in the key meetings of the Latin American Association of Metros and Underground Railways (ALAMYS), represented by the Member of the Board of Directors who holds the position of 5th Member of the Steering Committee of that association, having been elected 2nd Member in November 2022. The representative participated, in that capacity, in the Steering Committee and in the 27th edition of the Technical Committees, held in Cádiz, in the month of June. Special reference also to ML's participation in the 36th General Assembly and Steering Committee meetings, held online.

ML also participated in important metro benchmarking initiatives, having been represented at the online quarterly meetings of the CoMET Benchmarking Group and thematic workshops. We highlight ML's participation in the first face-to-face CoMET meeting in the post-pandemic scenario, in London (May). Regarding other international entities, ML maintained its participation in the work of Calypso Network Association (CNA), a non-profit organisation which brings together members of the transport and mobility sector to exchange ideas and experiences in contactless ticketing, and where ML is represented by the Customer, Commercial and Marketing Management Department.

Noteworthy are also the invitations for ML to participate as speaker at some events, in particular the Rail Live Congress held in Málaga (November/December) with representation assured by the Secretariat General, with a presentation dedicated to the Metro and the Circle Line Expansion Plan, and the SMARTMETRO 2022 Conference, held in Hamburg (November), which included a presentation by the Enterprise Coordination Department.

Other events attended by the company were the IT-TRANS 2022 Conference, in Karlsruhe (May), and the major fair of the transport sector INNOTRANS 2022, in Berlin (September), in which ML was represented by a delegation that included staff from various departments.

Regarding technical visits, we highlight trips to the multi-rail systems in Porto (June), Berlin (September), and Madrid (December). The purpose of these visits, particularly the one to Madrid, was to exchange experiences and insights on the construction, operation, and maintenance of circle and surface metro lines. Similarly, the Maintenance Department conducted several technical visits to international production centres. These visits were crucial for validating technical aspects and solutions for both the newly acquired rolling stock and the adaptation of the existing fleet. ML once again hosted face-to-face events in Lisbon, namely the meeting of the UITP Commission on Human Resources, held during the month of November, with a very significant participation of members. Alongside this, the Human Capital Management Department now represents ML in the recently created UITP Research in Mobility Committee, with the inaugural meeting having been hosted by ML in Lisboa, at the Complexo de Carnide premises.

The face-to-face visits of foreign delegations to ML resumed, of particular note being the visit of two European universities, the University of Windesheim of the Netherlands in May and Technical University of Munich in June.

## 5. Natural capital

The adaptation of the transport service to demand needs and to comply with the occupation rate of 2/3 for the health safety of ML customers, between March 2020 and September 2022, proved to be indispensable to maintain economic activity, allowing the mobility of all employees of essential services when the city of Lisbon was confined. From 29 September 2022 onwards, with the end of the COVID-19 restrictions enforced by the Government, all the pre-pandemic service conditions were gradually restored.

Since May 2022, ML has zero indirect emissions of greenhouse gas (GHG) derived from the supply of electricity exclusively from green renewable sources. To offset the direct emissions of greenhouse gas produced by the consumption of natural gas, liquid fuel and fluorinated gas leaks, ML has progressively contributed with tree planting actions in Portugal. In this way, ML achieved the carbon neutrality of its operations, accomplishing one of the company's major sustainable development goals and strengthening its contribution to the decarbonisation of the economy and improvement of sustainable mobility in the Lisbon Metropolitan Area.

ML positions itself as a key player in the decarbonisation of the economy and in contributing to the mitigation of environmental impacts. In this regard, alongside our efforts to encourage a modal shift from more polluting forms of transport to the metro system, there is a continuous monitoring of the organisation's environmental performance. For this purpose, ML has implemented and certified its Environmental Management System in accordance with NP EN ISO 14001 standards.

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, as indicated below:

### Positive significant environmental impacts:

1. Public transport provision;
2. Decongestion of public roads.

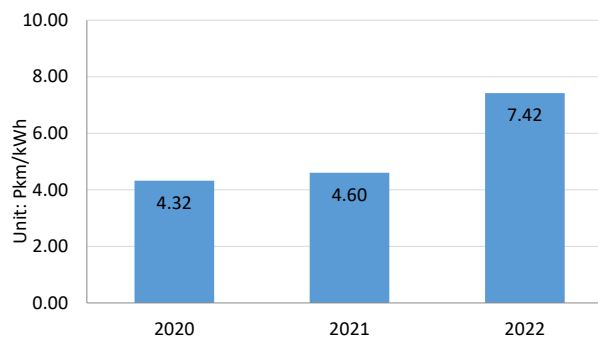
### Negative significant environmental impacts:

1. Paper consumption;
2. Electricity consumption (in the corporate, operational and maintenance activities);
3. Natural gas consumption;
4. Liquid fuel consumption.

Compared with the previous year, on a positive note, we find that ML no longer has a negative significant environmental impact in terms of atmospheric emissions and, on a negative note, the positive environmental impact related to waste recovery is no longer significant.

The passengersxkm transported per unit of energy in 2022 increased by 61.1%, year-on-year, primarily due to the growth of demand.

Chart 10 - 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 three years of the Integrated Environmental Sustainability Plan (PISA 2030), of the planned actions, the following measures were successfully completed:

- Increased quantity of waste sent for recovery;
- Installation of intelligent irrigation systems at the Depot and Workshops (PMO);
- Adoption of reused water for washing and irrigation at stations and in the Depot and Workshops (PMO III);
- Guaranteeing a number of reserved places for electric vehicles;
- Disclosure of events and goals defined under Lisboa Capital Verde [Lisbon Green Capital] through ML's media;
- Multimodal information on ML's website;
- Installation of air quality monitoring equipment at stations and buildings, and data sharing with Lisbon City Council;
- Increased number of chargers for electric vehicles in ML corporate building car parks.

The work carried out on the actions during 2022 is presented below:

ACTIONS / PROJECTS	WORK DONE
Adoption of reused water for washing and irrigation at stations and in the Depot and Workshops (PMO III)	Exploratory contacts were established with Águas do Tejo Atlântico for analysis of the feasibility of the measure.
Complete replacement of lighting in stations with LED technology	Full LED lighting is complete in 57% of the metro stations. The Maintenance Plan foresees intervening in six stations/year.
Photovoltaic plant installation in PMO II	At a final stage of drafting the tender specifications for launching the procedure.
Improving energy efficiency and reducing the emission coefficient of energy consumed through the purchase of cleaner energy and own production	Reduction of carbon intensity by 6.7%, in relation to the defined goal.
Change to parking rules giving priority to electric vehicles	A study is underway for the balanced marking of places, allocating specific places for electric vehicles in the car parks of the company's administrative buildings.
Guaranteeing a number of reserved places for electric vehicles	The places for electric vehicles (visitors and employees) will be marked to this end. The responsible area is studying the balanced marking of places, allocating specific places for electric vehicles.
Promotion of the procurement of sustainable materials and products through the use of environmental criteria in the purchasing process	Various internal communication and training actions are being prepared, as well as internal procedural guidelines.
Reduction of paper consumption, with the digitalisation of internal processes	In 2022, with the end of lockdown and telework, there has been increase in paper consumption in relation to 2021 (+24.9%). However, when compared to 2019 the variation reaches -27.9%.
Dissemination of this commitment by stakeholders and the status of implementation of the actions defined	The Integrated Environmental Sustainability Plan (PISA 2030) is disclosed internally to the employees via the company's intranet, and to the customers through digital means and press releases.

## COMPLIANCE WITH LEGAL GUIDELINES

## 1. Management objectives (Article 38 of the RJSPE) and Activities Plan and Budget (ABP)

## a) Management objectives

Table 48 – Management objectives

	YEAR 2022		Status of implementation	Comments/Justification deviations
	ACTUAL	ABP		
<b>Reference Financial Principles</b>				
Operational efficiency (ratio of operating expenses over turnover)	106.3%	100.3%	6.0 p.p.	Page 88
PRC In 2022, these figures should be equal to or lower than the value recorded or estimated for the reference year, as established for assessment of operational efficiency, in the case of the following expenses:				
a) Personnel, except related to governing bodies and discounting the effect of absenteeism	85,148,329	86,676,959	98.2%	Page 88
b) Total costs related to travel, daily allowances, accommodation, and associated with the vehicle fleet	480,802	475,670	101.1%	Page 88
c) Total costs related to contracting studies, opinions, projects and consulting	2,455,736	3,169,595	77.5%	Page 88
<b>Investment <sup>1</sup></b>				
Investment (long-term infrastructure)	€ 44,244,832	€ 141,366,890	31.3%	Page 59
Investment (ML)	€ 5,861,636	€ 27,869,277	21.0%	Page 59
<b>Total investment</b>	<b>€ 50,106,469</b>	<b>€ 169,236,167</b>	<b>29.6%</b>	

<sup>1</sup> The LTI and ML investment values are net of TPE and Financial expenses.

## b) Implementation of the Activities Plan and Budget

Table 49 – Implementation of the Activities Plan and Budget

Indicators	ABP 2022	Implemented 2022	Deviation (+/-)	Notes/measures
Net Income	-33,162,675 €	-21,135,400 €	12,027,275 €	
EBITDA	1,927,962 €	12,268,684 €	10,340,722 €	
Operating Income <sup>1)</sup> (E BIT)	-17,256,983 €	-23,396,877 €	-6,139,894 €	
Turnover <sup>2)</sup>	75,702,988 €	111,204,866 €	35,501,879 €	
Indebtedness	3,236,387,887 €	3,360,903,569 €	124,515,682 €	
Net Financial Debt <sup>3)</sup> / EBITDA	166604%	26072%	-140533%	

1) Operating Income net of provisions, impairments and fair value adjustments.

2) Detail and quantify in the notes whenever portions other than sales and services rendered are considered in turnover.

3) Net financial debt is defined as the value of debt minus cash balances.

## c) Investment

Table 50 – Investment

Investment Plan	ABP	Implemented 2022							Deviation (ABP vs Implemented)	Notes/measures
		Total	Funding sources							
			Self-funding (Own revenues)	State Budget	Indebtedness	Community Funds	PRR	Other		
Total investment value	170,236,167	50,106,469	8,888,234	6,982,679	0	34,235,556	0	0	-120,129,699	

Unit: euros

## d) Financial budget (uploaded on SIGO/SOE)

Table 51 – Financial budget implementation status

Item	Budget	Execution	Status of implementation	Justification
R05.07 CAPITAL REM. – GENERAL REVENUES	72,919 €	72,919 €	100.0%	
R06.03 CENTRAL GOVERNMENT	3,590,995 €	3,963,263 €	110.4%	The gratuity of the Navegente + 3 <sup>a</sup> idade pass, for those more than 65 years old, and passes for young students aged 13 to 23 years old, and Former Combatants was approved during 2022, increasing the value of the co-funding/compensations.
R06.05 LOCAL ADMINISTRATION	34,334,154 €	20,103,300 €	58.6%	
R06.09 EU-INS TITUTIONS-OTHER FUNDS	17,129,880 €	1,694,026 €	9.9%	Preliminary studies were carried out for the expansion of the Red Line to Alcântara and the Light Surface Metro (MLS). The presented implementation was carried out using the retained balanced for 2021, recorded as Other Treasury operations
R07.02 SERVICES	132,310,262 €	117,560,146 €	88.9%	Re-adjustment of the implementation values for allocation to the funded projects corresponding to the VAT received.
R08.01 OTHER	8,389,479 €	8,389,477 €	100.0%	
R09.03 BUILDINGS	610,297 €	0 €	0.0%	
R09.04 OTHER CAPITAL GOODS	15,880 €	15,880 €	100.0%	
R10.03 CENTRAL GOVERNMENT	48,332,077 €	48,332,076 €	100.0%	
R10.09 EUROPEAN UNION	45,380,184 €	29,817,018 €	65.7%	The percentage implementation of the project co-funded by POSEUR (RA/CS) was below that forecast, and it was not possible to submit invoicing for its refunding.
R12.06 FINANCIAL SUPPORT	51,385,172 €	35,197,631 €	68.5%	The deviation is primarily due to the favourable variation of the financial investments (SWAP)
R12.07 OTHER FINANCIAL LIABILITIES	188,204,613 €	181,390,745 €	96.4%	
R15.01 REFUNDS NOT DEDUCTED IN PAYMENTS	256,964 €	256,964 €	100.0%	
R16.01 MANAGEMENT BALANCE	47,350,943 €	47,350,941 €	100.0%	
R17.02 OTHER TREASURY OPERATIONS	0 €	70,654,370 €		Recording of RRP advances, to be carried over to 2023, according to the guidelines of the Year-End Operations Guide – RRP of 20 December 2021/BDG
<b>Total revenue</b>	<b>577,363,818 €</b>	<b>564,798,755 €</b>	<b>97.8%</b>	

Item	Budget	Execution	Status of implementation	Justification
D01.01 FIXED AND PERMANENT REMUNERATIONS	68,460,296 €	55,989,777 €	81.8%	
D01.02 VARIABLE OR POSSIBLE ALLOWANCES	5,203,472 €	4,662,309 €	89.6%	
D01.03 SOCIAL SECURITY	27,843,344 €	26,238,052 €	94.2%	
D02.01 ACQUISITION OF GOODS	6,073,978 €	4,040,201 €	66.5%	The deviation is related to the lower need for COVID-19 protection materials and the application of blocking by DGO of €1,706,286.00
D02.02 ACQUISITION OF SERVICES	63,996,837 €	47,064,836 €	73.5%	The deviation is related to the lower hiring of provides and service to secure the COVID-19 protection measures and the application of blocking by DGO of €8,767,632.00
D03.01 INTEREST ON PUBLIC DEBT	97,489,211 €	75,599,158 €	77.5%	The deviation is primarily due to the favourable variation of the financial investments (SWAP)
D03.06 OTHER FINANCIAL COSTS	183,164 €	98,606 €	53.8%	
D06.02 MISCELLANEOUS	1,611,859 €	1,573,576 €	97.6%	
D07.01 INVESTMENTS	70,241,445 €	58,910,435 €	83.9%	The deviation is essentially related to the lack of implementation of non-co-financed investments, the delay in the approval of the Expenses Extension Ordinances and lengthy public contracting processes.
D07.03 PUBLIC DOMAIN ASSETS	153,577,519 €	46,319,341 €	30.2%	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.
D09.08 FINANCIAL ASSETS	1,000,000 €	1,000,000 €	100.0%	
D10.06 MEDIUM AND LONG-TERM LOANS	80,962,516 €	80,962,515 €	100.0%	
D12.02 OTHER TREASURY OPERATIONS	0 €	88,675 €	-	
<b>Total expenses</b>	<b>576,643,641 €</b>	<b>402,547,481 €</b>	<b>69.8%</b>	

## 2. Financial risk management

Table 52 – Evolution of the annual average rate of financing and incurred interest

Years	2022	2021	2020	2019	2018
Financial costs (€)	75,697,764	141,972,295	206,705,313	218,372,006	498,051,303
Average financing rate (%)	2.56	3.93	5.61	5.44	4.99

## 3. Indebtedness growth limit

Table 53 – Liabilities (current and non-current) and indebtedness variation

Indebtedness variation (execution)	2022	2021
	Amounts (€)	
Remunerated loans (current and non-current)	3,293,271,746	3,339,036,630
Share capital	3,849,294,636	3,667,903,891
New investments in the year (of material expression)	0	2,398,241
<b>Indebtedness variation</b>	<b>1.94%</b>	

## 4. Average payment period

Table 54 – Average payment period

Average payment period	2022	2021	2020	Variation 2022/2021	
				Amount	%
Period (days)	21	36	41	-15	-41.7

Table 55 – 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 services	577,793	1,376	93,705	0	1,066
Purchase of equity	227,446	0	0	0	26,691
<b>Total</b>	<b>805,239</b>	<b>1,376</b>	<b>93,705</b>	<b>0</b>	<b>27,757</b>

Note: Amounts after 90 days not reconcilable. Under analysis in 2023.

## 5. Shareholder's recommendations

It was recommended that the Board of Directors endeavour to ensure the:

- Implementation of a system to enable the automated obtaining and validation of the budget statements, in compliance with the Portuguese Accounting Standards System for Public Administrations, as well as the observation of compliance with the accounting movement rules applicable to the recognition and measurement of transactions and other occurrences inherent to budget accounting.
- Disclosure, pursuant to NCP 26 – Budget Accounting and Reporting of the Portuguese Accounting Standards System for Public Administrations, in the Notes to the budget statements for 2022 of the information related to Administrative hiring, specifically in the situation of contracts and Awards by type of procedure, and Transfers and grants related to expenses and revenue.

## 6. Remunerations/fees

### vii. Board of Directors

Table 56 - Identification of the members of the Board of Directors (01/01/2022 to 12/07/2022)

Term (Start-End)	Position	Name	Appointment		OPRLO or Option for the Average of the last 3 years				No. of terms
			Form	Date	Yes/No	Entity of origin	Paying entity (O/D)	Identification of date of authorisation and form	
2019-2021	Chairman	Eng. Vítor Manuel Jacinto Domingues dos Santos	RCM No. 56/2019	3/15/2019	No	n.d.	D		2
2019-2021	Member 1	Eng. Maria Helena Arranhado Carrasco Campos	RCM No. 56/2019	3/15/2019	No	n.d.	D		3
2019-2021	Member 2	Dr Pedro Miguel de Bastos Veiga da Costa	RCM No. 56/2019	3/15/2019	No	n.d.	D		1

Table 57 - Identification of the members of the Board of Directors (13/07/2022 to 31/12/2022)

Term (Start-End)	Position	Name	Appointment		OPRLO or Option for the Average of the last 3 years				No. of terms
			Form	Date	Yes/No	Entity of origin	Paying entity (O/D)	Identification of date of authorisation and form	
2022-2024	Chairman	Eng. Vítor Manuel Jacinto Domingues dos Santos	Order no. 9167/2022	7/27/2022	No	n.d.	D		3
2022-2024	Member 1	Eng. Maria Helena Arranhado Carrasco Campos	Order no. 9167/2022	7/27/2022	No	n.d.	D		4
2022-2024	Member 2	Eng. João Paulo de Figueiredo Lucas Saraiva	Order no. 9167/2022	7/27/2022	No	n.d.	D		1

Table 58 - Accumulation of Board Roles (01/01/2022 to 12/07/2022)

Member of the BD	Accumulation of roles			
	Entity	Position	Regime	Date of authorisation and form
Eng. Vítor Manuel Jacinto Domingues dos Santos	FERCONSULT	Chairman	Public	GM Minutes no. 72 of 14/05/2021
	METROCOM	Chairman	Public	GM Minutes no. 54 of 13/07/2020
Eng. Maria Helena Arranhado Carrasco Campos	FERCONSULT	Director	Public	GM Minutes no. 72 of 31/05/2021
	METROCOM	Director	Public	GM Minutes no. 54 of 13/07/2020
Dr Pedro Miguel de Bastos Veiga da Costa	FERCONSULT	Director	Public	GM Minutes no. 72 of 31/05/2021
	METROCOM	Director	Public	GM Minutes no. 54 of 13/07/2020
	TREM A.C.E.	Chairman	Public	GM Minutes no. 33 of 30/04/2021
	TREM II A.C.E.	Chairman	Public	GM Minutes no. 30 of 30/04/2021

Table 59 - Accumulation of Board Roles (13/07/2022 to 31/12/2022)

Member of the BD	Accumulation of roles			
	Entity	Position	Regime	Date of authorisation and form
Eng. Vítor Manuel Jacinto Domingues dos Santos	FERCONSULT	Chairman	Public	GM Minutes no. 72 of 31/05/2021
	METROCOM	Chairman	Public	GM Minutes no. 54 of 13/07/2020
	TREM A.C.E.	Chairman	Public	GM Minutes no. 34 of 29/04/2022
	TREM II A.C.E.	Chairman	Public	GM Minutes no. 31 of 29/04/2022
Eng. Maria Helena Arranhado Carrasco Campos	FERCONSULT	Director	Public	GM Minutes no. 72 of 31/05/2021
	METROCOM	Director	Public	GM Minutes no. 54 of 13/07/2020
Eng. João Paulo de Figueiredo Lucas Saraiva	FERCONSULT	Director	Public	GM Minutes no. 74 of 18/08/2022
	METROCOM	Director	Public	GM Minutes no. 57 of 18/08/2022



Table 60 – Public Manager Statute (01/01/2022 to 12/07/2022)

Member of the BD	EGP			
	Fixed [Y/N]	Classification [A/B/C]	Gross monthly remuneration (€) <sup>(1)</sup>	
			Monthly salary	Representation expenses
Eng. Vítor Manuel Jacinto Domingues dos Santos	Y	B	4,676.70	1,870.68
Eng. Maria Helena Arranhado Carrasco Campos	Y	B	3,741.36	1,496.54
Dr Pedro Miguel de Bastos Veiga da Costa	Y	B	3,741.36	1,496.54

(1) The gross monthly remuneration values include the application of the 5% reduction of the gross monthly salary of the executive public managers, pursuant to Article 12(1) of Law no. 12-A/2010 of 30 June.

Table 61 – Public Manager Statute (13/07/2022 to 31/12/2022)

Member of the BD	EGP			
	Fixed [Y/N]	Classification [A/B/C]	Gross monthly remuneration (€) <sup>(1)</sup>	
			Monthly salary	Representation expenses
Eng. Vítor Manuel Jacinto Domingues dos Santos	Y	B	4,676.70	1,870.68
Eng. Maria Helena Arranhado Carrasco Campos	Y	B	3,741.36	1,496.54
Eng. João Paulo de Figueiredo Lucas Saraiva	Y	B	3,741.36	1,496.54

(1) The gross monthly remuneration values include the application of the 5% reduction of the gross monthly salary of the executive public managers, pursuant to Article 12(1) of Law no. 12-A/2010 of 30 June.

Table 62 – Annual remuneration (01/01/2022 to 12/07/2022)

Member of the BD	Annual remuneration – 2022 (€)				
	Fixed (1)	Variable (2)	Gross amount (3)=(1)+(2)	Remuneration reductions (4)	Final gross amount (5)=(3)-(4)
Eng. Maria Helena Arranhado Carrasco Campos	74,039.50	0.00	74,039.50	3,701.98	70,337.52
Dr Pedro Miguel de Bastos Veiga da Costa	74,039.50	0.00	74,039.50	3,701.98	70,337.52
			<b>240,628.44</b>	<b>12,031.44</b>	<b>228,597.00</b>

(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 63 – Annual remuneration (13/07/2022 to 31/12/2022)

Member of the BD	Annual remuneration – 2022 (€)				
	Fixed (1)	Variable (2)	Gross amount (3)=(1)+(2)	Remuneration reductions (4)	Final gross amount (5)=(3)-(4)
Eng. Maria Helena Arranhado Carrasco Campos	74,039.50	0.00	74,039.50	3,701.98	70,337.52
Eng. João Paulo de Figueiredo Lucas Saraiva	74,039.50	0.00	74,039.50	3,701.98	70,337.52
			<b>240,628.44</b>	<b>12,031.44</b>	<b>228,597.00</b>

(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

Table 64 – Social benefits (01/01/2022 to 12/07/2022)

Member of the BD	Social Benefits (€)							
	Meal Allowance		Social Protection Scheme		Annual Cost Health Insurance	Annual Cost Life Insurance	Other	
	Value / Day	Annual Amount Paid	Identity	Annual Charge			Identity	Amount
Eng. Vítor Manuel Jacinto Domingues dos Santos	10.35	952.00	SS		291.72	0.00	Work accident insurance	574.22
Eng. Maria Helena Arranhado Carrasco Campos	10.35	1,179.90	CGA	8,253.33	291.72	0.00	Work accident insurance	464.50
Dr Pedro Miguel de Bastos Veiga da Costa	10.35	993.60	SS		291.72	0.00	Work accident insurance	444.06
		<b>3,125.50</b>		<b>8,253.33</b>	<b>875.16</b>	<b>0.00</b>		<b>1,482.78</b>

Table 65 – Social benefits (13/07/2022 to 31/12/2022)

Member of the BD	Social Benefits (€)							
	Meal Allowance		Social Protection Scheme		Annual Cost Health Insurance	Annual Cost Life Insurance	Other	
	Value / Day	Annual Amount Paid	Identity	Annual Charge			Identity	Amount
Eng. Vítor Manuel Jacinto Domingues dos Santos	10.35	1,045.55	SS		291.72	0.00	Work accident insurance	592.11
Eng. Maria Helena Arranhado Carrasco Campos	10.35	1,076.40	CGA	8,550.79	291.72	0.00	Work accident insurance	482.09
Eng. João Paulo de Figueiredo Lucas Saraiva	10.35	962.55	SS		291.72	0.00	Work accident insurance	417.93
		<b>3,084.50</b>		<b>8,550.79</b>	<b>875.16</b>	<b>0.00</b>		<b>1,492.13</b>

Table 66 – Vehicle expenses (01/01/2022 to 12/07/2022)

Member of the BD	Vehicle expenses								
	Vehicle attributed	Contract conclusion	Vehicle reference amount (€)	Type	Year Start	Year End	Monthly rental amount (€)	Annual rental expenses (€)	Remaining contractual instalments (no.)
	[Y/N]	[Y/N]							
Eng. Vítor Manuel Jacinto Domingues dos Santos	Y	Y	45,353.00 €	AOV	2017	2022	526.09 €	3,267.79 €	3
Eng. Maria Helena Arranhado Carrasco Campos	Y	Y	42,072.00 €	AOV	2017	2022	681.97 €	5,252.47 €	3
Dr Pedro Miguel de Bastos Veiga da Costa	Y	Y	41,401.00 €	AOV	2017	2022	446.25 €	1,784.99 €	3

Note: No lease payments were imputed from 01/05/2022 to 12/07/2022 to the vehicle associated with Dr Pedro Costa, as he left the company on 30/04/2022. The reported value corresponds to the period 01/01/2022 to 30/04/2022.

Table 67 – Vehicle expenses (13/07/2022 to 31/12/2022)

Member of the BD	Vehicle expenses								
	Vehicle attributed	Contract conclusion	Vehicle reference amount (€)	Type	Year Start	Year End	Monthly rental amount (€)	Annual rental expenses (€)	Remaining contractual instalments (no.)
	[Y/N]	[Y/N]							
Eng. Vítor Manuel Jacinto Domingues dos Santos	Y	Y	45,353.00 €	AOV	2017	2022	526.08 €	2,630.42 €	12
Eng. Maria Helena Arranhado Carrasco Campos	Y	Y	42,072.00 €	AOV	2017	2022	389.09 €	2,531.21 €	12
Eng. João Paulo de Figueiredo Lucas Saraiva	Y	Y	41,401.00 €	AOV	2017	2022	681.97 €	2,824.09 €	12

Note: Eng. João Paulo Saraiva took office on 13/07/2022, being allocated the vehicle with license plate 46-SR-45, which was exchanged with the vehicle of Eng. Maria Helena Campos on 27/09/2022.

Table 68 – Annual mission travelling expenses (01/01/2022 to 12/07/2022)

Member of the BD	Annual mission travelling expenses (€)						Total costs with travelling (€)
	Mission travelling	Accommodation costs	Daily allowances	Other			
				Identity	Amount		
Eng. Vítor Manuel Jacinto Domingues dos Santos	123.64	278.00	175.30		0.00	576.94	
Eng. Maria Helena Arranhado Carrasco Campos	780.39	1,213.00	450.40		0.00	2,443.79	
Dr Pedro Miguel de Bastos Veiga da Costa	0.00	0.00	37.65		0.00	37.65	
						<b>3,058.38</b>	

Table 69 – Annual mission travelling expenses (13/07/2022 to 31/12/2022)

Member of the BD	Annual mission travelling expenses (€)						Total costs with travelling (€)
	Mission travelling	Accommodation costs	Daily allowances	Other			
				Identity	Amount		
Eng. Vítor Manuel Jacinto Domingues dos Santos	9,332.58	2,302.88	375.30		0.00	12,010.76	
Eng. Maria Helena Arranhado Carrasco Campos	852.32	1,138.13	250.20		0.00	2,240.65	
Eng. João Paulo de Figueiredo Lucas Saraiva	882.19	1,629.14	62.55		0.00	2,573.88	
						<b>16,825.29</b>	

## viii. Supervisory Board

Table 70 – Identification of the Supervisory Board

Term (Start – End)	Position	Name	Appointment		No. of terms
			Form <sup>(1)</sup>	Date	
2017-2019	Chairman	Dr José Carlos Pereira Nunes	DC SETF and SEAMB	1/11/2017	2 <sup>(2)</sup>
2017-2019	Member	Dr Cristina Maria Pereira Freire	DC SETF and SEAMB	1/11/2017	1
2017-2019	Member	Dr Margarida Carla Campos Freitas Taborda	DC SETF and SEOPTC	1/11/2017	1
2017-2019	Alternate member	Dr 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.

(2) The first term of office of Dr José Carlos Pereira Nunes was fulfilled as a permanent member.

Table 71 – Annual remuneration of the Supervisory Board

Name	Annual remuneration (€)		
	Assets	Remuneration reductions	Final amount
	(1)	(2)	(3)=(1)-(2)
Dr José Carlos Pereira Nunes	19,395.80	0.00	19,395.80
Dr Margarida Carla Campos Freitas Taborda	14,546.88	0.00	14,546.88
Dr Cristina Maria Pereira Freire	14,546.88	0.00	14,546.88
Dr Maria Teresa Vasconcelos Abreu Flor de Morais	0.00	0.00	0.00
			<b>48,489.56</b>

## ix. Statutory Auditor

Table 72 – Identification of the Statutory Auditor

Term (Start-End)	Position	Audit firm/statutory auditor identification			Appointment			No. of years of service performed in the group	No. of years of service performed in the company
		Name	OROC no.	CMVM no.	Form	Date	Date of the contract		
2019-2021	Permanent statutory auditor	Alves da Cunha, A. Dias & Associados, SROC, Lda. represented by: Dr José Luís Areal Alves da Cunha	74	20161409	Joint Order Secretary of State for Treasury and Deputy Secretary for State Mobility	10/15/2019	10/15/2019	7	7
	Alternate statutory auditor	Oliveira, Reis & Associados, SROC, Lda. represented by: Dr Joaquim Oliveira de Jesus	23	20161381					

On the date of this report, the new permanent and alternate statutory auditors had not yet been appointed by joint order of the Government, so the statutory auditor appointed for the 2019-2021 three-year period remains in office.

Table 73 – Annual amount of the service provision agreement of the Statutory Auditor

Name	Annual amount of the services provision agreement – 2022 (€)			Annual amount of additional services – 2022 (€)			
	Amount	Reductions	Final amount	Service identification	Amount	Reductions	Final amount
	(1)	(2)	(3)=(1)-(2)		(1)	(2)	(3)=(1)-(2)
Alves da Cunha, A. Dias & Associados, SROC	27,360.00	0.00	27,360.00		0.00	0.00	0.00

## x. External Auditor

Table 74 - Identification of the External Auditor

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

Table 75 - Annual amount of the service provision agreement of the External Auditor

Name of external auditor	Annual amount of the services provision agreement - 2022 (€)			Annual amount of additional services - 2022 (€)			
	Amount	Reductions	Final amount	Service identification	Amount	Reductions	Final amount
	(1)	(2)	(3)=(1)-(2)		(1)	(2)	(3)=(1)-(2)
BDO & Associados, SROC, Lda.	24,780.00	0.00	24,780.00	-	0.00	0.00	0.00

## 7. Application of the provisions in Articles 32 and 33 of the Public Manager Statute

In 2022:

- 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;
- There were no reimbursements of expenses made for personal representation purposes;
- Value of communication expenses:

Table 76 - Communication expenses (01/01/2022 to 12/07/2022)

Member of the BD	Communication expenses (€)		
	Monthly defined limit	Annual amount	Notes
Eng. Vítor Manuel Jacinto Domingues dos Santos	80.00	191.63	
Eng. Maria Helena Arranhado Carrasco Campos	80.00	123.45	
Dr Pedro Miguel de Bastos Veiga da Costa	80.00	0.00	
		<b>315.08</b>	

Table 77 - Communication expenses (13/07/2022 to 31/12/2022)

Member of the BD	Communication expenses (€)		
	Monthly defined limit	Annual amount	Notes
Eng. Vítor Manuel Jacinto Domingues dos Santos	80.00	516.89	
Eng. Maria Helena Arranhado Carrasco Campos	80.00	84.00	
Eng. João Paulo de Figueiredo Lucas Saraiva	80.00	117.84	
		<b>718.73</b>	

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

Table 78 – Annual vehicle expenses (01/01/2022 to 12/07/2022)

Member of the BD	Monthly limit for fuel and tolls	Annual vehicle expenses (€)			Notes
		Fuel	Tolls and parks	Total	
Eng. Vítor Manuel Jacinto Domingues dos Santos	467.67 €	1,351.32 €	683.97 €	2,035.29 €	
Eng. Maria Helena Arranhado Carrasco Campos	374.14 €	1,722.24 €	973.71 €	2,695.95 €	
Dr Pedro Miguel de Bastos Veiga da Costa	374.14 €	452.66 €	70.93 €	523.59 €	
				<b>5,254.83 €</b>	

Table 79 – Annual vehicle expenses (13/07/2022 to 31/12/2022)

Member of the BD	Monthly limit for fuel and tolls	Annual vehicle expenses (€)			Notes
		Fuel	Tolls and parks	Total	
Eng. Vítor Manuel Jacinto Domingues dos Santos	467.67 €	1,160.18 €	601.42 €	1,761.60 €	
Eng. Maria Helena Arranhado Carrasco Campos	374.14 €	923.06 €	870.67 €	1,793.73 €	
Eng. João Paulo de Figueiredo Lucas Saraiva	374.14 €	1,214.50 €	176.55 €	1,391.05 €	
				<b>4,946.38 €</b>	

## 8. Non-documented or confidential expenses

ML complied with the provisions set out in Article 16(2) of Decree-Law no. 133/2013 of 3 October, in the Legal Framework for the Public Enterprise Sector (RJSPE) and in Article 11 of the Public Manager Statute (EGP), and no non-documented expenses were incurred.

## 9. Report on remunerations paid to women and men

ML is committed to promoting 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 2021”, 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, ML 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, notably 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 the Plan for Equality between Women and Men for 2022 to the Commission for Equality in Labour and Employment (CITE).

## 10. Annual report on corruption prevention

Decree-Law no. 109-E/2021 of 9 December establishes the General Regime for the Prevention of Corruption (RGPC), with ML being obliged, by virtue of the application of this diploma, to implement a Regulatory Compliance Programme.

The Plan for Preventing Risks of Corruption and Related Offences (PPR) is included in this Programme, and consequently its Annual and Interim Assessment Reports.

In 2022, these Reports were approved and disclosed, under the legal terms, and were sent to the competent bodies and are available on the company's intranet and website.

In addition to this legal guideline, ML is also obliged to comply with a series of obligations, established in the RGPC and monitored through the company's compliance system, whose implementation status, as at 31 December 2022, is shown in the following table:

Table 80 - RGPC obligations

RGPC obligations	Article	Status	Date	Notes
Regulatory Compliance Programme (PCN)	5(1)			
Appointment of the Manager of the Regulatory Compliance Programme	5(2)	Implemented	February 2022	Director of the Internal Audit, Risk and Compliance Office (GAI)
Plan for Preventing Risks of Corruption and Related Offences (PPR)	6(1)	Implemented	2020 (last revision)	<a href="https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2020/10/PPRCIC_ML_FC_2020.pdf">https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2020/10/PPRCIC_ML_FC_2020.pdf</a>
PPR annual assessment report	6(4)(b)	Implemented	May 2022	<a href="https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2022/06/relatorio_execucao_riscos_infracoes_2021-3.pdf">https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2022/06/relatorio_execucao_riscos_infracoes_2021-3.pdf</a>
PPR interim assessment report	6(4)(a)	Implemented	October 2022	<a href="https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2022/11/Relatorio_Intercalar_2022_Planos_Prevencao_Riscos_Corruptao_Infracoes_Conexas.pdf">https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2022/11/Relatorio_Intercalar_2022_Planos_Prevencao_Riscos_Corruptao_Infracoes_Conexas.pdf</a>
Code of Ethics and Conduct	7	Implemented	July 2022 (last revision)	Redrafted to include the provisions of the RGPC. <a href="https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2022/07/codigo_etica_conduta_julho_2022.pdf">https://www.metrolisboa.pt/institucional/wp-content/uploads/sites/2/2022/07/codigo_etica_conduta_julho_2022.pdf</a>
Whistleblowing channel	8	Implemented	August 2022 (last revision)	Redrafted to include the provisions of the RGPC and Law no. 93/2021 of 18 December
Promotion of competition in public procurement	15	Implemented		

## 11. Public procurement

In 2022, ML applied the Public Procurement Code (CCP), 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), conveyed by Circular no. 4766 of 10 August, as well as those established in Order no. 438/10-SETF of 10 May, conveyed by Circular no. 6132 of 6 August 2010.

The company complied with all applicable rules regarding procurement, notably those relative to the consultation of the Agency for Administrative Modernization in 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, and Decree-Law no. 151/2015 of 6 August, as well as regarding authorization requests for 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 Article 11 of Decree-Law no. 127/2012 of 21 June, as amended by Decree-Law no. 99/2015 of 2 June. ML has also complied with the provisions in Article 59 of the State Budget Law 2022 (Law no.12/2022 of 27 June), combined with Article 49 of Decree-Lei no. 53/2022 of 12 August, relative to the communication of procurement of external legal services to JurisAPP.

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.

ML has a platform for recording and management of procurement procedures. 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.

A contract worth more than 5,000,000 euros was concluded in 2022 for electricity supply which, pursuant to Article 47(1)(c) of the Law of Organisation and Procedure of the Court of Auditors (LOPTC), is exempt from prior inspection by the Court of Auditors.

## 12. National public procurement system

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

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.

In 2022, ML applied the Public Procurement Code (CCP), 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), conveyed by Circular no. 4766 of 10 August, as well as those established in Order no. 438/10-SETF of 10 May, conveyed by Circular no. 6132 of 6 August 2010.

### 13. Measures to optimise the operating expenses structure

Table 81 – Operational efficiency

PRC	2022		2021		2020		2019		2022/2021		2022/2019	
	Impl.	Budget	Impl.	Impl.	Impl.	Impl.	Absol. Δ	Var. %	Absol. Δ	Var. %		
(0) EBITDA (adjusted)	-5,325,751	-24,571,844	-14,416,821	-30,613,090	-225,028	9,091,071	-63.1%	-5,100,723	2266.7%			
1) CMVMC	2,699,970	3,596,766	2,530,223	2,613,840	3,596,083	169,747	6.7%	-896,112	-24.9%			
2) External Supplies and Services	37,318,592	41,269,295	32,717,165	36,134,918	36,878,739	4,601,428	14.1%	439,853	1.2%			
(3) Personnel expenses	86,761,225	86,676,959	82,773,918	80,231,596	80,056,942	3,987,307	4.8%	6,704,283	8.5%			
i) Relative to the governing bodies <sup>a)</sup>	339,567	339,653	389,623	341,426	327,914	-56	0.0%	11,654	3.6%			
ii. Severance pay <sup>a)</sup>	0	0	0	0	0	0	-	0	-			
iii. Mandatory remuneration rises <sup>a)</sup>	1,085,890	1,269,648	1,091,484	1,137,320	1,173,821	-5,594	-0.5%	-87,931	-7.5%			
iv. Effect of absenteeism and compliance with legal provisions <sup>a)</sup>	1,273,328	469,922	1,053,355	n.d.	1,169,735	219,973	20.9%	103,593	8.9%			
v. Integration of Ferconsult employees <sup>1)</sup>	1,943,658	1,886,981	1,830,040	0	0	113,618	6.2%	1,943,658	-			
(4) Personnel expenses without impacts i, ii, iii and iv	82,118,780	84,789,978	78,459,416	78,752,851	77,385,473	3,659,364	4.7%	4,733,308	6.1%			
(5) Impacts on expenses arising from exceptional factors <sup>b)</sup>	6,962,032	743,805	1,009,022	1,021,293	0	5,953,010	590.0%	6,962,032	-			
(6) Operating expenses for determining operating efficiency = (1)+(2)+(3)-(5)	117,874,098	128,912,234	115,182,245	117,480,317	117,860,295	2,691,853	2.3%	13,803	0.0%			
(7) Turnover (TO)	111,204,866	75,702,988	66,889,972	66,808,955	118,794,598	44,314,894	66.4%	-7,589,732	-6.4%			
Operating grants	10,639,940	43,766,823	38,044,153	0	0	-27,404,213	-72.0%	10,639,940	-			
Compensatory indemnities	0	0	0	0	0	0	-	0	-			
(8) Loss of revenue arising from exceptional factors <sup>b)</sup>	0	52,782,113	54,114,816	48,663,010	0	-54,114,816	-100.0%	0	-			
(9) Turnover for the purpose of determining operational efficiency = (7)+(8)	111,204,866	128,485,101	121,004,788	115,471,964	118,794,598	-9,799,922	-8.1%	-7,589,732	-6.4%			
(10) Weight of expenses/TO = (6)/(9)	106.0%	100.3%	95.2%	100.9%	99.2%	10.8 p.p.	-	6.8 p.p.	-			
i) Expenses related to mission travelling (ESS)	84,428	101,500	1,821	7,473	40,013	82,608	4537.6%	44,416	111.0%			
ii. Daily allowance expenses (Personnel expenses)	13,054	4,238	1,977	2,068	6,857	11,077	560.3%	6,197	90.4%			
iii. Expenses related to the vehicle fleet <sup>c)</sup>	383,320	369,931	319,719	263,774	292,344	63,601	19.9%	90,976	31.1%			
iv. Costs of contracting studies, opinions, projects and consulting	2,455,736	3,169,595	1,440,154	3,089,203	1,614,032	1,015,582	70.5%	841,704	52.1%			
(11) Total = (i) + (ii) + (iii)	480,802	475,670	323,516	273,314	339,213	157,286	48.6%	141,588	41.7%			
HR total number (GB+SP+Employees)	1,575	1,587	1,522	1,519	1,458	53	3.5%	117	8.0%			
No. of governing bodies (GB)	6	6	6	6	6	0	0.0%	0	0.0%			
No. of senior positions (SP)	23	21	21	17	17	2	9.5%	6	35.3%			
No. of employees (excluding GB and SP)	1,546	1,560	1,495	1,496	1,435	51	3.4%	111	7.7%			
No. of employees/No. of SP	67	74	71	88	84	-4	-5.6%	-17	-20.4%			
No. of vehicles	47	47	47	47	39	0	0.0%	8	20.5%			

<sup>1)</sup> 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

a) As established in Article 144(S)(a) of DLEO 2022.

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) Vehicle expenses include: lease payments/amortizations, inspections, insurance, tolls, fuel, maintenance, repairs, tyres, fees and taxes.

The Weight of Expenses/Turnover ratio reached 106.0%, representing a deterioration of 6.8 percentage points when compared with the figure for 2019.

The main contributions to the increase of the ratio were:

Increased Personnel expenses by 6.7 million euros, as detailed on page 55;

Growth of the value of External supplies and services by 0.4 thousand euros, essentially due to the higher cost of electricity, which increased by 6.3 million euros, offset by the lower value related to operating lease payments, due to the maturity, in 2021, of the first operation of TREM II. Below, Table 82 – Impacts on expenses arising from exceptional factors, shows details of the impacts on expenses during 2022.

The expenses related to COVID-19 are detailed in Table 27 – Operating expenses (COVID-19) – Individual accounts, page 54;

Operating grants, for the year under review, recorded a negative variation of 27.4 million euros, arising from the increased revenue and consequent reduction of the variable Fare Reduction Support Programme (PART).

Travel and accommodation expenses showed a positive deviation of 17.1 thousand euros, which was also reflected in daily allowances (negative deviation of 8.8 thousand euros). Overall, the combined expenses of the items referred to above show a positive deviation of 8.3 thousand euros.

Expenses associated with the vehicle fleet showed an increase of 63.6 thousand euros due to the incorporation of the vehicles belonging to Ferconsult in ML's assets, corresponding to a deviation of 13.4 thousand euros in relation to the budget.



Costs related to procurement of studies, opinions, projects and consulting showed a positive variation of 1 million euros, arising from the network expansion in course, and deviation of -714 thousand euros in relation to that estimated in the Activities and Budget Plan.

Following Russia's military invasion of Ukraine, in February 2022, gas prices hiked which consequently implied increased electricity prices, as its production is directly dependent on gas. This military operation also implied an increase in fuel prices.

The table below presents the 2022/2021 variations in the costs that were directly affected, with an increase of 6.5 million euros.

Table 82 – Impacts on expenses arising from exceptional factors

Description	2022	2021	Unit: euros	
			Variation	
			Amount	%
Electricity	13,373,981	7,054,550	6,319,431	89.6%
Fuel	46,715	37,402	9,313	24.97%
Gas	332,464	140,280	192,185	137.0%
<b>TOTAL</b>	<b>13,753,160</b>	<b>7,232,231</b>	<b>6,520,929</b>	<b>90.2%</b>

## 14. Principle of the State Treasury Unity

Table 83 – Resources at the IGCP

IGCP	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	€	€	€	€
Cash and deposits	118,315,438	114,235,818	115,759,417	51,218,612
Financial investments	0	0	0	55,000,000
<b>Total</b>	<b>118,315,438</b>	<b>114,235,818</b>	<b>115,759,417</b>	<b>106,218,612</b>

Table 84 – Resources at Commercial Banks

Commercial Banks	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
	€	€	€	€
Wilmington Trust	20,806,025	22,193,941	23,506,046	21,533,964
Wells Fargo	32,179,681	34,369,436	36,646,754	33,664,694
Banco Português de Investimento	1,677,718	4,662,153	3,493,360	987,572
Banco Santander Totta	6,787	9,264	12,230	15,086
Caixa Banco Investimento	4,062	4,062	4,062	4,062
Millennium BCP	0	0	0	0
Caixa Geral de Depósitos	532	1,072	768	994
<b>Total</b>	<b>54,674,804</b>	<b>61,239,928</b>	<b>63,663,220</b>	<b>56,206,372</b>
Interest earned	0	0	0	0

The document 0293/2022 issued by the IGCP exempts ML from complying with State Treasury Unity for the years 2022 and 2023, only for the amounts inherent to financing operations contracted with banks.

Resources and investments centralized in the IGCP represented 65.4% of the total; however, 55.2 million euros of the 56.2 million euros provided by Commercial Banks refer to collateral deposits constituted under American operating leases for rolling stock.

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

- Financial public debt.
- Public financial assets.

## 16. Preparation and disclosure of the Equality plan

See point 9. Report on remunerations paid to women and men, page 85.

## 17. Preparation and disclosure of the non-financial statement

See pages 233 to 251.

## 18. Disclosure of information on the SEE website

Table 85 – Information disclosed on the SEE website

Information to appear on the SEE Website	Disclosure		Notes
	Y/N/N.A.	Revision date	
Statutes	Y	set/2022	
Company presentation	Y	set/2022	
Supervising and shareholding roles	Y	jan/2020	
Governance Model / Members of Governing Bodies	Y		
- Identification of the Governing Bodies	Y	set/2022	
- Fixed remuneration statute	Y	set/2022	
- Disclosure of remuneration earned by the governing bodies	Y	set/2022	
- Identification of the roles and responsibilities of members of the Board of Directors	Y	set/2022	
- Presentation of curricula summaries of members of the governing bodies	Y	set/2022	
Public financial effort	Y	set/2022	
Summary sheet	Y	set/2022	
Historical and current financial information	Y	jul/2021	
Principles of good governance	Y		
- Internal and external regulations binding the company	Y	set/2022	
- Relevant transactions with related entities	Y	set/2022	
- Other transactions	Y	set/2022	
- Sustainability analysis of the company in the following areas:	Y	set/2022	
Economic	Y	set/2022	
Social	Y	set/2022	
Environmental	Y	set/2022	
- Assessment of compliance with the principles of good governance	Y	set/2022	
- Code of ethics	Y	set/2022	

## 19. Summary table – Compliance with legal guidelines

Table 86 – Summary table – Compliance with legal guidelines

Compliance with Legal Guidelines – 2022	Compliance	Quantification/ Identification	Justification/Reference to the report's item
	Y/N/N.A.		
<b>Management objectives</b>			
Management objectives set for 2022			Page 77
<b>Targets to be achieved included in the 2022 ABP</b>			
Investment	N	Status of implementation: 29.6%	Page 59
Level of indebtedness	Y	Indebtedness variation: 1.92%	Page 79
Status of implementation of the budget uploaded on SIGO/SOE	Y	Revenue: 97.8% Expense: 69.8%	Page 78
Financial Risk Management	Y	2.56%	Page 79
Indebtedness Growth Limits	Y	1.92%	Page 79
Evolution of APP to suppliers	Y	-15 days	Page 79
Disclosure of Payments in Arrears	Y	€ 122,838	Page 79
Shareholder's recommendations from the last legal accounts reporting	N	See point 5 – Shareholder's recommendations	Page 79
Reserves issued in the last statutory auditor's report	N	3 Reservations	Page 201
<b>Remunerations/fees</b>			
No attribution of management bonuses	Y	-	Page 84
BD – remuneration reductions and reversals enforced in 2022	Y	€12,031.44	Page 81
Inspection (SB) – remuneration reductions enforced in 2022	N.A.	-	Page 83
External Auditor – remuneration reductions enforced in 2022	N.A.	-	Page 84
<b>Public Manager Statute (PMS) – Articles 32 and 33 of the PMS</b>			
No use of credit cards.	Y	-	Page 84
No reimbursement for personal representation expenses	Y	-	Page 84
Maximum amount for communication expenses	Y	-	Page 84
Maximum monthly amount for fuel and tolls allocated to the service vehicles	Y	-	Page 85
<b>Non-documented or confidential expenses – Article 16(2) of the RJSPE and Article 11 of the PMS</b>			
Prohibition incurring in non-documented or confidential expenses	Y	-	Page 85
<b>Promoting equality between women and men – no. 2 of RCM no. 18/2014</b>			
Preparation and disclosure of the report on remunerations paid to women and men	Y	<a href="#">Link</a>	Page 85
Preparation of the annual report on corruption prevention	Y	<a href="#">Link</a>	Page 85
<b>Public procurement</b>			
Enforcement of public procurement rules by the Company	Y	-	Page 86
Enforcement of public procurement rules by the Subsidiary Companies	Y	-	Page 86
Agreements are subject to prior approval of the Court of Auditors	Y	-	Page 86
Adhesion to the National Public Procurement System	Y		Page 87
Public Companies' Operating Expenses	N	+6.8 p.p.	Page 88
Procurement of studies, opinions, projects and consulting (Article 49 of the Budget Implementation Decree–Law for 2019)	Y		Page 88
<b>Principle of Treasury Unity (Article 28 of the DL 133/2013)</b>			
Resources and applications of funds centralised at the IGCP	Y	65.4%	Page 89
Resources and applications of funds at the Commercial Banks	Y	€56,206,372	Page 89
Interest earned in non-compliance with UTE and paid to the State	N.A.	-	Page 89
Audits by the Court of Auditors	N.A.	-	Page 90
Preparation of the equality plan as determined by Art. 7 of Law 62/2017, of 1 August	Y	-	Page 85
Presentation of the non-financial statement	Y	-	Page 90

## SUMMARY OF RESULTS

### 1. Subsequent events

#### i. Increased Inflation

In line with what had been successively experienced, the beginning of 2023 was marked by a continuous increase of the inflation rate. In an attempt to counteract the inflationary spiral, the European Central Bank (ECB) continues to apply gradual increases of reference interest rates.

Effectively, and although the aggregate relative to energy products stood at 1.9% in relation to February 2022, confirming the trend towards energy price stabilization, the inflation rate in 2023 has remained high, primarily levered by the category of Food and non-alcoholic beverages, the variation of which stood at 21.50%, the highest value since May 1985, according to data of the National Institute of Statistics (INE). The ECB pointed to the rise of profit margins as the main driver for this increase, although companies justify this with the growth of inflation. In order to respond to the reduction of household income and increased cost of living, the Government has been implementing support measures for households, especially for the purchase of essential goods.

It is also expected that the ECB will continue applying a contractionary monetary policy, through increase of the main interest rates and the quantitative tightening programme. Although a scenario of recession for the Portuguese economy is ruled out for 2023, households will continue to be afflicted by the rising cost of living and higher mortgage loan instalments, due to the rise of the Euribor.

### 2. Outlook

#### i. Development of the Operation

In the year under review, ML faced many without, however, deviating from the set strategic objectives 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 modernization and expansion projects, taking the metro to increasingly more people and asserting itself as a true public service provider and active agent in a more sustainable mobility. ML intends to be at the very 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 circle line, will be awarded Lot 4 in 2023 for the project's finishes, coatings and telecommunications. The projected circular ring will allow for a more balanced supply of transport and distribution of customers in ML's network.

In addition to the circle line project, the modernization of the signalling system imposes itself as an essential project for the improvement of the public transport service, expected to reduce waiting times, increase safety and consequently the availability of rolling stock in operation.

In line with the ML network expansion plan and integrated in the Recovery and Resilience Plan (PRR), it is important to highlight the extension of the Red Line between São Sebastião and Alcântara, with the tender for design/construction having been launched on 26 January 2023, on the date Metropolitano de Lisboa celebrates its 75<sup>th</sup> anniversary. The metro will thus serve the city's western area, a dynamic area with strong economic activity and significant residential areas.

Furthermore, the tender for the design/construction of the Light Surface Metro between Odivelas and Loures, also with funding assured by the Recovery and Resilience Plan, will be launched during 2023. The project will be determinant for the connection and integration in the metro network of the populations of Loures and Odivelas.

Alongside the network expansion investments, projects will continue to endow the network's stations with accessibility for people with reduced mobility, in line with the National Accessibility Promotion Plan (PNPA).

ML 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 (escalators and lifts), recovery of rolling stock (renovation of doors and on-board systems) or of the most varied existing infrastructure systems.

It is also necessary to emphasize ML's need for human resources to ensure the company's generational renovation, staff consolidation and the viability of the operation and maintenance, taking into account the investment projects underway, with that need especially embodied in the network expansion and increased number of stations.

## ii. Recovery of Demand

An upward trend of the recovery of demand was experienced during 2022, which even so stood below the levels of 2019.

It is expected that the number of passengers transported in 2023 should continue on an upward and consolidated trend. The decision to choose not to travel by public transport for reasons related to the pandemic currently appears to be residual. However, it is important to highlight telework as one of the main variables that explains why ML has not yet reached pre-pandemic levels, considering that, according to INE data of the fourth quarter of 2022, about 40% of the population in telework resides in Lisbon Metropolitan Area.

On the other hand, the increased inflation rate and reduction of household income comprise a variable to take into account when making that decision to shift from individual transport to collective transport.

### 3. Proposal for the appropriation of profits

During 2022, the Metropolitano de Lisboa group of companies presented negative consolidated net income of 21,138,782.19 euros (twenty-one million, one hundred and thirty-eight thousand, seven hundred and eighty-two euros and nineteen cents), and negative net income in the individual accounts of 21,135,399.74 euros (twenty-one million, one hundred and thirty-five thousand, three hundred and ninety-nine euros and seventy-four cents).

For purposes of compliance with Article 7(2)(e) of Metropolitano de Lisboa, E.P.E.'s Statutes, the Board of Directors proposes that the loss recorded in the individual accounts for the financial year ended on 31 December 2022, amounting to 21,135,399.74 euros (twenty-one million, one hundred and thirty-five thousand, three hundred and ninety-nine euros and seventy-four cents), should be fully transferred to the account of retained earnings.

#### The Board of Directors

Vítor Manuel Jacinto Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

Lisbon, 20 June 2023

## 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 2022, 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

Vítor Manuel Jacinto Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

Lisbon, 20 June 2023



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 2022, the members of the Board of Directors did not hold any shares representing the company's share capital.

The Board of Directors

Vítor Manuel Jacinto Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

Lisbon, 20 June 2023

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 2022, 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, 20 June 2023

iv. **Financial Statements and their Appendices**

INDIVIDUAL ACCOUNTS

## INDIVIDUAL BALANCE SHEET AS AT 31 DECEMBER 2022

Items	Notes	Monetary unit (euros)	
		31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long-term infrastructure investments	6	5,369,302,753	5,400,543,332
Property, plant and equipment	7	108,965,796	118,351,247
Investment property	8	14,414,687	13,353,294
Intangible assets	9	2,303,973	1,721,469
Financial interests - equity method	10	87,156,515	42,655,774
Other financial assets	11	55,304,221	52,218,573
<b>Total non-current assets</b>		<b>5,637,447,945</b>	<b>5,628,843,688</b>
<b>Current assets</b>			
Inventories	12	9,811,593	9,771,398
Customers	13	1,471,506	2,059,472
State and other public entities	14	3,229,117	7,891,979
Other credit receivable	15	5,695,142	16,308,269
Deferrals	16	30,607,962	30,809,340
Cash and bank deposits	17	162,250,374	124,800,233
<b>Total current assets</b>		<b>213,065,693</b>	<b>191,640,691</b>
Total assets in long-term infrastructure investments		5,369,302,753	5,400,543,332
Total assets allocated to the operation		481,210,885	419,941,048
<b>TOTAL ASSETS</b>		<b>5,850,513,639</b>	<b>5,820,484,379</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Subscribed capital	18	3,849,294,636	3,667,903,891
Legal reserves		21,597	21,597
Other reserves		1,501,878	1,501,878
Retained earnings	18	(1,963,706,965)	(1,940,806,395)
Revaluation surplus		37,234,076	37,234,076
Other changes in equity	18	41,396,395	18,104,175
		<b>1,965,741,616</b>	<b>1,783,959,221</b>
Net income for the period		(21,135,400)	(22,900,570)
<b>Total equity</b>		<b>1,944,606,216</b>	<b>1,761,058,651</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term infrastructure investments	6	1,544,911,659	1,730,374,092
Provisions	19	3,848,358	1,701,241
Loans obtained	20	122,633,400	144,565,037
Liabilities due to post-employment benefits	21	241,430,364	270,784,682
Other financial liabilities	4.11	-	19,263,628
<b>Total non-current liabilities</b>		<b>1,912,823,780</b>	<b>2,166,688,680</b>
<b>Current liabilities</b>			
Long-term infrastructure investments	6	1,216,184,071	1,169,078,940
Suppliers	22	1,214,936	1,177,892
State and other public entities	14	3,368,482	3,254,811
Loans obtained	20	700,579,038	659,648,495
Other debts payable	23	66,935,990	56,555,754
Deferrals	24	4,801,127	3,021,157
<b>Total current liabilities</b>		<b>1,993,083,643</b>	<b>1,892,737,048</b>
Total liabilities in long-term infrastructure investments		2,761,095,729	2,899,453,031
Total liabilities allocated to the operation		1,144,811,693	1,159,972,697
<b>Total liabilities</b>		<b>3,905,907,422</b>	<b>4,059,425,728</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,850,513,639</b>	<b>5,820,484,379</b>

THE BOARD OF DIRECTORS

THE CERTIFIED ACCOUNTANT

Vitor Manuel Domingues dos Santos

Pedro Miguel Galante Antunes Paiva

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

INDIVIDUAL INCOME STATEMENT BY NATURE  
Period ended on 31 December 2022

		Monetary unit (euros)	
INCOME AND EXPENSES	Notes	2022	2021
Sales and services rendered	25	111,204,866	66,889,972
Operating grants	26	10,639,940	38,044,153
Gains/losses in subsidiaries, associates and joint ventures	27	(8,412,170)	(4,601,985)
Own work capitalised	6.1 & 7	6,123,475	5,825,053
Cost of goods sold and materials consumed	12	(2,699,970)	(2,530,223)
External supplies and services	28	(37,318,592)	(32,717,165)
Personnel expenses	29	(86,761,225)	(82,773,918)
Impairment of debt receivables (losses/reversals)	13 & 15	(488,306)	1,213
Provisions (increases / decreases)	19	(1,924,513)	40,500
Impairment of depreciable/amortizable investments (losses/reversals)	11	(1,000,000)	-
Fair value increases/decreases	4.11 & 11	19,018,278	24,005,699
Other income	30	6,156,845	7,017,606
Other expenses	31	(2,269,945)	(3,053,133)
<b>Profit before interest, taxes, depreciation and amortization</b>		<b>12,268,684</b>	<b>16,147,772</b>
		-	-
Depreciation and amortization expenses/reversals	7 to 9	(14,747,705)	(14,995,928)
Impairment of depreciable/amortizable investments (losses/reversals)	7 to 9	1,513,242	1,187,407
<b>Operating Income (before interest and taxes)</b>		<b>(965,779)</b>	<b>2,339,251</b>
		-	-
Interest and similar expenses incurred	32	(20,151,301)	(25,234,460)
<b>Profit before taxes</b>		<b>(21,117,081)</b>	<b>(22,895,209)</b>
		-	-
Income tax for the period	33	(18,319)	(5,361)
<b>Net income for the period</b>		<b>(21,135,400)</b>	<b>(22,900,570)</b>

## THE BOARD OF DIRECTORS

## THE CERTIFIED ACCOUNTANT

Vitor Manuel Domingues dos Santos

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Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

**INDIVIDUAL STATEMENT OF CHANGES IN EQUITY**  
**PERIODS ENDED ON 31 DECEMBER 2021 AND 31 DECEMBER 2022**

		Monetary unit (euros)								
	Notes	subscribed 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 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
<b>Changes in the period</b>										
Appropriation of the net income for the period ended on 31 December 2020					(57,131,391)			57,131,391	-	-
Defined benefit plan - actuarial gains and losses							(1,612,620)		(1,612,620)	(1,612,620)
Other changes recognised in equity							26,898,049		26,898,049	26,898,049
		-	-	-	(57,131,391)	-	25,285,429	57,131,391	25,285,429	25,285,429
<b>Net income for the period ended on 31 December 2021</b>								(22,900,570)	(22,900,570)	(22,900,570)
<b>Comprehensive income</b>								2,384,859	2,384,859	2,384,859
<b>Transactions with equity holders in the period</b>										
Capital subscriptions		253,904,909							253,904,909	253,904,909
		253,904,909	-	-	-	-	-	-	253,904,909	253,904,909
<b>Position as at 31 December 2021</b>		<b>3,667,903,891</b>	<b>21,597</b>	<b>1,501,878</b>	<b>(1,940,806,395)</b>	<b>37,234,076</b>	<b>18,104,175</b>	<b>(22,900,570)</b>	<b>1,761,058,651</b>	<b>1,761,058,651</b>
Position as at 1 January 2022		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
<b>Changes in the period</b>										
Appropriation of the net income for the period ended on 31 December 2021	18				(22,900,570)			22,900,570	-	-
Defined benefit plan - actuarial gains and losses	21						24,169,693		24,169,693	24,169,693
Other changes recognised in equity	18						(877,473)		(877,473)	(877,473)
		-	-	-	(22,900,570)	-	23,292,220	22,900,570	23,292,220	23,292,220
<b>Net income for the period ended on 31 December 2022</b>								(21,135,400)	(21,135,400)	(21,135,400)
<b>Comprehensive income</b>								2,156,820	2,156,820	2,156,820
<b>Transactions with equity holders in the period</b>										
Capital subscriptions	18	181,390,745							181,390,745	181,390,745
		181,390,745	-	-	-	-	-	-	181,390,745	181,390,745
<b>Position as at 31 December 2022</b>		<b>3,849,294,636</b>	<b>21,597</b>	<b>1,501,878</b>	<b>(1,963,706,965)</b>	<b>37,234,076</b>	<b>41,396,395</b>	<b>(21,135,400)</b>	<b>1,944,606,216</b>	<b>1,944,606,216</b>

**THE BOARD OF DIRECTORS**

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

**THE CERTIFIED ACCOUNTANT**

Pedro Miguel Galante Antunes Paiva

INDIVIDUAL STATEMENT OF CASH FLOWS  
PERIOD ENDED IN DECEMBER 2022

Monetary unit (euros)

	Notes	2022	2021
<b>Cash flows from operating activities</b>			
Revenues from customers		134,861,112	80,429,312
Payments to suppliers		(51,105,037)	(46,919,571)
Payments to personnel		(86,890,138)	(85,286,826)
<b>Cash generated by operations</b>		<b>(3,134,063)</b>	<b>(51,777,085)</b>
Revenues from 'Support for restoring the supply of public transport'		20,103,300	31,088,003
Tax payment/revenue		2,677,838	1,444,924
Other revenues/payments		(8,581,072)	1,953,907
<b>Cash flows from operating activities [1]</b>		<b>11,066,003</b>	<b>(17,290,251)</b>
<b>Cash flows from investing activities</b>			
<b>Revenues from:</b>			
Financial investments		88,798	799,150
Investment grants		72,597,018	153,517,599
<b>Payments related to:</b>			
Property, plant and equipment		(103,843,181)	(149,927,612)
Intangible assets		(1,386,595)	(826,300)
Financial investments		(1,000,000)	-
<b>Cash flows from investing activities [2]</b>		<b>(33,543,960)</b>	<b>3,562,837</b>
<b>Cash flows from financing activities</b>			
<b>Revenues from:</b>			
Loans obtained		35,197,631	119,187,522
Capital increases and other equity instruments		181,390,745	253,904,909
<b>Payments related to:</b>			
Loans obtained		(80,962,515)	(139,863,958)
Interest and similar expenses		(75,697,764)	(141,972,295)
<b>Cash flows from financing activities [3]</b>		<b>59,928,097</b>	<b>91,256,178</b>
<b>Variation of cash and cash equivalents [4]=[1]+[2]+[3]</b>		<b>37,450,141</b>	<b>77,528,764</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>124,800,233</b>	<b>47,271,470</b>
<b>Cash and cash equivalents at the end of the period</b>	17	<b>162,250,374</b>	<b>124,800,233</b>

THE BOARD OF DIRECTORS

THE CERTIFIED ACCOUNTANT

Vitor Manuel Domingues dos Santos

Pedro Miguel Galante Antunes Paiva

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

**NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022****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.

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 20 June 2023, 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 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 2022 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, where note should be made of the restatement made in the balance sheet disclosed in Note 5.

### 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 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 established 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 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 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;
- Research and development and installation expenses allocated to the LTI activity;
- 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 financial costs directly borne with the agreed financing for long-term infrastructure 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 capitalised 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 obtained 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 “long-term infrastructure” 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 obtained to finance the LTI, which are recognized in liabilities at fair value, if their fair value is negative;
- The provisions for legal proceedings underway related to LTI activity.

Expenses related to maintenance and repair are recorded in the income statement of the period 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 cost, net of accumulated depreciation and impairment losses, 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 estimate of expenses related to asset decommissioning and removal, as well as the restoration of their corresponding installation/operation sites, expected to be incurred by the Company.

The residual values of the assets and their useful lives are reviewed and adjusted on the reporting date. In the event of changes to useful lives, they are treated as an accounting estimate change and applied prospectively.

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

Scheduled maintenance expenses are considered a component of the acquisition cost of the property, plant and equipment, being fully depreciated up to the established date of the next maintenance. All other expenditure related to repair and maintenance are recognized as an expense in the period when they occur.

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, when applicable, and the asset's net carrying value, being recognized in profit or loss like other income/expenses.

#### 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.

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

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 capitalised 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 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 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.

#### 4.9. BORROWING COSTS

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

Financial costs related to loans obtained directly associated with asset acquisition and construction are capitalised, 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 obtained 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

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 obtained

Loans obtained 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 obtained'. The interest incurred and not yet paid is evidenced 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 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 NCRF 27 – Financial Instruments.

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

Financial assets	Notes	31 December 2022		31 December 2021	
		Fair value	Amortized cost	Fair value	Amortized cost
<b>Non-current</b>					
Other financial assets	11	55,304,221	-	52,218,573	-
		<b>55,304,221</b>	<b>-</b>	<b>52,218,573</b>	<b>-</b>
<b>Current</b>					
Customers	13	-	1,471,506	-	2,059,472
State and other public entities	14	-	3,229,117	-	7,891,979
Other credit receivable	15	-	5,695,142	-	16,308,269
Cash and bank deposits	17	-	162,250,374	-	124,800,233
		-	<b>172,646,139</b>	-	<b>151,059,953</b>
		<b>55,304,221</b>	<b>172,646,139</b>	<b>52,218,573</b>	<b>151,059,953</b>

Financial Liabilities	Notes	2022		2021	
		Fair value	Amortized cost	Fair value	Amortized cost
<b>Non-current</b>					
Loans obtained	20	-	122,633,400	-	144,565,037
Other financial liabilities		-	-	19,263,628	-
		-	<b>122,633,400</b>	<b>19,263,628</b>	<b>144,565,037</b>
<b>Current</b>					
Suppliers	22	-	1,214,936	-	1,177,892
State and other public entities	14	-	3,368,482	-	3,254,811
Loans obtained	20	-	700,579,038	-	659,648,495
Other debts payable	23	-	66,935,990	-	56,555,754
		-	<b>772,098,445</b>	-	<b>720,636,952</b>
		-	<b>894,731,845</b>	<b>19,263,628</b>	<b>865,201,989</b>

#### 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 obtained'.

#### 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 offset. 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 reporting 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 reporting 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 2022. 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 system in force in Lisbon Metropolitan Area (AML) is defined in Regulation no. 278-A/2019 of 27 March, in its current wording, which stipulates the rules for calculating the financial compensations payable to the operators for compliance with public service obligations.

Decree-Law no. 14-C/2020 of 7 April, in its current wording, which establishes the definition of procedures to allocate funds and compensations to essential transport operators, in the context of the COVID-19 pandemic, will remain in force up to 31 December 2023.

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

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.

#### 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 rate	Final rate	Average rate	Final rate
		2022	31/12/2022	2021	31/12/2021
United States of America	USD	1.05	1.07	1.18	1.13
United Kingdom	GBP	0.85	0.89	0.86	0.84

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 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 30 December 2022, would give rise to, respectively, an increase of 7.7 million euros or a decrease of 25 million 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 adjusted 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 REPORTING DATE

Events occurred after the reporting date which provide additional information about the existing conditions on the reporting 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. RESTATEMENT OF COMPARATIVE INFORMATION

As provided in the Basis for the Presentation of the Financial Statement (BADF), in paragraph 2 of the Annex to the Portuguese Accounting Standardization System, "items of a dissimilar nature or function must be presented separately, unless they are immaterial". Thus, the following comparative quantities were restated in the balance sheet:

Balance Sheet	31-dez-2021	31-dez-2021
	Restated	Published
<b>Current liabilities</b>		
Other debts payable	56,555,754	59,576,911
Deferrals	3,021,157	-

#### 6. 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-dez-2022	31-dez-2021
<b>Non-current assets</b>			
Property, plant and equipment	6.1	3,265,196,740	3,214,911,914
Investment property	6.2	1,804,209	1,804,209
Intangible assets	6.3	7,431,955	7,356,629
Other financial assets	6.4	586,759	14,556,063
Account receivable from the State	6.5	3,180,829,583	3,212,263,064
Grants	6.6	(1,086,546,493)	(1,050,348,548)
		<b>5,369,302,753</b>	<b>5,400,543,332</b>
<b>Total Assets</b>		<b>5,369,302,753</b>	<b>5,400,543,332</b>
<b>Non-current liabilities</b>			
Provisions	6.7	6,022,500	8,590,197
Loans obtained	6.8	1,521,650,426	1,604,823,112
Other financial liabilities	6.4	17,238,733	116,960,782
		<b>1,544,911,659</b>	<b>1,730,374,092</b>
<b>Current liabilities</b>			
Loans obtained	6.8	1,016,040,706	997,631,809
Suppliers	6.9	353,083	3,514,041
Other debts payable	6.10	199,790,282	167,933,090
		<b>1,216,184,071</b>	<b>1,169,078,940</b>
<b>Total liabilities</b>		<b>2,761,095,729</b>	<b>2,899,453,031</b>
<b>Total net LTI</b>		<b>2,608,207,024</b>	<b>2,501,090,300</b>

## 6.1. PROPERTY, PLANT AND EQUIPMENT

	31 December 2022					
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances on account of property, plant and equipment in progress	Total
<b>Assets</b>						
Opening balance	13,511,055	2,672,787,632	462,141,178	47,042,320	20,247,455	3,215,729,639
Acquisitions	-	662,832	783,597	59,937,585	(1,447)	61,382,567
Disposals	-	-	-	-	-	-
Transfers	-	1,772,167	6,161,435	(7,933,603)	(11,215,731)	(11,215,731)
Write-offs	-	-	(4,883)	-	-	(4,883)
<b>Closing balance</b>	<b>13,511,055</b>	<b>2,675,222,631</b>	<b>469,081,327</b>	<b>99,046,302</b>	<b>9,030,278</b>	<b>3,265,891,592</b>
<b>Impairment losses</b>						
Opening balance	-	817,725	-	-	-	817,725
Increases	-	-	-	-	-	-
Reversals	-	(122,874)	-	-	-	(122,874)
<b>Closing balance</b>	<b>-</b>	<b>694,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>694,852</b>
<b>Total net property, plant and equipment</b>	<b>13,511,055</b>	<b>2,674,527,779</b>	<b>469,081,327</b>	<b>99,046,302</b>	<b>9,030,278</b>	<b>3,265,196,740</b>

	31 December 2021					
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances on account of property, plant and equipment in progress	Total
<b>Assets</b>						
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)
<b>Closing balance</b>	<b>13,511,055</b>	<b>2,672,787,632</b>	<b>462,141,178</b>	<b>47,042,320</b>	<b>20,247,455</b>	<b>3,215,729,639</b>
<b>Impairment losses</b>						
Opening balance	-	780,032	-	-	-	780,032
Increases	-	37,693	-	-	-	37,693
Reversals	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>817,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>817,725</b>
<b>Total net property, plant and equipment</b>	<b>13,511,055</b>	<b>2,671,969,906</b>	<b>462,141,178</b>	<b>47,042,320</b>	<b>20,247,455</b>	<b>3,214,911,914</b>

The additions occurred in the year ended on 31 December 2022 in the sub-item 'Property, plant and equipment in progress', amounting to 59,937,585 euros, essentially refer to the Circle Line venture (53,384,639 euros) and to the pursuit of the "Accessibility and Mobility for All" project (2,394,814 euros).

The transfers occurred in the year ended on 31 December 2022 in the sub-item 'Property, plant and equipment in progress', of the value of 7,933,603 euros, primarily refer to the recognition, under property, plant and equipment, of the "Accessibility and Mobility for All" intervention at Cidade Universitária station (1,976,808 euros) and Entre Campos station (1,517,287 euros), and the replacement of track on the Praça de Espanha/ São Sebastião section of the Blue Line (1,923,318 euros).

The transfers occurred in the year ended on 31 December 2022 under the item 'Advances on account of property, plant and equipment in progress, amounting to 11,215,731 euros, essentially refer to the settlement of advances granted under the Circle Line venture (10,747,609 euros).

During the years ended on 31 December 2022 and 2021, department expenses were capitalised in the cost of property, plant and equipment amounting to 5,967,890 euros and 5,738,784 euros, respectively.

## 6.2. INVESTMENT PROPERTY

	31 December 2022				31 December 2021					
	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value
Praça Marechal Humberto Delgado	1,804,209	-	-	1,804,209	7,545,202	1,804,209	-	-	1,804,209	7,545,202
	<b>1,804,209</b>			<b>1,804,209</b>	<b>7,545,202</b>	<b>1,804,209</b>			<b>1,804,209</b>	<b>7,545,202</b>

ML decided not to request assessment in 2022 for the Depot and Workshops (PMO I) of Sete Rios, located at Praça Marechal Humberto Delgado; hence, its indicated market value refers to an assessment made as at 31 December 2021.

## 6.3. INTANGIBLE ASSETS

	31 December 2022			
	Research and development costs	Set-up costs	Intangible assets in progress	Total
<b>Assets</b>				
Opening balance	5,138,543	2,019,827	198,259	7,356,629
Acquisitions	-	-	75,326	75,326
Transfers	-	-	-	-
Closing balance	<b>5,138,543</b>	<b>2,019,827</b>	<b>273,585</b>	<b>7,431,955</b>
<b>Total intangible assets (LTI)</b>	<b>5,138,543</b>	<b>2,019,827</b>	<b>273,585</b>	<b>7,431,955</b>

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

## 6.4. OTHER FINANCIAL ASSETS AND LIABILITIES

This item includes interest rate swaps related to loans obtained 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-Dec-2022	31-Dec-2021
40#METLIS CGDBI Jun2022	CGDBI	15/06/2022	12,545,916	5,913,283	-	50,000
66#METLIS CGDBI Dec2022	CGDBI	04/12/2026	100,000,000	100,000,000	586,759	14,506,063
					<b>586,759</b>	<b>14,556,063</b>

## Other financial liabilities

Swap	Entity	Maturity	Original notional	Current notional	Fair value	
					31-Dec-2022	31-Dec-2021
32#METLIS BSN Jun2022	BSN	15/06/2022	40,000,000	14,666,667	-	353,604
38#METLIS BSN Jun2022	BSN	15/06/2022	4,280,559	11,826,567	-	10,869,952
52#METLIS BSN Jul2024	BSN	22/07/2024	100,000,000	100,000,000	4,692,373	14,904,060
58#METLIS ML Dec2026	ML	04/12/2026	30,000,000	30,000,000	6,107,266	45,711,032
59#METLIS CGD Dec2026	CGD	04/12/2026	30,000,000	30,000,000	6,439,094	45,122,134
					<b>17,238,733</b>	<b>116,960,782</b>

**6.5. 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-Dec-2022	31-Dec-2021
Adjusted opening balance in NCRF transition	289,555,301	289,555,301
Interest, guarantee fee and stamp duty	2,844,293,877	2,787,190,643
Issuance costs	20,230,150	20,230,150
Derivative financial instruments	16,651,974	102,404,719
External supplies and services	2,563,836	2,563,836
Provisions	10,334,809	10,954,197
Impairment losses in property, plant and equipment	694,852	817,725
Impairment losses in debts receivable	-	2,041,708
Land disposal	(3,495,216)	(3,495,216)
	<b>3,180,829,583</b>	<b>3,212,263,064</b>

**Adjusted opening balance in NCRF transition**

The financial costs borne with LTI which could not be potentially capitalised up to 31 December 2008 were recognized in the income statement. During the transition to the Portuguese Accounting Standards for Financial Reporting (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.

**6.6. GRANTS**

	31-Dec-2022	31-Dec-2021
ERDF	(229,464,397)	(229,464,397)
PIDDAC	(185,439,717)	(184,639,717)
Cohesion Fund	(448,286,520)	(418,469,502)
Environmental Fund	(18,790,463)	(13,209,536)
Miscellaneous grants	(204,565,396)	(204,565,396)
	<b>(1,086,546,493)</b>	<b>(1,050,348,548)</b>

## 6.7. PROVISIONS

This item includes the movements (creation/use/reversal) of provisions for pending legal proceedings related to LTI activity.

## 6.8. LOANS OBTAINED

	Funding entity	31 December 2022				31 December 2021			
		Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
<b>Debenture loans:</b>									
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
<b>Bank loans:</b>									
ML I/3B	EIB	74,819,685	-	-	-	74,819,685	10,630,313	-	10,630,313
ML II/C	EIB	54,867,769	-	-	-	54,867,769	1,828,926	-	1,828,926
ML V/C	EIB	68,503,276	-	-	-	80,000,000	68,503,276	-	68,503,276
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	14,298,503	2,859,701	17,158,204	17,158,204	11,438,803	5,719,401	17,158,204
LT Loan 421.97 MEUR	DGTF (part)	262,008,399	174,672,266	87,336,133	262,008,399	262,008,399	131,004,199	131,004,199	262,008,399
LT Loan 131.88 MEUR	DGTF (part)	108,328,053	54,164,026	54,164,026	108,328,053	108,328,053	36,109,351	72,218,702	108,328,053
LT Loan 154.51 MEUR	DGTF (part)	137,118,041	45,706,014	91,412,027	137,118,041	137,118,041	22,853,007	114,265,034	137,118,041
LT Loan 100.86 MEUR	DGTF (part)	71,615,776	11,935,963	59,679,813	71,615,776	71,615,776	-	71,615,776	71,615,776
LT Loan 35.19 MEUR	DGTF (part)	16,198,725	-	16,198,725	16,198,725	-	-	-	-
		-	1,016,040,706	311,650,426	1,327,691,131	-	997,631,809	394,823,112	1,392,454,921
<b>Other loans received:</b>									
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
<b>Total loans received</b>		-	1,016,040,706	1,521,650,426	2,537,691,131	-	997,631,809	1,604,823,112	2,602,454,921

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 issue was listed on the Frankfurt Stock Exchange.

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 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 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 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 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 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 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.

During the financial year ended on 31 December 2022, the Company entered into a loan agreement of 35,197,630.96 euros with the DGTF, of which 16,198,725.21 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 2024.

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 Secretary of State for Treasury Order no. 174/2023-SET of 9 May, and Minister of Finance Order no. 130/2023-MF of 6 June, with deferral to 31 May 2023.

As at 31 December 2022, loans classified as non-current have the following repayment plan:

<b>Year</b>	<b>Value</b>
2024	402,071,200
2025	209,211,499
2026	455,543,432
2027 and following	454,824,295
	<b>1,521,650,426</b>

As at 31 December 2022, the loans obtained 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 31-12-2022 (€)	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
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
<b>TOTAL</b>	<b>1,210,000,000</b>									

## 6.9. SUPPLIERS

The item 'Suppliers' primarily consists of current debts generated by the network expansion and modernization/refurbishment works.

## 6.10. 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.

## 7. PROPERTY, PLANT AND EQUIPMENT

31 December 2022									
	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 on account of property, plant and equipment in progress	Total
<b>Assets</b>									
Opening balance	20,967,185	216,641,104	516,727,276	129,208	23,025,175	4,204,349	11,704,718	22,085,600	815,484,614
Acquisitions	-	17,047	669,207	-	339,878	51,910	20,485,313	(7,285)	21,556,070
Disposals	-	-	-	-	(1,091)	-	-	-	(1,091)
Transfers	-	484,430	2,493,476	-	-	-	(2,977,906)	(16,820,276)	(16,820,276)
Write-offs	-	-	(1,727,955)	-	(58,520)	(2,066)	-	-	(1,788,541)
<b>Closing balance</b>	<b>20,967,185</b>	<b>217,142,581</b>	<b>518,162,004</b>	<b>129,208</b>	<b>23,305,442</b>	<b>4,254,193</b>	<b>29,212,124</b>	<b>5,258,039</b>	<b>818,430,776</b>
<b>Accumulated depreciation</b>									
Opening balance	-	(208,853,063)	(462,769,313)	(129,208)	(22,040,238)	(3,341,546)	-	-	(697,133,367)
Depreciation of the period	-	(320,710)	(13,028,215)	-	(335,991)	(62,240)	-	-	(13,747,157)
Disposals	-	-	-	-	1,091	-	-	-	1,091
Transfers	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1,353,893	-	58,494	2,066	-	-	1,414,453
<b>Closing balance</b>	<b>-</b>	<b>(209,173,773)</b>	<b>(474,443,635)</b>	<b>(129,208)</b>	<b>(22,316,644)</b>	<b>(3,401,720)</b>	<b>-</b>	<b>-</b>	<b>(709,464,981)</b>
<b>Impairment losses</b>									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>20,967,185</b>	<b>7,968,808</b>	<b>43,718,369</b>	<b>-</b>	<b>988,798</b>	<b>852,473</b>	<b>29,212,124</b>	<b>5,258,039</b>	<b>108,965,796</b>

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 on account of property, plant and equipment in progress	Total
<b>Assets</b>									
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	19,787,348	-	45,079	(17,305,193)	(2,758,056)	(8,462,954)	(8,462,954)
Write-offs	-	-	(1,883,069)	-	(104,017)	(9,618)	-	-	(1,996,705)
<b>Closing balance</b>	<b>20,967,185</b>	<b>216,641,104</b>	<b>516,727,276</b>	<b>129,208</b>	<b>23,025,175</b>	<b>4,204,349</b>	<b>11,704,718</b>	<b>22,085,600</b>	<b>815,484,614</b>
<b>Accumulated depreciation</b>									
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	-	-	(13,042,161)	-	-	13,042,161	-	-	-
Write-offs	-	-	1,609,305	-	103,800	9,568	-	-	1,722,674
<b>Closing balance</b>	<b>-</b>	<b>(208,853,063)</b>	<b>(462,769,313)</b>	<b>(129,208)</b>	<b>(22,040,238)</b>	<b>(3,341,546)</b>	<b>-</b>	<b>-</b>	<b>(697,133,367)</b>
<b>Impairment losses</b>									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>20,967,185</b>	<b>7,788,041</b>	<b>53,957,963</b>	<b>-</b>	<b>984,937</b>	<b>862,803</b>	<b>11,704,718</b>	<b>22,085,600</b>	<b>118,351,247</b>

The additions occurred in the year ended on 31 December 2022 under the sub-item 'Property, plant and equipment in progress', amounting to 20,485,313 euros, essentially refer to the acquisition of 14 Triple Units (16,802,999 euros) and to the intervention in the doors of the operating rolling stock (2,356,484 euros).

The additions occurred in the year ended on 31 December 2022 under the sub-item 'Property, plant and equipment in progress', amounting to 2,977,906 euros, essentially refer to the recognition of the investment in triple units in which the intervention in the doors of the operating rolling stock was completed (1,878,452 euros).

The transfers occurred in the year ended on 31 December 2022 under the item 'Advances on account of property, plant and equipment in progress', amounting to 16,820,276 euros, essentially refer to the settlement of advances granted under the acquisition of 14 Triple Units (16,802,999 euros).

The write-offs occurred in the year ended on 31 December 2022 under the item 'Basic equipment', amounting to 1,727,955 euros, essentially refer to the derecognition of the replacement of seats (860,014 euros) and elements replaced in the intervention in the doors (507,649 euros), both of the operating rolling stock.

During the years ended on 31 December 2022 and 2021, department expenses were capitalised in the cost of property, plant and equipment amounting to 84,535 euros and 68,910 euros, respectively.

## 8. INVESTMENT PROPERTY

	31 December 2022					31 December 2021				
	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	22,098,320	10,428,163	872,578	10,797,579	11,308,800	22,094,744	9,986,185	2,385,820	9,722,739	10,155,500
Praça Marechal Humberto Delgado	22,309,373	18,692,265	-	3,617,108	93,297,798	22,309,373	18,678,818	-	3,630,555	93,297,798
	<b>44,407,693</b>	<b>29,120,428</b>	<b>872,578</b>	<b>14,414,687</b>	<b>104,606,598</b>	<b>44,404,117</b>	<b>28,665,003</b>	<b>2,385,820</b>	<b>13,353,294</b>	<b>103,453,298</b>

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 mentioned in Note 6.2, the market value indicated in 2022 for the Depot and Workshops (PMO I) of Sete Rios, located in Praça Marechal Humberto Delgado, refers to the assessment as at 31 December 2021.

As at 31 December 2022 and 2021, the following income and expenses related to investment property were recognized through profit or loss:

	31 December 2022				31 December 2021			
	Rent income (Note 31)	Direct expenses	Depreciation of the period	Net	Rent income (Note 31)	Direct expenses	Depreciation of the period	Net
Properties leased to third parties	579,911	142,489	441,978	(4,555)	579,860	143,620	441,930	(5,689)
Praça Marechal Humberto Delgado	-	129,655	13,447	(143,102)	-	358,644	13,645	(372,289)
	<b>579,911</b>	<b>272,144</b>	<b>455,425</b>	<b>(147,658)</b>	<b>579,860</b>	<b>502,264</b>	<b>455,575</b>	<b>(377,979)</b>

## 9. INTANGIBLE ASSETS

	31 December 2022			31 December 2021		
	Industrial property and other rights	Intangible assets in progress	Total	Industrial property and other rights	Intangible assets in progress	Total
<b>Assets</b>						
Opening balance	3,097,339	-	3,097,339	2,799,477	2,400	2,801,877
Acquisitions	1,127,627	-	1,127,627	213,251	82,210	295,461
Transfers	-	-	-	84,610	(84,610)	-
<b>Closing balance</b>	<b>4,224,966</b>	<b>-</b>	<b>4,224,966</b>	<b>3,097,339</b>	<b>-</b>	<b>3,097,339</b>
<b>Accumulated depreciati</b>						
Opening balance	(1,375,870)	-	(1,375,870)	(971,452)	-	(971,452)
Amortization of the period	(545,123)	-	(545,123)	(404,417)	-	(404,417)
Transfers	-	-	-	-	-	-
<b>Closing balance</b>	<b>(1,920,993)</b>	<b>-</b>	<b>(1,920,993)</b>	<b>(1,375,870)</b>	<b>-</b>	<b>(1,375,870)</b>
	<b>2,303,973</b>	<b>-</b>	<b>2,303,973</b>	<b>1,721,469</b>	<b>-</b>	<b>1,721,469</b>

The additions occurred in the year ended on 31 December 2022 under the sub-item 'Industrial property and other rights', amounting to 1,127,627 euros, essentially refer to the acquisition of Microsoft software licenses (625,523 euros) and the implementation of new functionalities of the PLAGO system (400,000 euros).

## 10. FINANCIAL INTERESTS

	31 December 2022					
	Assets	Liabilities	Equity	Net Income	Holding	Financial investment
<b>Subsidiaries</b>						
Ferconsult	411,255	1,664,373	(1,253,118)	(233,750)	100%	- (a)
Metrocom	3,923,171	583,515	3,339,656	118,369	100%	3,339,656.00
TREM	45,996	49,734,200	(49,688,204)	(3,212)	90%	23,645,129.00 (b)
TREM II	67,841	105,294,777	(105,226,936)	2,040,092	90%	60,143,434.00 (c)
<b>Associates</b>	-	-	-	-		-
Publmetro	3,272,136	3,201,397	70,739	98,926	40%	28,296
<b>Joint ventures</b>	-	-	-	-		-
OTLIS (under liquidation)	-	-	-	-	-	- (d)
Ensitrans	153,044	167,584	(14,540)	(14,540)	5%	- (a)
						<b>87,156,515</b>

	31 December 2021					
	Assets	Liabilities	Equity	Net Income	Holding	Financial investment
<b>Subsidiaries</b>						
Ferconsult	645,036	1,664,403	(1,019,367)	74,663	100%	-
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
TREM II	1,338,969	108,605,997	(107,267,028)	4,879,240	90%	12,362,602
<b>Associates</b>	-	-	-	-		-
Publmetro	3,642,687	3,670,874	(28,186)	559,048	40%	-
<b>Joint ventures</b>	-	-	-	-		-
OTLIS (under liquidation)	6,225,526	510,430	5,715,096	5,433,696	14.29%	90,211
Ensitrans	183,593	195,573	(11,980)	(11,980)	5%	-
						<b>42,655,774</b>

**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 50 million euros relative to ML's refunding as guarantor of TREM bonds, of the last instalment of the loan agreement concluded by ACE with bank entities, 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 105 million euros relative to ML's refunding as guarantor of TREM II bonds, of the last instalments of the loan agreement (first and second tranche) concluded by ACE with bank entities, and of the standardization of the financial statements of TREM II with the Group's accounting policies, namely concerning depreciation of the rolling stock recorded in its assets on a straight-line basis.
- (d) Liquidation closed on 27 April 2022.

## 11. OTHER FINANCIAL ASSETS

	31-Dec-2022	31-Dec-2021
<b>Bank of America Leasing &amp; Capital, LCC – Collateral</b>		
Opening balance	31,535,674	29,096,203
Change in fair value	177,628	11,791
Exchange rate differences	1,951,392	2,427,681
Closing balance	33,664,694	31,535,674
<b>Wilmington Trust – Collateral</b>		
Opening balance	20,677,410	24,966,310
Disbursement	-	(5,809,761)
Change in fair value	(422,941)	(106,395)
Exchange rate differences	1,279,495	1,627,257
Closing balance	21,533,964	20,677,410
<b>Investments in other companies</b>		
Opening balance	-	-
CCF equity share	1,000,000	-
Impairment losses	(1,000,000)	-
Closing balance	-	-
<b>Work Compensation Fund</b>		
Opening balance	5,489	2,767
Increases	100,111	2,722
Change in fair value	(36)	-
Closing balance	105,564	5,489
<b>Total</b>	<b>55,304,221</b>	<b>52,218,573</b>

As a result of the downgrades in the Company's rating, 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.

Following the constitution of the Railway Skill Centre (CCF) Association, and as established in Council of Ministers Resolution no. 99/2021 of 27 July, ML made an investment of 1 million euros in 2022 related to its financial interest in that association. After analysis, and taking into account the object and legal nature of the association, it is considered unlikely that ML will recover the investment in question; hence, it recognized an impairment loss of the entire amount invested.

## 12. INVENTORIES

	31 December 2022			31 December 2021		
	Gross value	Impairment losses	Net Value	Gross value	Impairment losses	Net Value
<b>Raw, subsidiary and consumable materials</b>						
Materials	9,110,269	-	9,110,269	8,468,130	-	8,468,130
Tools	34,592	-	34,592	35,390	-	35,390
Cleaning products	102,024	-	102,024	83,518	-	83,518
Office material	65,750	-	65,750	57,916	-	57,916
Fuel	25,157	-	25,157	14,996	-	14,996
Tickets and passes	182,495	-	182,495	766,954	-	766,954
Other materials	254,216	-	254,216	308,281	-	308,281
Promotional articles/publications	37,089	-	37,089	36,213	-	36,213
	<b>9,811,593</b>	<b>-</b>	<b>9,811,593</b>	<b>9,771,398</b>	<b>-</b>	<b>9,771,398</b>

Cost of goods sold and materials consumed	Raw, subsidiary and consumable materials	
	2022	2021
Opening balance	9,771,398	10,836,101
Purchases	2,906,112	1,614,634
Adjustments	(165,946)	(149,114)
Closing balance	9,811,593	9,771,398
	<b>2,699,970</b>	<b>2,530,223</b>

## 13. CUSTOMERS

	31-Dec-2022	31-Dec-2021
Publimetro	1,153,695	1,275,503
Ar Telecom	463,383	463,383
Associação de Turismo de Lisboa	127,731	217,534
Lisbon City Council	105,095	105,095
Loures City Council	-	218,562
Other	414,712	558,252
	<b>2,264,615</b>	<b>2,838,329</b>
Impairment losses	(793,109)	(778,856)
	<b>1,471,506</b>	<b>2,059,472</b>

Impairment losses - customers	31-Dec-2022	31-Dec-2021
Opening balance	(778,856)	(765,621)
Increases	(15,210)	(13,666)
Reversals	622	-
Uses	336	431
Closing balance	(793,109)	(778,856)

## 14. STATE AND OTHER PUBLIC ENTITIES

	31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Corporate income tax	2,401,106	125	2,809,000	250
Personal income tax	5,706	1,230,810	21,667	1,141,311
Value added tax	822,305	-	5,061,311	86,727
Social Security contributions	-	1,635,039	-	1,523,892
Other taxes	-	502,508	-	502,632
	<b>3,229,117</b>	<b>3,368,482</b>	<b>7,891,979</b>	<b>3,254,811</b>

## 15. OTHER CREDIT RECEIVABLE

	31-Dec-2022	31-Dec-2021
TREM II - Aluguer de Material Circulante, A.C.E.	105,555,556	52,777,778
TREM - Aluguer de Material Circulante, A.C.E.	50,000,000	50,000,000
Accrued income	2,521,500	12,608,172
Traffic revenues	2,375,543	1,265,279
CP - Comboios de Portugal, E.P.E.	791,670	790,120
Personnel	346,360	502,432
Ferconsult - Consultoria, Estudos e Projectos de Engenharia de Transportes, S.A.	333,296	530,407
Serviços Municipais Transportes Coletivos Barreiro	-	125,159
Other	194,506	880,717
	<b>162,118,431</b>	<b>119,480,063</b>
Impairment losses	(156,423,289)	(103,171,794)
	<b>5,695,142</b>	<b>16,308,269</b>
<b>Impairment losses - other credit receivable</b>	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
Opening balance	(103,171,794)	(50,408,896)
Increases	(53,252,162)	(52,781,129)
Reversals	667	18,230
Uses	-	-
Closing balance	<b>(156,423,289)</b>	<b>(103,171,794)</b>

The increase of 52.8 million euros in the balance 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 2002, 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'.



## 16. DEFERRED ASSETS

	31-Dec-2022	31-Dec-2021
<u>Work carried out on behalf of third parties</u>	<u>30,372,966</u>	<u>30,372,966</u>
Transtejo	22,529,809	22,529,809
Infraestruturas de Portugal	7,208,573	7,208,573
Águas do Tejo Atlântico	634,584	634,584
<u>Lease agreement charges</u>	-	<u>27,787</u>
<u>Other</u>	<u>869,580</u>	<u>1,043,171</u>
	<b>31,242,545</b>	<b>31,443,924</b>
Impairment losses	(634,584)	(634,584)
	<b>30,607,962</b>	<b>30,809,340</b>

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".

## 17. CASH AND CASH EQUIVALENTS

	31-Dec-2022	31-Dec-2021
Cash	24,048	19,827
Sight deposits	107,226,327	124,780,406
Term deposits	55,000,000	-
<b>Cash and bank deposits</b>	<b>162,250,374</b>	<b>124,800,233</b>

Following Minister of Finance Order no. 14343/2022 of 15 December, IGCP, E.P.E. executed, pursuant to Article 101(4) of Decree-Law no. 53/2022 of 12 August, an operation of investment of ML's cash balances in Special Short-term Debt Certificates (CEDIC), amounting to 55 million euros, with maturity on 2 January 2023.

## 18. EQUITY

As at 31 December 2022, the Company's equity, subscribed and paid-up, amounted to 3,849,294,636 euros, being fully held by the Portuguese State.

During the financial year ended on 31 December 2022, capital increases were made of the overall value of 181,390,745 euros.

In line with the proposed appropriation of profits, the net loss for the year 2021, amounting to 22,900,570.01 euros, has been transferred to the item 'Retained earnings'.

The variation recorded in the item 'Adjustments/other changes in equity' is due to the: (i) recognition of 234,862 euros relative to the grant attributed by the Environmental Fund for the "Modernization of Signalling Systems – 1st Phase" project; (ii) actuarial gains in liabilities related to post-employment benefits (Note 21); and (iii) imputation of grants to investment (Note 30).

## 19. PROVISIONS

	31 December 2022				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings underway	670,000	1,464,116	-	-	2,134,116
Coverage of losses					
Ferconsult	1,019,367	233,750	-	-	1,253,118
Publimetro	11,275	-	(11,275)	-	-
Ensitrans	599	727	-	(599)	727
Other provisions	-	460,397	-	-	460,397
	<b>1,701,241</b>	<b>2,158,990</b>	<b>(11,275)</b>	<b>(599)</b>	<b>3,848,358</b>

	31 December 2021				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings underway	710,500	30,000	(70,500)	-	670,000
Coverage of losses					
Ferconsult	1,094,030	-	(74,663)	-	1,019,367
TREM II	38,257,379	-	(38,257,379)	-	-
Publimetro	233,150	-	(221,875)	-	11,275
Ensitrans	18,230	599	-	(18,230)	599
	<b>40,313,289</b>	<b>30,599</b>	<b>(38,624,417)</b>	<b>(18,230)</b>	<b>1,701,241</b>

The variation recorded under the sub-heading 'Legal proceedings underway' is primarily due to the recognition of a provision, amounting to 1.3 million euros, relative to the lawsuit petitioning for the nullity or annullability of ML's resolution that determined the administrative annulment of the award act of the public tender for the sub-concession of its transport system.

A provision was also constituted in 2022, amounting to 460,397 euros, to meet the late payment interest payable to the supplier CJC Engenharia e Projectos, Lda.

## 20. LOANS OBTAINED

	Funding entity	31 December 2022			31 December 2021		
		Value used			Value used		
		Limit	Current	Non-current	Limit	Current	Non-current
<b>Bank loans</b>							
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	12,855,055	2,571,011	15,426,066	10,284,044	5,142,022
LT Loan 421.97 MEUR	DGTF 2018 (part)	159,965,533	106,643,689	53,321,844	159,965,533	79,982,767	79,982,767
LT Loan 131.88 MEUR	DGTF 2019 (part)	23,556,727	11,778,364	11,778,364	23,556,727	7,852,242	15,704,485
LT Loan 154.51 MEUR	DGTF 2020 (part)	17,395,008	5,798,336	11,596,672	17,395,008	2,899,168	14,495,840
LT Loan 100.86 MEUR	DGTF 2021 (part)	29,239,923	4,873,321	24,366,603	29,239,923	-	29,239,923
LT Loan 35.19 MEUR	DGTF 2022 (part)	18,998,906	-	18,998,906	-	-	-
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	-	18,331,823	18,331,823	-
		-	<b>700,579,038</b>	<b>122,633,400</b>	-	<b>659,648,495</b>	<b>144,565,037</b>

Further information regarding loans raised from the DGTF is disclosed in Note 6.8.

The Board of Directors understands that the repayment of its liabilities, notably regarding loans obtained repayable in the short-term, will continue to be performed, notably by obtaining additional funding lines in coordination with its shareholder.

As at 31 December 2022, loans classified as non-current have the following repayment plan:

Year	Value
2024	44,097,027
2025	41,526,016
2026 and following	37,010,356
	<b>122,633,400</b>

## 21. 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 2022, the number of active employees and retirees/pensioners amounted to 954 and 1,336, respectively (967 and 1,336 as at 31 December 2021).

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 2022, 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 2022 and 2021, the current value of the Company's liabilities for its active and retired employees' past services was estimated at:

	31-Dec-2022	31-Dec-2021
Active workers	106,219,984	110,919,404
Retired employees	135,210,380	159,865,278
	<b>241,430,364</b>	<b>270,784,682</b>

The reduction in total liabilities is essentially due to the increase in the yield rate, which shifted from 1.1% to 3%.

The actuarial study reported as at 31 December 2022 was carried out using the 'Projected Unit Credit' method, which took into consideration the following assumptions and technical and actuarial bases:

	31-Dec-2022	31-Dec-2021
<b>Mortality tables</b>		
Male Mortality Table	TV88/90	TV88/90
Female Mortality Table	TV88/90	TV88/90
Disability Tables	EKV80	EKV80
<b>Rates</b>		
Technical Pension Rate	3.00%	1.10%
Wage Growth Rate	3.00%	1.50%
Discount rate	3.00%	1.10%

The evolution in the Company's liabilities related to pensions was as follows:

	31-Dec-2022	31-Dec-2021
Total liabilities at the beginning of the period	270,784,682	274,600,485
Current service costs	3,803,255	3,915,954
Interest costs	2,933,979	2,705,336
Benefits paid in the year	(11,921,859)	(12,049,714)
Actuarial (gains) losses of the year	(24,169,693)	1,612,620
<b>Total liabilities at the end of the period</b>	<b>241,430,364</b>	<b>270,784,682</b>

The cost of current services and the cost of interest for 2022, correspondingly, amounting to 3,803,255 euros and to 2,933,979 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 2022 and 2021 is as follows:

	31-Dec-2022	31-Dec-2021
<b>Other changes in equity</b>		
Opening balance	(45,415,238)	(43,802,617)
Actuarial gain	24,169,693	-
Actuarial loss	-	(1,612,620)
<b>Closing balance</b>	<b>(21,245,545)</b>	<b>(45,415,238)</b>

As at 31 December 2022, the actuarial gains primarily resulted from the rise of discount rates, with this effect having been mitigated by the rise of wage growth and pension rates.

As 31 December 2022, the Company had not established any funds to deal with these liabilities, which are recorded in the balance sheet.

## 22. SUPPLIERS

	31-Dec-2022	31-Dec-2021
CP - Comboios de Portugal, E.P.E.	395,537	70,006
TML - Transportes Metropolitanos de Lisboa, EMT, S.A.	183,225	435,111
TK Elevadores Portugal, Unipessoal, Lda.	79,686	-
FUTRIMETAL - Industria e Comércio de Produtos Metálicos, S.A.	73,800	-
Efacec Energia - Máquinas e Equipamentos Eléctricos, S.A.	38,922	4,170
M.E.S.I. - Manutenção e Serviços Industriais, Lda.	34,555	22,680
Epal - Empresa Portuguesa das Águas Livres, S.A.	33,202	-
Schmitt - Elevadores, Lda.	30,797	-
Eurest (Portugal) - Sociedade Europeia de Restaurantes, Lda.	28,101	22,490
Tecnovia - Sociedade de Empreitadas S.A.	24,640	-
LIMPERSADO - Limpeza, Máquinas e Transportes, S.A.	14,600	57,549
GEOCONTROLE - Geotecnia e Estruturas de Fundação, S.A.	2,337	213,540
Iberdrola Clientes Portugal, Unipessoal, Lda.	-	193,753
Stap - Reparação, Consolidação e Modificação de Estruturas, S.A.	-	68,584
Other	275,535	90,009
	<b>1,214,936</b>	<b>1,177,892</b>

## 23. OTHER DEBTS PAYABLE

	31-Dec-2022	31-Dec-2021
Accrued expenses - Interest payable	29,589,852	28,445,860
Accrued expenses - Remunerations payable	11,359,644	10,130,175
Grants - Environmental Fund	8,260,348	2,441,792
Grants - Recovery and Resilience Plan (PRR)	5,512,000	5,512,000
Investment suppliers	5,430,312	4,496,286
Tickets and passes	2,541,311	1,655,677
Other	4,242,522	3,873,964
	<b>66,935,990</b>	<b>56,555,754</b>

## 24. DEFERRED LIABILITIES

	31-Dec-2022	31-Dec-2021
Income to be recognized - Protocols	2,849,239	2,917,597
Income to be recognized - Compensatory indemnities	1,903,548	-
Income to be recognized - Rents	48,340	48,322
Expenses to be recognized	-	55,238
	<b>4,801,127</b>	<b>3,021,157</b>

**25. SALES AND SERVICES RENDERED**

	2022	2021
Sales	36,083	47,919
Services Rendered		
Tickets	39,039,876	19,141,087
Monthly passes	50,319,213	32,485,054
Cards	3,129,842	1,433,137
Lisboa Viva Personalization	342,553	262,819
AML fare compensation	10,790,373	7,940,398
Financial compensation 4-18, under-23, Social +	3,505,545	3,574,453
Commercial spaces	1,851,923	1,280,628
Advertising operation	1,469,887	149,946
Other	719,573	574,532
	<b>111,204,866</b>	<b>66,889,972</b>

**26. OPERATING GRANTS**

	2022	2021
AML – Support for restoring the supply of public transport	9,050,009	36,718,196
PRR – Alcântara Red Line extension	1,015,734	1,135,080
PRR – Loures–Odivelas Light Surface Metro	448,839	68,125
AEROSOLFD	35,273	-
LIOS – Linha Intermodal Sustentável	33,156	-
Environmental Fund – Rato/Cais do Sodré extension	31,365	94,252
PEES – Economic and Social Stabilization Programme	24,267	-
Environmental Fund – Modernization of Signalling Systems Project (CBTC)	1,297	28,500
	<b>10,639,940</b>	<b>38,044,153</b>

The sum allocated to ML under support to the restoration of supply, of the total value of 9,050,009 euros, stems from the extension of the enforcement of the rules allocating funding and compensations to essential transport operators, in the context of the COVID-19 pandemic, established in Decree–Law no. 14–C/2020 of 7 April, in its current wording.

**27. GAINS/LOSSES IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

	2022	2021
<b>Subsidiaries</b>		
Ferconsult – Consultoria, Estudos e Projectos de Engenharia de Transportes, S.A.	(233,750)	74,663
Metrocom – Exploração de Espaços Comerciais, S.A.	118,369	(24,241)
TREM – Aluguer de Material Circulante, A.C.E.	(3,336,545)	(3,263,010)
TREM II – Aluguer de Material Circulante, A.C.E.	(4,996,945)	(2,157,797)
<b>Associates</b>	-	-
Publimetro – Publicidade em Meios de Transporte e Outros, S.A.	39,570	221,875
<b>Joint ventures</b>	-	-
OTLIS – Operadores de Transportes da Região de Lisboa, A.C.E.	(2,142)	547,124
Ensitrans – Engenharia e Sistemas de Transporte, A.E.I.E.	(727)	(599)
	<b>(8,412,170)</b>	<b>(4,601,985)</b>

**28. EXTERNAL SUPPLIES AND SERVICES**

	2022	2021
Electricity	(13,369,724)	(7,067,753)
Hire and rental charges	(2,408,656)	(5,194,304)
Maintenance and repair	(4,965,780)	(5,041,692)
Cleaning, hygiene and comfort	(4,137,451)	(4,881,108)
Surveillance and security	(6,218,722)	(6,100,436)
Specialized work	(2,455,736)	(1,440,154)
Other	(3,762,523)	(2,991,718)
	<b>(37,318,592)</b>	<b>(32,717,165)</b>

**29. PERSONNEL EXPENSES**

	2022	2021
Remunerations of governing bodies	(274,851)	(276,174)
Remunerations of personnel	(61,787,339)	(59,139,857)
Post-employment benefits	(6,736,393)	(6,625,935)
Charges on remunerations	(14,224,292)	(13,675,211)
Work accident and occupational disease insurance	(1,287,438)	(770,821)
Social action expenses	(1,242,659)	(1,049,103)
Health insurance	(901,095)	(889,393)
Other personnel expenses	(307,159)	(347,426)
	<b>(86,761,225)</b>	<b>(82,773,918)</b>

The average number of employees working at the Company in 2022 was 1,538 (1,513 in 2021). The total number of employees as at 31 December 2022 stood at 1,569 (1,516 in 2021).

**30. OTHER INCOME**

	2022	2021
Favourable exchange rate differences	3,230,981	4,054,938
Investment grants	1,112,335	1,243,100
Corrections relative to previous years	468,820	800,597
Real estate property rents	594,030	600,479
Energy assignment	173,285	84,299
Other	577,394	234,193
	<b>6,156,845</b>	<b>7,017,606</b>

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 (PMO III) and the 17 Triple Unit interim series, the 20 Triple Unit 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.

**31. OTHER EXPENSES**

	2022	2021
Corrections relative to previous years	(970,185)	(1,964,966)
Income tax	(513,091)	(491,884)
Losses in non-financial investments	(378,971)	(368,888)
Inventory losses	(202,919)	(56,621)
Levies	(93,639)	(103,029)
Other	(111,142)	(67,744)
	<b>(2,269,945)</b>	<b>(3,053,133)</b>

**32. INTEREST AND SIMILAR EXPENSES INCURRED**

	2022	2021
Interest-swaps	(18,926,093)	(23,840,096)
Interest-loans obtained	(1,143,992)	(1,195,836)
Other interest	(81,216)	(198,528)
	<b>(20,151,301)</b>	<b>(25,234,460)</b>

**33. INCOME TAX FOR THE PERIOD**

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 2022.

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:



	2022		2021	
	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	2034	41,815,801	2034
Generated in 2021	16,408,154	2035	-	-
	<b>134,799,153</b>		<b>118,390,999</b>	

The reconciliation between the nominal income tax rate and the effective tax rate is as follows:

	2022	2021
<b>Profit before taxes</b>	<b>(21,117,081)</b>	<b>(22,895,209)</b>
Permanent differences	1,531,569	6,487,056
<b>Taxable profit</b>	<b>(19,585,512)</b>	<b>(16,408,154)</b>
Tax losses deducted	-	-
<b>Tax base</b>	<b>-</b>	<b>-</b>
Nominal tax rate	21.00%	21.00%
<b>Tax due</b>	<b>-</b>	<b>-</b>
Autonomous taxation	(18,319)	(5,361)
<b>Income tax</b>	<b>(18,319)</b>	<b>(5,361)</b>
<b>Effective tax rate</b>	<b>-</b>	<b>-</b>

## 34. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

2022	Assets	Liabilities	Income	Expenses
<b>Shareholder</b>				
Portuguese State	-	2,150,903,569	-	-
<b>Subsidiaries</b>				
Ferconsult	333,296	-	-	-
Metrocom	-	-	1,865,938	(6,029)
TREM	-	269,490	-	-
TREM II	-	267,948	-	(2,044,107)
<b>Associates</b>				
Publimetro	1,153,695	-	1,626,892	-
<b>Key management personnel</b>				
Board of Directors	-	-	-	(291,210)
<hr/>				
2021	Assets	Liabilities	Income	Expenses
<b>Shareholder</b>				
Portuguese State	-	2,115,705,938	-	-
<b>Subsidiaries</b>				
Ferconsult	530,407	14,732	-	(1,418)
Metrocom	-	-	1,294,544	(3,670)
TREM	-	275,951	-	-
TREM II	-	285,305	-	(4,845,003)
<b>Associates</b>				
Publimetro	1,275,503	-	852,416	-
<b>Joint ventures</b>				
OTLIS (under liquidation)	-	-	555,161	(17,435)
<b>Key management personnel</b>				
Board of Directors	-	-	-	(285,252)

The transactions recorded with the members of the Board of Directors in 2022 and 2021 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

Entity	Start Date	Beneficiary	2022	2021
			Value	Value
Banco BPI	10/03/2006	ADM&FISCAL COURT.LX-SECTION 2	7,494	7,494
Banco BPI	11/05/2006	FINANCE 4TH TAX DISTRICT	95,482	95,482
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
			<b>556,184</b>	<b>1,316,795</b>

## 36. CONTINGENT LIABILITIES

As at 31 December 2022, there are indemnity claims for damages sent to the Company amounting to 11,049 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. EVENTS OCCURRED AFTER THE REPORTING DATE**

Up to this report's issue date, no information has been received about conditions that existed on the reporting date which could materially affect the Company's financial position and results.

**THE BOARD OF DIRECTORS**

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

**THE CERTIFIED ACCOUNTANT**

Pedro Miguel Galante Antunes Paiva

CONSOLIDATED ACCOUNTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2022

		Monetary unit (euros)	
Items	Notes	31 December 2022	31 December 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Long-term infrastructure investments	5	5,369,302,753	5,400,543,332
Property, plant and equipment	6	192,598,153	212,414,861
Right-of-use assets	7	314,350	240,899
Investment property	8	14,414,687	13,353,294
Intangible assets	9	2,303,973	1,721,469
Financial interests - equity method	10	28,296	90,211
Other financial assets	11	55,304,221	52,218,573
Deferred tax assets		1,799	8,996
<b>Total non-current assets</b>		<b>5,634,268,232</b>	<b>5,680,591,634</b>
<b>Current assets</b>			
Inventories	12	9,811,593	9,771,398
Customers	13	1,534,861	2,398,124
State and other public entities	14	4,098,987	8,600,729
Other credit receivable	15	35,989,188	47,398,324
Cash and bank deposits	16	165,186,156	128,371,394
<b>Total current assets</b>		<b>216,620,785</b>	<b>196,539,968</b>
Total assets in long-term infrastructure investments		5,369,302,753	5,400,543,332
Total assets allocated to the operation		481,586,264	476,588,271
<b>TOTAL ASSETS</b>		<b>5,850,889,017</b>	<b>5,877,131,602</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Subscribed capital	17	3,849,294,636	3,667,903,891
Legal reserves		21,597	21,597
Other reserves		1,501,878	1,501,878
Retained earnings		(1,963,706,965)	(1,940,806,395)
Revaluation surplus		37,234,076	37,234,076
Adjustments / other changes in equity	17	11,636,073	(12,533,620)
		<b>1,935,981,294</b>	<b>1,753,321,427</b>
Net income for the period		(21,138,782)	(22,901,284)
<b>Total equity</b>		<b>1,914,842,512</b>	<b>1,730,420,142</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Long-term infrastructure investments	5	1,544,911,659	1,730,374,092
Provisions	18	3,115,576	959,382
Loans obtained	19	122,633,400	144,565,037
Lease liabilities	7	121,225	98,312
Liabilities due to post-employment benefits	20	241,430,364	270,784,682
Other financial liabilities	21	28,647,987	48,789,088
<b>Total non-current liabilities</b>		<b>1,940,860,210</b>	<b>2,195,570,592</b>
<b>Current liabilities</b>			
Long-term infrastructure investments	5	1,216,184,071	1,169,078,940
Suppliers	22	1,972,522	1,935,236
State and other public entities	14	3,507,656	3,411,610
Loans obtained	19	700,579,038	715,748,370
Lease liabilities	7	196,508	143,301
Other debts payable	23	72,746,501	60,823,411
<b>Total current liabilities</b>		<b>1,995,186,296</b>	<b>1,951,140,868</b>
Total liabilities in long-term infrastructure investments		2,761,095,729	2,899,453,031
Total liabilities allocated to the operation		1,174,950,776	1,247,258,429
<b>Total liabilities</b>		<b>3,936,046,505</b>	<b>4,146,711,460</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,850,889,017</b>	<b>5,877,131,602</b>

THE BOARD OF DIRECTORS

THE CERTIFIED ACCOUNTANT

Vitor Manuel Domingues dos Santos

Pedro Miguel Galante Antunes Paiva

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

## CONSOLIDATED INCOME STATEMENT BY NATURE

PERIOD ENDED ON 31 DECEMBER 2022

INCOME AND EXPENSES	Notes	2022	2021
Sales and services rendered	24	111,950,789	67,430,724
Operating grants	25	10,639,940	38,044,153
Gains/losses in subsidiaries, associates and joint ventures	26	35,549	927,081
Own work capitalised	5.1 & 6	6,123,475	5,825,053
Cost of goods sold and materials consumed	12	(2,699,970)	(2,530,223)
External supplies and services	27	(35,392,629)	(27,999,647)
Personnel expenses	28	(86,997,013)	(82,981,182)
Inventory impairment (losses/reversals)	13 & 15	(516,062)	(9,902)
Impairment of debt receivables (losses/reversals)	18	(2,166,188)	40,500
Provisions (increases / decreases)	11	(1,000,000)	-
Fair value increases/decreases	11 & 21	19,018,278	24,005,699
Other income	29	6,295,402	7,227,154
Other expenses	30	(2,301,269)	(3,156,314)
<b>Profit before interest, taxes, depreciation and amortization</b>		<b>22,990,302</b>	<b>26,823,095</b>
Depreciation and amortization expenses/reversals	6 to 9	(25,408,551)	(25,617,836)
Impairment of depreciable/amortizable investments (losses/reversals)	6 to 9	1,513,242	1,187,407
<b>Operating Income (before interest and taxes)</b>		<b>(905,006)</b>	<b>2,392,665</b>
Interest and similar expenses incurred	31	(20,159,006)	(25,259,247)
<b>Profit before taxes</b>		<b>(21,064,012)</b>	<b>(22,866,582)</b>
Income tax for the period	32	(74,771)	(34,703)
<b>Net income for the period</b>		<b>(21,138,782)</b>	<b>(22,901,284)</b>
<b>Net income for the period attributable to:</b>			
Equity holders of the parent company		(21,138,782)	(22,901,284)
Non-controlling interests			
		<b>(21,138,782.00)</b>	<b>(22,901,284)</b>

THE BOARD OF DIRECTORS

THE CERTIFIED ACCOUNTANT

Vitor Manuel Domingues dos Santos

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João Paulo de Figueiredo Lucas Saraiva

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**PERIODS ENDED ON 31 DECEMBER 2021 AND 31 DECEMBER 2022**

		Monetary unit (euros)								
	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 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
<b>Changes in the period</b>										
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							(1,612,620)		(1,612,620)	(1,612,620)
Other changes recognised in equity					2,336				2,336	2,336
		-	-	-	(57,131,391)	-	(1,612,620)	57,133,727	(1,610,284)	(1,610,284)
<b>Net income for the period ended on 31 December 2021</b>								(22,901,284)	(22,901,284)	(22,901,284)
<b>Comprehensive income</b>					(57,131,391)		(1,612,620)	34,232,443	(24,511,569)	(24,511,569)
<b>Transactions with equity holders in the period</b>										
Capital increases		253,904,909							253,904,909	253,904,909
		253,904,909							253,904,909	253,904,909
<b>Position as at 31 December 2021</b>		<b>3,667,903,891</b>	<b>21,597</b>	<b>1,501,878</b>	<b>(1,940,806,395)</b>	<b>37,234,076</b>	<b>(12,533,620)</b>	<b>(22,901,284)</b>	<b>1,730,420,142</b>	<b>1,730,420,142</b>
Position as at 1 January 2022		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
<b>Changes in the period</b>										
Appropriation of the net income for the period ended on 31 December 2021					(22,901,284)			22,901,284	-	-
Defined benefit plan - actuarial gains and losses	20						24,169,693		24,169,693	24,169,693
Other changes recognised in equity					715				715	715
		-	-	-	(22,900,570)	-	24,169,693	22,901,284	24,170,407	24,170,407
<b>Net income for the period ended on 31 December 2022</b>								(21,138,782)	(21,138,782)	(21,138,782)
<b>Comprehensive income</b>					(22,900,570)		24,169,693	1,762,502	3,031,625	3,031,625
<b>Transactions with equity holders in the period</b>										
Capital increases	17	181,390,745							181,390,745	181,390,745
		181,390,745	-	-	-	-	-	-	181,390,745	181,390,745
<b>Position as at 31 December 2022</b>		<b>3,849,294,636</b>	<b>21,597</b>	<b>1,501,878</b>	<b>(1,963,706,965)</b>	<b>37,234,076</b>	<b>11,636,073</b>	<b>(21,138,782)</b>	<b>1,914,842,512</b>	<b>1,914,842,512</b>

**THE BOARD OF DIRECTORS**

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

**THE CERTIFIED ACCOUNTANT**

Pedro Miguel Galante Antunes Paiva

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT  
PERIOD ENDED ON 31 DECEMBER 2022

		Monetary unit (euros)	
	Notes	2022	2021
<b>Net income for the period</b>		<b>(21,138,782)</b>	<b>(22,901,284)</b>
<b>Other comprehensive income for the period</b>			
Defined benefit plan - actuarial losses	20	24,169,693	(1,612,620)
Other changes recognised in equity		715	2,336
		<u>24,170,407</u>	<u>(1,610,284)</u>
<b>Total comprehensive income for the period</b>		<b><u>3,031,625</u></b>	<b><u>(24,511,569)</u></b>
Attributable to:			
Equity holders of the parent company		3,031,625	(24,511,569)
Non-controlling interests			
		<u>3,031,625</u>	<u>(24,511,569)</u>

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CONSOLIDATED STATEMENT OF CASH FLOWS  
PERIOD ENDED ON 31 DECEMBER 2022

	Notes	2022	2021
Monetary unit (euros)			
<b>Cash flows from operating activities</b>			
Revenues from customers		135,654,186	81,855,785
Payments to suppliers		(51,469,666)	(47,646,380)
Payments to personnel		(87,109,163)	(85,645,404)
<b>Cash generated by operations</b>		<b>(2,924,644)</b>	<b>(51,435,999)</b>
Revenues from 'Support for restoring the supply of public transport'		20,103,300	31,088,003
Income tax payment/revenue		2,963,621	1,932,782
Other revenues/payments		(9,206,583)	1,735,197
<b>Cash flows from operating activities [1]</b>		<b>10,935,693</b>	<b>(16,680,017)</b>
<b>Cash flows from investing activities</b>			
<b>Revenues from:</b>			
Financial investments		88,798	799,150
Investment grants		72,597,018	153,517,599
Interest and similar income		12,184	20,053
<b>Payments related to:</b>			
Property, plant and equipment		(103,853,461)	(150,243,001)
Intangible assets		(1,386,595)	(826,300)
Financial investments		(1,000,000)	-
<b>Cash flows from investing activities [2]</b>		<b>(33,542,056)</b>	<b>3,267,501</b>
<b>Cash flows from financing activities</b>			
<b>Revenues from:</b>			
Loans obtained		35,197,631	119,187,522
Capital increases and other equity instruments		181,390,745	253,904,909
<b>Payments related to:</b>			
Loans obtained		(137,062,390)	(199,304,651)
Interest and similar expenses		(20,107,780)	(83,625,243)
<b>Cash flows from financing activities [3]</b>		<b>59,418,206</b>	<b>90,162,537</b>
<b>Variation of cash and cash equivalents [4]=[1]+[2]+[3]</b>		<b>36,811,843</b>	<b>76,750,022</b>
<b>Effect of exchange rate differences</b>		<b>2,918</b>	<b>(3,932)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>128,371,394</b>	<b>51,625,304</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>16</b>	<b>165,186,156</b>	<b>128,371,394</b>

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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022****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).

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 20 June 2023, 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 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 2022 and of its financial performance and cash flows for the year ended on that date.

**2. ACCOUNTING FRAMEWORK FOR THE PREPARATION OF 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 01 January 2022. 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 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

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 2022 and not applied in advance

EU Regulation	IASB Standard or IFRIC Interpretation endorsed by the EU	Issue date	Mandatory application date in years started on or after
Regulation 2036/2021	IFRS 17 Insurance contracts (new)	May 2017 and June 2020	1-Jan-2023
Regulation 357/2022	IAS 1 Presentation of financial statements: Disclosure of accounting policies (amendments) IAS 8 Accounting policies, changes in accounting estimates and errors: Definition of accounting estimates (amendments)	February 2021	1-Jan-2023
Regulation 1392/2022	IAS 12 Income taxes: Deferred tax related to assets and liabilities arising from a single transaction (amendments)	May 2021	1-Jan-2023
Regulation 1491/2022	IFRS 17 Insurance contracts: Initial application of IFRS 17 Insurance contracts and IFRS 9 Financial instruments – Comparative information (amendments)	December 2021	1-Jan-2023

These amendments are effectively applicable for annual periods starting on or after 01 January 2023 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

IASB Standard or IFRIC Interpretation	Issue date	Mandatory application date in years started on or after
IAS 1 Presentation of financial statements: i) Classification of liabilities as current and non-current (amendments); ii) Financial liabilities with covenants (amendments)	January and July 2020, October 2022	1-Jan-2024
IFRS 16 Leases: Lease liability in a sale and leaseback (amendments)	September 2022	1-Jan-2024

The Board of Directors is assessing the impact of the future adoption 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	
		2022	2021
<b>Parent company:</b>			
Metropolitano de Lisboa, E.P.E.	Lisbon	-	-
<b>Subsidiaries:</b>			
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	
		2022	2021
Publmetro - 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% (a)

(a) Liquidation closed on 27 April 2022.

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 consolidated statement of financial position 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 long-term infrastructure investments made up to 31 December 1978. This Decree-Law also established 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 consolidated statement of financial position in those 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 consolidated statement of financial position.

Therefore, all the flows derived from this activity are recorded in the consolidated statement of financial position 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;

- Research and development and installation expenses allocated to the LTI activity;
- 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 financial costs directly borne with the agreed financing for long-term infrastructure 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 capitalised 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 obtained 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 “long-term infrastructure” 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 obtained to finance the LTI, which are recognized in liabilities at fair value, if their fair value is negative;
- The provisions for legal proceedings underway related to LTI activity.

Expenses related to maintenance and repair are recorded in the consolidated income statement of the period 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 cost, net of accumulated depreciation and impairment losses, 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 estimate of expenses related to asset decommissioning and removal, as well as the restoration of their corresponding installation/operation sites, expected to be incurred by the Group.

The residual values of the assets and their useful lives are reviewed and adjusted on the reporting date of financial position. In the event of changes to useful lives, they are treated as an accounting estimate change and applied prospectively.

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

Scheduled maintenance expenses are considered a component of the acquisition cost of the property, plant and equipment, being fully depreciated up to the established date of the next maintenance. All other expenditure related to repair and maintenance are recognized as an expense in the period when they occur.

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 consolidated 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 consolidated statement of financial position 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 capitalised under the item 'Investment property'.

### 3.8. FINANCIAL INTEREST 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 IMPAIRMENTS

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 obtained are recognized as expenses as they are incurred.

Financial costs related to loans obtained directly associated with asset acquisition and construction are capitalised, 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 obtained 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 FINANCIAL 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 obtained

Loans obtained 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 obtained'. 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	31 December 2022		31 December 2021	
		Fair value	Amortized cost	Fair value	Amortized cost
<b>Non-current:</b>					
Other financial assets	11	55,304,221	-	52,218,573	-
		<b>55,304,221</b>	<b>-</b>	<b>52,218,573</b>	<b>-</b>
<b>Current:</b>					
Customers	13	-	1,534,861	-	2,398,124
State and other public entities	14	-	4,098,987	-	8,600,729
Other credit receivable	15	-	35,989,188	-	47,398,324
Cash and bank deposits	16	-	165,186,156	-	128,371,394
		-	<b>206,809,192</b>	-	<b>186,768,571</b>
		<b>55,304,221</b>	<b>206,809,192</b>	<b>52,218,573</b>	<b>186,768,571</b>
<b>Financial Liabilities</b>					
Financial Liabilities	Notes	31 December 2022		31 December 2021	
		Fair value	Amortized cost	Fair value	Amortized cost
<b>Non-current:</b>					
Loans obtained	19	-	122,633,400	-	144,565,037
Other financial liabilities	21	-	28,647,987	19,263,628	29,525,459
		-	<b>151,281,386</b>	<b>19,263,628</b>	<b>174,090,496</b>
<b>Current:</b>					
		-	0	0	0
Suppliers	22	-	1,972,522	-	1,935,236
State and other public entities	14	-	3,507,656	-	3,411,610
Loans obtained	19	-	700,579,038	-	715,748,370
Other debts payable	23	-	72,746,501	-	60,823,411
		-	<b>778,805,717</b>	-	<b>781,918,627</b>
		-	<b>930,087,104</b>	<b>19,263,628</b>	<b>956,009,123</b>

### 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 obtained'.

### 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 offset. 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 date in the consolidated statement of financial position 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 2022. 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 system in force in Lisbon Metropolitan Area (AML) is defined in Regulation no. 278-A/2019 of 27 March, in its current wording, which stipulates the rules for calculating the financial compensations payable to the operators for compliance with public service obligations.

Decree-Law no. 14-C/2020 of 7 April, in its current wording, which establishes the definition of procedures to allocate funds and compensations to essential transport operators, in the context of the COVID-19 pandemic, will remain in force up to 31 December 2023.

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 consolidated 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	Final rate	Average rate	Final rate
		2022	31/12/2022	2021	31/12/2021
United States of America	USD	1.05	1.07	1.18	1.13
United Kingdom	GBP	0.85	0.89	0.86	0.84
Brazil	BRL	5.46	5.64	6.38	6.31
Algeria	DZD	149.76	147.14	159.66	157.84

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 30 December 2022, would give rise to, respectively, an increase of 7.7 million euros or a decrease of 25 million 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 adjusted 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 2022 and 2021, is as follows:

<b>FINANCIAL YEAR 2022</b>			
INCOME AND EXPENSES	Passenger transport and infrastructure management	Other segments	Total Consolidated
Sales and services rendered	109,352,788	2,598,000	111,950,789
Operating grants	10,639,940	-	10,639,940
Gains/losses in subsidiaries, associates and joint ventures	36,702	(1,152)	35,549
Own work capitalised	6,123,475	-	6,123,475
Cost of goods sold and materials consumed	(2,699,970)	-	(2,699,970)
External supplies and services	(35,034,547)	(358,082)	(35,392,629)
Personnel expenses	(86,761,225)	(235,789)	(86,997,013)
Impairment of debt receivables (losses/reversals)	(488,306)	(27,756)	(516,062)
Provisions (increases / decreases)	(1,924,513)	(241,675)	(2,166,188)
Impairment of depreciable/amortizable investments (losses/reversals)	(1,000,000)	-	(1,000,000)
Fair value increases/decreases	19,018,278	-	19,018,278
Other income	6,142,985	152,417	6,295,402
Other expenses	(2,269,945)	(31,324)	(2,301,269)
Intersegment operating Income (loss)	(8,633,068)	8,633,068	-
<b>Profit before interest, taxes, depreciation and amortization</b>	<b>12,502,594</b>	<b>10,487,708</b>	<b>22,990,302</b>
	-	-	-
Depreciation and amortization expenses/reversals	(14,977,294)	(10,431,257)	(25,408,551)
Impairment of depreciable/amortizable investments (losses/reversals)	1,513,242	-	1,513,242
<b>Operating Income (before interest and taxes)</b>	<b>(961,458)</b>	<b>56,451</b>	<b>(905,006)</b>
	-	-	-
Interest and similar expenses incurred	(20,159,006)	-	(20,159,006)
<b>Profit before taxes</b>	<b>(21,120,463)</b>	<b>56,451</b>	<b>(21,064,012)</b>
	-	-	-
Income tax for the period	(18,319)	(56,451)	(74,771)
<b>Net income for the period</b>	<b>(21,138,782)</b>	<b>-</b>	<b>(21,138,782)</b>
	0	0	-
<b>Net income for the period attributable to:</b>	0	0	-
Equity holders of the parent company	(21,138,782)	-	(21,138,782)
Non-controlling interests	-	-	-
	<b>(21,138,782)</b>	<b>-</b>	<b>(21,138,782)</b>

## 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)
Impairment of debt receivables (losses/reversals)	1,213	(11,115)	(9,902)
Provisions (increases / decreases)	40,500	-	40,500
Impairment of depreciable/amortizable investments (losses/reversals)	-	-	-
Fair value increases/decreases	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 Income (loss)	(8,925,931)	8,925,931	-
<b>Profit before interest, taxes, depreciation and amortization</b>	<b>16,350,859</b>	<b>10,472,236</b>	<b>26,823,095</b>
	-	-	-
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
<b>Operating Income (before interest and taxes)</b>	<b>2,345,070</b>	<b>47,596</b>	<b>2,392,665</b>
	-	-	-
Interest and similar expenses incurred	(25,240,994)	(18,254)	(25,259,247)
<b>Profit before taxes</b>	<b>(22,895,924)</b>	<b>29,342</b>	<b>(22,866,582)</b>
	-	-	-
Income tax for the period	(5,361)	(29,342)	(34,703)
<b>Net income for the period</b>	<b>(22,901,284)</b>	<b>-</b>	<b>(22,901,284)</b>
	0	0	-
<b>Net income for the period attributable to:</b>	<b>0</b>	<b>0</b>	<b>-</b>
Equity holders of the parent company	(22,901,284)	-	(22,901,284)
Non-controlling interests	-	-	-
	<b>(22,901,284)</b>	<b>-0</b>	<b>(22,901,284)</b>

31 December 2022	Passenger transport and infrastructure management	Other segments	Total Consolidated
Segment assets	5,763,366,473	87,522,544	5,850,889,017
Segment liabilities	3,933,082,587	2,963,918	3,936,046,505

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	4,087,597,446	59,114,014	4,146,711,460

## 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-Dec-2022	31-Dec-2021
<b>Non-current assets</b>			
Property, plant and equipment	5.1	3,265,196,740	3,214,911,914
Investment property	5.2	1,804,209	1,804,209
Intangible assets	5.3	7,431,955	7,356,629
Other financial assets	5.4	586,759	14,556,063
Account receivable from the State	5.5	3,180,829,583	3,212,263,064
Grants	5.6	(1,086,546,493)	(1,050,348,548)
		<b>5,369,302,753</b>	<b>5,400,543,332</b>
<b>Total Assets</b>		<b>5,369,302,753</b>	<b>5,400,543,332</b>
<b>Non-current liabilities</b>			
		-	-
Provisions	5.7	6,022,500	8,590,197
Loans obtained	5.8	1,521,650,426	1,604,823,112
Other financial liabilities	5.4	17,238,733	116,960,782
		<b>1,544,911,659</b>	<b>1,730,374,092</b>
<b>Current liabilities</b>			
		-	-
Loans obtained	5.8	1,016,040,706	997,631,809
Suppliers	5.9	353,083	3,514,041
Other debts payable	5.10	199,790,282	167,933,090
		<b>1,216,184,071</b>	<b>1,169,078,940</b>
<b>Total liabilities</b>		<b>2,761,095,729</b>	<b>2,899,453,031</b>
<b>Total net LTI</b>		<b>2,608,207,024</b>	<b>2,501,090,300</b>

## 5.1. PROPERTY, PLANT AND EQUIPMENT

	31 December 2022					Total
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances on account of property, plant and equipment in progress	
<b>Assets</b>						
Opening balance	13,511,055	2,672,787,632	462,141,178	47,042,320	20,247,455	3,215,729,639
Acquisitions	-	662,832	783,597	59,937,585	(1,447)	61,382,567
Disposals	-	-	-	-	-	-
Transfers	-	1,772,167	6,161,435	(7,933,603)	(11,215,731)	(11,215,731)
Write-offs	-	-	(4,883)	-	-	(4,883)
<b>Closing balance</b>	<b>13,511,055</b>	<b>2,675,222,631</b>	<b>469,081,327</b>	<b>99,046,302</b>	<b>9,030,278</b>	<b>3,265,891,592</b>
<b>Impairment losses</b>						
Opening balance	-	817,725	-	-	-	817,725
Increases	-	-	-	-	-	-
Reversals	-	(122,874)	-	-	-	(122,874)
<b>Closing balance</b>	<b>-</b>	<b>694,852</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>694,852</b>
<b>Total net property, plant and equipment (LTI)</b>	<b>13,511,055</b>	<b>2,674,527,779</b>	<b>469,081,327</b>	<b>99,046,302</b>	<b>9,030,278</b>	<b>3,265,196,740</b>

	31 December 2021					Total
	Land and natural resources	Buildings and other constructions	Basic equipment	Property, plant and equipment in progress	Advances on account of property, plant and equipment in progress	
<b>Assets</b>						
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)
<b>Closing balance</b>	<b>13,511,055</b>	<b>2,672,787,632</b>	<b>462,141,178</b>	<b>47,042,320</b>	<b>20,247,455</b>	<b>3,215,729,639</b>
<b>Impairment losses</b>						
Opening balance	-	780,032	-	-	-	780,032
Increases	-	37,693	-	-	-	37,693
Reversals	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>817,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>817,725</b>
<b>Total net property, plant and equipment (LTI)</b>	<b>13,511,055</b>	<b>2,671,969,906</b>	<b>462,141,178</b>	<b>47,042,320</b>	<b>20,247,455</b>	<b>3,214,911,914</b>

The additions occurred in the year ended on 31 December 2022 in the sub-item 'Property, plant and equipment in progress', amounting to 59,937,585 euros, essentially refer to the Circle Line venture (53,384,639 euros) and to the pursuit of the "Accessibility and Mobility for All" project (2,394,814 euros).

The transfers occurred in the year ended on 31 December 2022 in the sub-item 'Property, plant and equipment in progress', of the value of 7,933,603 euros, primarily refer to the recognition, under property, plant and equipment, of the "Accessibility and Mobility for All" intervention at Cidade Universitária station (1,976,808 euros) and Entre Campos station (1,517,287 euros), and the replacement of track on the Praça de Espanha/ São Sebastião section of the Blue Line (1,923,318 euros).

The transfers occurred in the year ended on 31 December 2022 under the item 'Advances on account of property, plant and equipment in progress', amounting to 11,215,731 euros, essentially refer to the settlement of advances granted under the Circle Line venture (10,747,609 euros).

During the years ended on 31 December 2022 and 2021, department expenses were capitalised in the cost of property, plant and equipment amounting to 5,967,890 euros and 5,738,784 euros, respectively.

## 5.2. INVESTMENT PROPERTY

	31 December 2022					31 December 2021				
	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value	Gross value	Accumulated depreciation	Accumulated impairment losses	Net value	Fair value
Praça Marechal Humberto Delgado	1,804,209	-	-	1,804,209	7,545,202	1,804,209	-	-	1,804,209	7,545,202
	<b>1,804,209</b>	<b>0</b>	<b>0</b>	<b>1,804,209</b>	<b>7,545,202</b>	<b>1,804,209</b>	<b>0</b>	<b>0</b>	<b>1,804,209</b>	<b>7,545,202</b>

ML decided not to request assessment in 2022 for the Depot and Workshops (PMO I) of Sete Rios, located at Praça Marechal Humberto Delgado; hence, its indicated market value refers to an assessment made as at 31 December 2021.

## 5.3. INTANGIBLE ASSETS

	31 December 2022			
	Research and development costs	Set-up costs	Intangible assets in progress	Total
<b>Assets</b>				
Opening balance	5,138,543	2,019,827	198,259	7,356,629
Acquisitions	-	-	75,326	75,326
Transfers	-	-	-	-
Closing balance	5,138,543	2,019,827	273,585	7,431,955
<b>Total gross intangible assets (LTI)</b>	<b>5,138,543</b>	<b>2,019,827</b>	<b>273,585</b>	<b>7,431,955</b>

	31 December 2021			
	Research and development costs	Set-up costs	Intangible assets in progress	Total
<b>Assets</b>				
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
<b>Total gross intangible assets (LTI)</b>	<b>5,138,543</b>	<b>2,019,827</b>	<b>198,259</b>	<b>7,356,629</b>

## 5.4. OTHER FINANCIAL ASSETS AND LIABILITIES

This item includes interest rate swaps related to loans obtained 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-Dec-2022	31-Dec-2021
40#METLIS CGDBI Jun2022	CGDBI	6/15/2022	12,545,916	5,913,283	-	50,000
66#METLIS CGDBI Dec2022	CGDBI	12/4/2026	100,000,000	100,000,000	586,759	14,506,063
					<b>586,759</b>	<b>14,556,063</b>

### Other financial liabilities

Swap	Entity	Maturity	Original notional	Current notional	Fair value	
					31-Dec-2022	31-Dec-2021
32#METLIS BSN Jun2022	BSN	6/15/2022	40,000,000	14,666,667	-	353,604
38#METLIS BSN Jun2022	BSN	6/15/2022	4,280,559	11,826,567	-	10,869,952
52#METLIS BSN Jul2024	BSN	7/22/2024	100,000,000	100,000,000	4,692,373	14,904,060
58#METLIS ML Dec2026	ML	12/4/2026	30,000,000	30,000,000	6,107,266	45,711,032
59#METLIS CGD Dec2026	CGD	12/4/2026	30,000,000	30,000,000	6,439,094	45,122,134
					<b>17,238,733</b>	<b>116,960,782</b>

## 5.5. 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-Dec-2022	31-Dec-2021
Adjusted opening balance in NCRF transition	289,555,301	289,555,301
Interest, guarantee fee and stamp duty	2,844,293,877	2,787,190,643
Issuance costs	20,230,150	20,230,150
Derivative financial instruments	16,651,974	102,404,719
External supplies and services	2,563,836	2,563,836
Provisions	10,334,809	10,954,197
Impairment losses in property, plant and equipment	694,852	817,725
Impairment losses in debts receivable	-	2,041,708
Land disposal	(3,495,216)	(3,495,216)
	<b>3,180,829,583</b>	<b>3,212,263,064</b>

### Adjusted opening balance in NCRF transition

The financial costs borne with LTI which could not be potentially capitalised up to 31 December 2008 were recognized in the consolidated income statement. During the transition to the Portuguese Accounting Standards for Financial Reporting (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.

## 5.6. GRANTS

	31-Dec-2022	31-Dec-2021
ERDF	(229,464,397)	(229,464,397)
PIDDAC	(185,439,717)	(184,639,717)
Cohesion Fund	(448,286,520)	(418,469,502)
Environmental Fund	(18,790,463)	(13,209,536)
Miscellaneous grants	(204,565,396)	(204,565,396)
	<b>(1,086,546,493)</b>	<b>(1,050,348,548)</b>

## 5.7. PROVISIONS

This item includes the movements (creation/use/reversal) of provisions for pending legal proceedings related to LTI activity.

## 5.8. LOANS OBTAINED

	Funding entity	31 December 2022				31 December 2021			
		Limit	Current	Non-current	Total	Limit	Current	Non-current	Total
<b>Debt loans:</b>									
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
<b>Bank loans:</b>									
ML I/3B	EIB	74,819,685	-	-	-	74,819,685	10,630,313	-	10,630,313
ML II/C	EIB	54,867,769	-	-	-	54,867,769	1,828,926	-	1,828,926
ML V/C	EIB	68,503,276	-	-	-	80,000,000	68,503,276	-	68,503,276
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	14,298,503	2,859,701	17,158,204	17,158,204	11,438,803	5,719,401	17,158,204
LT Loan 421.97 MEUR	DGTF (part)	262,008,399	174,672,266	87,336,133	262,008,399	262,008,399	131,004,199	131,004,199	262,008,399
LT Loan 131.88 MEUR	DGTF (part)	108,328,053	54,164,026	54,164,026	108,328,053	108,328,053	36,109,351	72,218,702	108,328,053
LT Loan 154.51 MEUR	DGTF (part)	137,118,041	45,706,014	91,412,027	137,118,041	137,118,041	22,853,007	114,265,034	137,118,041
LT Loan 100.86 MEUR	DGTF (part)	71,615,776	11,935,963	59,679,813	71,615,776	71,615,776	-	71,615,776	71,615,776
LT Loan 35.19 MEUR	DGTF (part)	16,198,725	-	16,198,725	16,198,725	-	-	-	-
		-	1,016,040,706	311,650,426	1,327,691,131	-	997,631,809	394,823,112	1,392,454,921
<b>Other loans received:</b>									
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
<b>Total loans received</b>		-	1,016,040,706	1,521,650,426	2,537,691,131	-	997,631,809	1,604,823,112	2,602,454,921

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 issue was listed on the Frankfurt Stock Exchange.

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 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 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 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 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 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 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.

During the financial year ended on 31 December 2022, the Company entered into a loan agreement of 35,197,630.96 euros with the DGTF, of which 16,198,725.21 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 2024.

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 Secretary of State for Treasury Order no. 174/2023-SET of 9 May, and Minister of Finance Order no. 130/2023-MF of 6 June, with deferral to 31 May 2023.

As at 31 December 2022, loans classified as non-current have the following repayment plan:

Year	Value
2024	402,071,200
2025	209,211,499
2026	455,543,432
2027 and following	454,824,295
	<b>1,521,650,426</b>

As at 31 December 2022, the loans obtained 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 31-12-2022 (€)	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
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
<b>TOTAL</b>	<b>1,210,000,000</b>									

## 5.9. SUPPLIERS

The item 'Suppliers' primarily consists of current debts generated by the network expansion and modernization/refurbishment works.

## 5.10. 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 2022								
	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 on account of property, plant and equipment in progress	Total
<b>Assets</b>									
Opening 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
Acquisitions	-	17,047	669,207	-	339,878	51,910	20,485,313	(7,285)	21,556,070
Disposals	-	-	-	-	(1,091)	-	-	-	(1,091)
Transfers	-	484,430	2,493,476	-	-	-	(2,977,906)	(16,820,276)	(16,820,276)
Write-offs	-	-	(1,727,955)	-	(58,520)	(2,066)	-	-	(1,788,541)
<b>Closing balance</b>	<b>20,967,185</b>	<b>217,758,717</b>	<b>829,273,115</b>	<b>129,208</b>	<b>23,346,572</b>	<b>4,254,193</b>	<b>29,212,124</b>	<b>5,258,039</b>	<b>1,130,199,154</b>
<b>Accumulated depreciation</b>									
Opening balance	-	(208,924,104)	(680,361,905)	(129,208)	(22,081,367)	(3,341,546)	-	-	(914,838,131)
Depreciation of the period	-	(381,597)	(23,398,586)	-	(335,991)	(62,240)	-	-	(24,178,414)
Disposals	-	-	-	-	1,091	-	-	-	1,091
Transfers	-	-	-	-	-	-	-	-	-
Write-offs	-	-	1,353,893	-	58,494	2,066	-	-	1,414,453
<b>Closing balance</b>	<b>-</b>	<b>(209,305,701)</b>	<b>(702,406,598)</b>	<b>(129,208)</b>	<b>(22,357,773)</b>	<b>(3,401,720)</b>	<b>-</b>	<b>-</b>	<b>(937,601,001)</b>
<b>Impairment losses</b>									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>20,967,185</b>	<b>8,453,017</b>	<b>126,866,517</b>	<b>-</b>	<b>988,798</b>	<b>852,473</b>	<b>29,212,124</b>	<b>5,258,039</b>	<b>192,598,153</b>

	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 on account of property, plant and equipment in progress	Total
<b>Assets</b>									
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)	(8,943,735)
Write-offs	-	-	(1,883,069)	-	(104,017)	(9,618)	-	-	(1,996,705)
<b>Closing balance</b>	<b>20,967,185</b>	<b>217,257,240</b>	<b>827,838,387</b>	<b>129,208</b>	<b>23,066,304</b>	<b>4,204,349</b>	<b>11,704,718</b>	<b>22,085,600</b>	<b>1,127,252,992</b>
<b>Accumulated depreciation</b>									
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
<b>Closing balance</b>	<b>-</b>	<b>(208,924,104)</b>	<b>(680,361,905)</b>	<b>(129,208)</b>	<b>(22,081,367)</b>	<b>(3,341,546)</b>	<b>-</b>	<b>-</b>	<b>(914,838,131)</b>
<b>Impairment losses</b>									
Opening balance	-	-	-	-	-	-	-	-	-
Increases	-	-	-	-	-	-	-	-	-
Reversals	-	-	-	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>20,967,185</b>	<b>8,333,136</b>	<b>147,476,482</b>	<b>-</b>	<b>984,937</b>	<b>862,803</b>	<b>11,704,718</b>	<b>22,085,600</b>	<b>212,414,861</b>

The additions occurred in the year ended on 31 December 2022 under the sub-item 'Property, plant and equipment in progress', amounting to 20,485,313 euros, essentially refer to the acquisition of 14 Triple Units (16,802,999 euros) and to the intervention in the doors of the operating rolling stock (2,356,484 euros).

The additions occurred in the year ended on 31 December 2022 under the sub-item 'Property, plant and equipment in progress', amounting to 2,977,906 euros, essentially refer to the recognition of the investment in triple units in which the intervention in the doors of the operating rolling stock was completed (1,878,452 euros).

The transfers occurred in the year ended on 31 December 2022 under the item 'Advances on account of property, plant and equipment in progress', amounting to 16,820,276 euros, essentially refer to the settlement of advances granted under the acquisition of 14 Triple Units (16,802,999 euros).

The write-offs occurred in the year ended on 31 December 2022 under the item 'Basic equipment', amounting to 1,727,955 euros, essentially refer to the derecognition of the replacement of seats (860,014 euros) and elements replaced in the intervention in the doors (507,649 euros), both of the operating rolling stock.

During the years ended on 31 December 2022 and 2021, department expenses were capitalised in the cost of property, plant and equipment amounting to 84,535 euros and 68,910 euros, respectively.

## 7. LEASES

### 7.1. RIGHT-OF-USE ASSETS

	31 December 2022		31 December 2021	
	Transport equipment	Total	Transport equipment	Total
<b>Assets</b>				
Opening balance	793,841	793,841	551,821	551,821
Acquisitions / Additions	303,040	303,040	256,935	256,935
Disposals	(247,947)	(247,947)	(14,915)	(14,915)
<b>Closing balance</b>	<b>848,933</b>	<b>848,933</b>	<b>793,841</b>	<b>793,841</b>
<b>Accumulated depreciation</b>				
Opening balance	(552,942)	(552,942)	(370,589)	(370,589)
Depreciation of the period	(229,588)	(229,588)	(197,268)	(197,268)
Disposals	247,947	247,947	14,915	14,915
<b>Closing balance</b>	<b>(534,583)</b>	<b>(534,583)</b>	<b>(552,942)</b>	<b>(552,942)</b>
	<b>314,350</b>	<b>314,350</b>	<b>240,899</b>	<b>240,899</b>

### 7.2. LEASE LIABILITIES

	31-Dec-2022	31-Dec-2021
<b>Non-current leases</b>		
Vehicles	121,225	98,312
<b>Current leases</b>		
Vehicles	196,508	143,301
<b>Total</b>	<b>317,733</b>	<b>241,613</b>

Minimum future payments	31 December 2022		31 December 2021	
	Minimum lease payments	Present value of minimum payments	Minimum lease payments	Present value of minimum payments
Up to 1 year	202,065	196,508	147,105	143,301
1 to 5 years	123,372	121,225	101,042	98,312
<b>Total</b>	<b>325,437</b>	<b>317,733</b>	<b>248,147</b>	<b>241,613</b>
Financial effect of the discount	(7,704)	-	(6,534)	-
<b>Present value of minimum payments</b>	<b>317,733</b>	<b>317,733</b>	<b>241,613</b>	<b>241,613</b>

## 8. INVESTMENT PROPERTY

	31 December 2022					31 December 2021				
	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	22,098,320	10,428,163	872,578	10,797,579	11,308,800	22,094,744	9,986,185	2,385,820	9,722,739	10,155,500
Praça Marechal Humberto Delgado	22,309,373	18,692,265	-	3,617,108	93,297,798	22,309,373	18,678,818	-	3,630,555	93,297,798
	<b>44,407,693</b>	<b>29,120,428</b>	<b>872,578</b>	<b>14,414,687</b>	<b>104,606,598</b>	<b>44,404,117</b>	<b>28,665,003</b>	<b>2,385,820</b>	<b>13,353,294</b>	<b>103,453,298</b>

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 mentioned in Note 5.2, the market value indicated in 2022 for the Depot and Workshops (PMO I) of Sete Rios, located in Praça Marechal Humberto Delgado, refers to the assessment as at 31 December 2021.

As at 31 December 2022 and 2021, the following income and expenses related to investment property were recognized through profit or loss:

	31 December 2022				31 December 2021			
	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	579,911	142,489	441,978	(4,555)	579,860	143,620	441,930	(5,689)
Praça Marechal Humberto Delgado	-	129,655	13,447	(143,102)	-	358,644	13,645	(372,289)
	<b>579,911</b>	<b>272,144</b>	<b>455,425</b>	<b>(147,658)</b>	<b>579,860</b>	<b>502,264</b>	<b>455,575</b>	<b>(377,979)</b>

## 9. INTANGIBLE ASSETS

	31 December 2022				31 December 2021			
	Computer programs	Industrial property and other rights	Intangible assets in progress	Total	Computer programs	Industrial property and other rights	Intangible assets in progress	Total
<b>Assets</b>								
Opening balance	19,451	3,097,339	-	3,116,790	19,451	2,799,477	2,400	2,821,328
Acquisitions	-	1,127,627	-	1,127,627	-	213,251	82,210	295,461
Transfers	-	-	-	-	-	84,610	(84,610)	-
Closing balance	<b>19,451</b>	<b>4,224,966</b>	<b>-</b>	<b>4,244,417</b>	<b>19,451</b>	<b>3,097,339</b>	<b>-</b>	<b>3,116,790</b>
<b>Accumulated depreciati</b>								
Opening balance	(19,451)	(1,375,870)	-	(1,395,321)	(19,105)	(971,452)	-	(990,558)
Amortization of the period	-	(545,123)	-	(545,123)	(346)	(404,417)	-	(404,763)
Transfers	-	-	-	-	-	-	-	-
Closing balance	<b>(19,451)</b>	<b>(1,920,993)</b>	<b>-</b>	<b>(1,940,444)</b>	<b>(19,451)</b>	<b>(1,375,870)</b>	<b>-</b>	<b>(1,395,321)</b>
	<b>-</b>	<b>2,303,973</b>	<b>-</b>	<b>2,303,973</b>	<b>-</b>	<b>1,721,469</b>	<b>-</b>	<b>1,721,469</b>

The additions occurred in the year ended on 31 December 2022 under the sub-item 'Industrial property and other rights', amounting to 1,127,627 euros, essentially refer to the acquisition of Microsoft software licenses (625,523 euros) and the implementation of new functionalities of the PLAGO system (400,000 euros).

## 10. FINANCIAL INTERESTS

	31 December 2022					
	Assets	Liabilities	Equity	Net Income	Holding	Financial investment
<b>Associates</b>						
Publimetro	3,272,136	3,201,397	70,739	98,926	40%	28,296
<b>Joint ventures</b>						
Ensitrans	153,044	167,584	(14,540)	(14,540)	50%	– (a)
OTLIS (under liquidation)	–	–	–	–	14.29%	– (b)
	–	–	–	–		28,296

	31 December 2021					
	Assets	Liabilities	Equity	Net Income	Holding	Financial investment
<b>Associates</b>						
Publimetro	3,642,687	3,670,874	(28,186)	559,048	40%	–
<b>Joint ventures</b>						
Ensitrans	183,593	195,573	(11,980)	(11,980)	50%	–
OTLIS (under liquidation)	6,225,526	510,430	5,715,096	5,433,696	14.29%	90,211
						90,211

**Note:**

(a) Liability due to the potential effect of negative equity recognized in the item 'Provisions'.

(b) Liquidation closed on 27 April 2022.

## 11. OTHER FINANCIAL ASSETS

	31-Dec-2022	31-Dec-2021
<b>Bank of America Leasing &amp; Capital, LCC – Collateral</b>		
Opening balance	31,535,674	29,096,203
Change in fair value	177,628	11,791
Exchange rate differences	1,951,392	2,427,681
Closing balance	33,664,694	31,535,674
	–	–
<b>Wilmington Trust – Collateral</b>		
Opening balance	20,677,410	24,966,310
Disbursement	–	(5,809,761)
Change in fair value	(422,941)	(106,395)
Exchange rate differences	1,279,495	1,627,257
Closing balance	21,533,964	20,677,410
	–	–
<b>Investments in other companies</b>		
Opening balance	–	–
CCF equity share	1,000,000	–
Impairment losses	(1,000,000)	–
Closing balance	–	–
	–	–
<b>Work Compensation Fund</b>		
Opening balance	5,489	2,767
Increases	100,111	2,722
Change in fair value	(36)	–
Closing balance	105,564	5,489
	–	–
<b>Total</b>	<b>55,304,221</b>	<b>52,218,573</b>

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.

Following the constitution of the Railway Skill Centre (CCF) Association, and as established in Council of Ministers Resolution no. 99/2021 of 27 July, ML made an investment of 1 million euros in 2022 related to its financial interest in that association. After analysis, and taking into account the object and legal nature of the association, it is considered unlikely that ML will recover the investment in question; hence, it recognized an impairment loss of the entire amount invested.

## 12. INVENTORIES

	31 December 2022			31 December 2021		
	Gross value	Impairment losses	Net Value	Gross value	Impairment losses	Net Value
<b>Raw, subsidiary and consumable materials</b>						
Materials	9,110,269	-	9,110,269	8,468,130	-	8,468,130
Tools	34,592	-	34,592	35,390	-	35,390
Cleaning products	102,024	-	102,024	83,518	-	83,518
Office material	65,750	-	65,750	57,916	-	57,916
Fuel	25,157	-	25,157	14,996	-	14,996
Tickets and passes	182,495	-	182,495	766,954	-	766,954
Other materials	254,216	-	254,216	308,281	-	308,281
Promotional articles/publications	37,089	-	37,089	36,213	-	36,213
	<b>9,811,593</b>	<b>-</b>	<b>9,811,593</b>	<b>9,771,398</b>	<b>-</b>	<b>9,771,398</b>

Cost of goods sold and materials consumed	Raw, subsidiary and consumable materials	
	2022	2021
Opening balance	9,771,398	10,836,101
Purchases	2,906,112	1,614,634
Adjustments	(165,946)	(149,114)
Closing balance	9,811,593	9,771,398
	<b>2,699,970</b>	<b>2,530,223</b>

## 13. CUSTOMERS

	31-Dec-2022	31-Dec-2021
Publím etro	1,153,695	1,275,503
Ar Telecom	463,383	463,383
GIBB Portugal	169,760	296,764
Associação de Turismo de Lisboa	127,731	217,534
Lisbon City Council	105,095	105,095
Loures City Council	-	218,562
Other	520,944	974,741
	<b>2,540,607</b>	<b>3,551,581</b>
Impairment losses	(1,005,746)	(1,153,457)
	<b>1,534,861</b>	<b>2,398,124</b>

Impairment losses - customers	31-Dec-2022	31-Dec-2021
Opening balance	(1,153,457)	(1,133,366)
Increases	(42,966)	(24,781)
Reversals	622	-
Uses	190,056	4,690
Closing balance	<b>(1,005,746)</b>	<b>(1,153,457)</b>

## 14. STATE AND OTHER PUBLIC ENTITIES

	31 December 2022		31 December 2021	
	Assets	Liabilities	Assets	Liabilities
Corporate income tax	3,167,645	11,599	3,438,127	250
Personal income tax	5,706	1,353,088	21,667	1,274,541
Value added tax	925,636	-	5,140,935	106,165
Social Security contributions	-	1,640,461	-	1,528,022
Other taxes	-	502,508	-	502,632
	<b>4,098,987</b>	<b>3,507,656</b>	<b>8,600,729</b>	<b>3,411,610</b>



## 15. OTHER CREDIT RECEIVABLE

	31-Dec-2022	31-Dec-2021
Transtejo	22,529,809	22,529,809
Infraestruturas de Portugal	7,208,573	7,208,573
Accrued income	2,521,500	12,608,172
Traffic revenues	2,375,543	1,265,279
CP - Comboios de Portugal, E.P.E.	790,120	790,120
Águas do Tejo Atlântico	634,584	634,584
Transportes Coletivos do Barreiro	-	125,159
Other	1,500,367	3,339,610
	<b>37,560,496</b>	<b>48,501,305</b>
Impairment losses	(1,571,307)	(1,102,981)
	<b>35,989,188</b>	<b>47,398,324</b>

Impairment losses - other credit receivable	31-Dec-2022	31-Dec-2021
Opening balance	(1,102,981)	(1,281,932)
Increases	(474,385)	(3,351)
Reversals	6,058	182,302
Uses	-	-
Closing balance	(1,571,307)	(1,102,981)

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".

## 16. CASH AND CASH EQUIVALENTS

	31-Dec-2022	31-Dec-2021
Cash	24,643	25,817
Sight deposits	110,141,579	127,824,725
Term deposits	55,019,933	520,852
<b>Cash and bank deposits</b>	<b>165,186,156</b>	<b>128,371,394</b>

Following Minister of Finance Order no. 14343/2022 of 15 December, IGCP, E.P.E. executed, pursuant to Article 101(4) of Decree-Law no. 53/2022 of 12 August, an operation of investment of ML's cash balances in Special Short-term Debt Certificates (CEDIC), amounting to 55 million euros, with maturity on 2 January 2023.

## 17. EQUITY

As at 31 December 2022, the Company's equity, subscribed and paid-up, amounted to 3,849,294,636 euros, being fully held by the Portuguese State.

During the financial year ended on 31 December 2022, capital increases were made of the overall value of 181,390,745 euros.

The variation recorded in the heading 'Adjustments/other changes in equity' arises from actuarial gains in the liabilities related to post-employment benefits (Note 20).

## 18. PROVISIONS

	31 December 2022				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings underway	670,000	1,464,116	-	-	2,134,116
Income tax	272,118	-	-	-	272,118
Onerous contracts	-	-	-	-	-
Coverage of losses	17,265	1,879	(11,275)	(599)	7,270
Other provisions	-	702,072	-	-	702,072
	<b>959,382</b>	<b>2,168,067</b>	<b>(11,275)</b>	<b>(599)</b>	<b>3,115,576</b>

	31 December 2021				
	Opening balance	Increases	Reversals	Uses	Closing balance
Legal proceedings underway	710,500	30,000	(70,500)	-	670,000
Income tax	272,118	-	-	-	272,118
Onerous contracts	-	-	-	-	-
Coverage of losses	415,452	5,990	(221,875)	(182,302)	17,265
Other provisions	-	-	-	-	-
	<b>1,398,069</b>	<b>35,990</b>	<b>(292,375)</b>	<b>(182,302)</b>	<b>959,382</b>

The variation recorded under the sub-heading 'Legal proceedings underway' is primarily due to the recognition of a provision, amounting to 1.3 million euros, relative to the lawsuit petitioning for the nullity or annullability of ML's resolution that determined the administrative annulment of the award act of the public tender for the sub-concession of its transport system.

A provision was also constituted in 2022, amounting to 702,072 euros, to meet the late payment interest payable to the supplier CJC Engenharia e Projectos, Lda.

## 19. LOANS OBTAINED

	Funding entity	31 December 2022			31 December 2021		
		Value used			Value used		
		Limit	Current	Non-current	Limit	Current	Non-current
<b>Bank loans</b>							
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	12,855,055	2,571,011	15,426,066	10,284,044	5,142,022
LT Loan 421.97 MEUR	DGTF 2018 (part)	159,965,533	106,643,689	53,321,844	159,965,533	79,982,767	79,982,767
LT Loan 131.88 MEUR	DGTF 2019 (part)	23,556,727	11,778,364	11,778,364	23,556,727	7,852,242	15,704,485
LT Loan 154.51 MEUR	DGTF 2020 (part)	17,395,008	5,798,336	11,596,672	17,395,008	2,899,168	14,495,840
LT Loan 100.86 MEUR	DGTF 2021 (part)	29,239,923	4,873,321	24,366,603	29,239,923	-	29,239,923
LT Loan 35.19 MEUR	DGTF 2022 (part)	18,998,906	-	18,998,906	-	-	-
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	-	18,331,823	18,331,823	-
LT TREM II Loan 2002 (105 MEUR)	Banco Santander Totta	52,777,778	-	-	52,777,778	28,049,938	-
LT TREM II Loan 2002 (105 MEUR)	Caixa Geral de Depósitos	26,388,889	-	-	26,388,889	14,024,969	-
LT TREM II Loan 2002 (105 MEUR)	Caixa BI	26,388,889	-	-	26,388,889	14,024,969	-
		-	700,579,038	122,633,400		715,748,370	144,565,037

Further information regarding loans raised from the DGTF is disclosed in Note 5.8.

The Company's Board of Directors understands that the repayment of its liabilities, notably regarding loans obtained repayable in the short-term, will continue to be performed, notably by obtaining additional funding lines in coordination with its shareholder.

As at 31 December 2022, loans classified as non-current have the following repayment plan:

Year	Value
2024	44,097,027
2025	41,526,016
2026 and following	37,010,356
	<b>122,633,400</b>

## 20. POST-EMPLOYMENT BENEFITS – DEFINED BENEFIT PLANS

As mentioned in Note 3.16, the Company has undertaken to grant employees financial allowances for their retirement, disability and survivor pension supplements. As at 31 December 2022, the number of active employees and retirees/pensioners amounted to 954 and 1,336, respectively (967 and 1,336 as at 31 December 2021).

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 2022, 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 2022 and 2021, the current value of the Company's liabilities for its active and retired employees' past services was estimated at:

	31-Dec-2022	31-Dec-2021
Active workers	106,219,984	110,919,404
Retired employees	135,210,380	159,865,278
	<b>241,430,364</b>	<b>270,784,682</b>

The reduction in total liabilities is essentially due to the increase in the yield rate, which shifted from 1.1% to 3%.

The actuarial study reported as at 31 December 2022 was carried out using the 'Projected Unit Credit' method, which took into consideration the following assumptions and technical and actuarial bases:

	31-Dec-2022	31-Dec-2021
<b>Mortality tables</b>		
Male Mortality Table	TV88/90	TV88/90
Female Mortality Table	TV88/90	TV88/90
Disability Tables	EKV80	EKV80
<b>Rates</b>		
Technical Pension Rate	3.00%	1.10%
Wage Growth Rate	3.00%	1.50%
Discount rate	3.00%	1.10%

The evolution in the Company's liabilities related to pensions was as follows:

	31-Dec-2022	31-Dec-2021
Total liabilities at the beginning of the period	270,784,682	274,600,485
Current service costs	3,803,255	3,915,954
Interest costs	2,933,979	2,705,336
Benefits paid in the year	(11,921,859)	(12,049,714)
Actuarial (gains) losses of the year	(24,169,693)	1,612,620
<b>Total liabilities at the end of the period</b>	<b>241,430,364</b>	<b>270,784,682</b>

The cost of current services and the cost of interest for 2022, correspondingly, amounting to 3,803,255 euros and to 2,933,979 euros, were recognized in the consolidated 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 2022 and 2021 is as follows:

	31-Dec-2022	31-Dec-2021
<b>Other changes in equity</b>		
Opening balance	(45,415,238)	(43,802,617)
Actuarial gain	24,169,693	-
Actuarial loss	-	(1,612,620)
Closing balance	(21,245,545)	(45,415,238)

As at 31 December 2022, the actuarial gains primarily resulted from the rise of discount rates, with this effect having been mitigated by the rise of wage growth and pension rates.

As 31 December 2022, the Company had not established any funds to deal with these liabilities, which are recorded in the consolidated statement of financial position.

## 21. OTHER FINANCIAL LIABILITIES

This item includes interest rate swaps related to loans obtained and non-current debt of investment grants:

	31-Dec-2022	31-Dec-2021
Swaps	-	19,263,628
Investment grants - ERDF-CSF	271,975	1,384,310
Grants Investment - Environmental Fund	28,376,012	28,141,149
	<b>28,647,987</b>	<b>48,789,088</b>

## 22. SUPPLIERS

	31-Dec-2022	31-Dec-2021
CJC Engenharia e Projectos, Lda.	690,500	690,500
CP - Comboios de Portugal, E.P.E.	395,537	70,006
TML - Transportes Metropolitanos de Lisboa, EMT, S.A.	183,225	435,111
TK Elevadores Portugal, Unipessoal, Lda.	79,686	-
FUTRIMETAL - Industria e Comércio de Produtos Metálicos, S.A.	73,800	-
Samsic Portugal - Gestão e Manutenção de Edifícios, Lda.	42,872	34,044
Efacec Energia - Máquinas e Equipamentos Eléctricos, S.A.	38,922	4,170
M.E.S.I. - Manutenção e Serviços Industriais, Lda.	34,555	22,680
Epal - Empresa Portuguesa das Águas Livres, S.A.	33,202	-
Schmitt - Elevadores, Lda.	30,797	-
Eurest (Portugal) - Sociedade Europeia de Restaurantes, Lda.	28,101	22,490
Tecnovia - Sociedade de Empreitadas S.A.	24,640	-
LIMPERSADO - Limpeza, Máquinas e Transportes, S.A.	14,600	57,549
GEOCONTROLE - Geotecnia e Estruturas de Fundação, S.A.	2,337	213,540
Iberdrola Clientes Portugal, Unipessoal, Lda.	31	199,727
Stap - Reparação, Consolidação e Modificação de Estruturas, S.A.	-	68,584
Other	299,719	116,836
	<b>1,972,522</b>	<b>1,935,236</b>

**23. OTHER DEBTS PAYABLE**

	31-Dec-2022	31-Dec-2021
Accrued expenses - Interest payable	29,589,852	28,445,860
Accrued expenses - Remunerations payable	11,391,458	10,156,852
Grants - Environmental Fund	8,260,348	2,441,792
Grants - Recovery and Resilience Plan (PRR)	5,512,000	5,512,000
Investment suppliers	5,430,008	4,506,566
Tickets and passes	2,541,311	1,655,677
Income to be recognized - Protocols	2,849,239	2,917,597
Income to be recognized - Compensatory indemnities	1,903,548	-
Investment grants - ERDF-CSF	1,112,335	1,112,335
Other	4,156,402	4,074,731
	<b>72,746,501</b>	<b>60,823,411</b>

**24. SALES AND SERVICES RENDERED**

	2022	2021
Sales	36,083	47,919
Services Rendered		-
Tickets	39,039,876	19,141,087
Monthly passes	50,319,213	32,485,054
Cards	3,129,687	1,433,080
AML fare compensation	10,790,373	7,940,398
Financial compensation 4-18, under-23, Social +	3,505,545	3,574,453
Advertising operation	1,469,887	149,946
Operation contracts	2,598,001	1,721,817
Other	1,062,125	936,971
	<b>111,950,789</b>	<b>67,430,724</b>

**25. OPERATING GRANTS**

	2022	2021
AML - Support for restoring the supply of public transport	9,050,009	36,718,196
PRR - Alcântara Red Line extension	1,015,734	1,135,080
PRR - Loures-Odivelas Light Surface Metro	448,839	68,125
Environmental Fund - Rato/Cais do Sodré extension	31,365	94,252
Other	93,993	28,500
	<b>10,639,940</b>	<b>38,044,153</b>

The sum allocated to ML under support to the restoration of supply, of the total value of 9,050,009 euros, stems from the extension of the enforcement of the rules allocating funding and compensations to essential transport operators, in the context of the COVID-19 pandemic, established in Decree-Law no. 14-C/2020 of 7 April, in its current wording.

**26. GAINS/LOSSES IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES**

	2022	2021
<b>Associates</b>		
Publím metro - Publicidade em Meios de Transporte e Outros, S.A.	39,570	221,875
<b>Joint ventures</b>		
OTLIS - Operadores de Transportes da Região de Lisboa, A.C.E.	(2,142)	547,124
Ensitrans - Engenharia e Sistemas de Transporte, A.E.I.E.	(1,879)	158,082
	<b>35,549</b>	<b>927,081</b>

**27. EXTERNAL SUPPLIES AND SERVICES**

	2022	2021
Electricity	(13,453,691)	(7,121,721)
Surveillance and security	(6,218,722)	(6,100,436)
Maintenance and repair	(5,180,220)	(5,254,789)
Cleaning, hygiene and comfort	(4,137,451)	(4,881,663)
Specialized work	(2,433,774)	(1,482,050)
Other	(3,968,771)	(3,158,988)
	<b>(35,392,629)</b>	<b>(27,999,647)</b>

**28. PERSONNEL EXPENSES**

	2022	2021
	TOTAL	TOTAL
Remunerations of governing bodies	(274,851)	(276,174)
Remunerations of personnel	(61,973,482)	(59,304,584)
Post-employment benefits	(6,736,393)	(6,625,935)
Charges on remunerations	(14,267,418)	(13,712,271)
Work accident and occupational disease insurance	(1,289,554)	(773,643)
Health insurance	(901,095)	(1,049,103)
Social action expenses	(1,242,659)	(889,393)
Other	(311,561)	(350,079)
	<b>(86,997,013)</b>	<b>(82,981,182)</b>

The average number of employees at the Group's service in 2022 was 1,543 (1,518 in 2021). The total number of employees as at 31 December 2022 stood at 1,575 (1,521 in 2021).

**29. OTHER INCOME**

	2022	2021
Favourable exchange rate differences	3,230,981	4,054,938
Investment grants	1,112,335	1,243,100
Corrections relative to previous years	502,984	904,317
Real estate property rents	580,170	586,619
Energy assignment	268,332	161,605
Interest	7,730	36,051
Other	592,870	240,524
	<b>6,295,402</b>	<b>7,227,154</b>

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 (PMO III) and the 17 Triple Unit interim series, the 20 Triple Unit 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**

	2022	2021
Corrections relative to previous years	(971,652)	(2,021,108)
Income tax	(520,113)	(506,589)
Losses in non-financial investments	(378,971)	(368,888)
Inventory losses	(202,919)	(56,621)
Levies	(93,639)	(105,429)
Unfavourable exchange rate differences	-	(3,932)
Other	(133,975)	(93,747)
	<b>(2,301,269)</b>	<b>(3,156,314)</b>

**31. INTEREST AND SIMILAR EXPENSES INCURRED**

	2022	2021
Interest - swaps	(18,926,093)	(23,840,096)
Interest - loans obtained	(1,143,992)	(1,195,836)
Interest - leases (Note 7)	(7,704)	(6,534)
Other interest	(81,216)	(216,782)
	<b>(20,159,006)</b>	<b>(25,259,247)</b>

**32. INCOME TAX FOR THE PERIOD**

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 Group 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 Group's companies' 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 consolidated financial statements as at 31 December 2022.

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:

	2022		2021	
	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	-	2023	248,318	2023
Generated in 2017	39,552,131	2024	39,766,185	2024
Generated in 2018	21,701,153	2025	21,701,153	2025
Generated in 2019	13,308,812	2026	14,039,875	2026
Generated in 2020	41,815,801	2034	41,815,801	2034
Generated in 2021	16,408,154	2035	-	-
	<b>138,759,266</b>		<b>123,544,548</b>	

The reconciliation between the nominal income tax rate and the effective tax rate in the financial years 2022 and 2021 is as follows:

	2022				2021			
	ML	Ferconsult	Metrocom	TOTAL	ML	Ferconsult	Metrocom	TOTAL
Profit before taxes	(21,117,081)	212,305	153,376	-	(22,895,209)	113,001	(33,237)	-
Permanent differences	1,531,569	62,631	2,208	-	6,487,056	378,511	(9,600)	-
Taxable profit	(19,585,512)	274,936	155,584	-	(16,408,154)	491,512	(42,837)	-
Tax losses deducted	-	(192,455)	(34,270)	-	-	(344,059)	-	-
Tax base	-	82,481	121,315	-	-	147,454	-	-
Nominal tax rate	21%	21%	21%	-	21%	21%	21%	-
Tax due	-	(17,321)	(25,476)	-	-	(30,965)	600	-
Municipal surcharge	-	(4,124)	(2,334)	-	-	(7,373)	-	-
Autonomous taxation	(18,319)	-	-	-	(5,361)	-	-	-
<b>Income tax</b>	<b>(18,319)</b>	<b>(21,445)</b>	<b>(27,810)</b>	<b>(67,574)</b>	<b>(5,361)</b>	<b>(38,338)</b>	<b>600</b>	<b>(43,099)</b>
<b>Effective tax rate</b>	<b>-</b>	<b>10.10%</b>	<b>18.13%</b>	<b>-</b>	<b>-</b>	<b>33.93%</b>	<b>1.81%</b>	<b>-</b>

**33. BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

2022	As sets	Liabilities	Income	Expenses
<b>Shareholder</b>				
Portuguese State	-	2,150,903,569	-	-
<b>Associates</b>				
Publimetro	1,153,695	-	1,626,892	-
<b>Joint ventures</b>				
OTLIS (under liquidation)	-	-	-	-
Ensitrans	-	-	6,000	-
<b>Key management personnel</b>				
Board of Directors	-	-	-	(291,210)
<b>2021</b>				
2021	As sets	Liabilities	Income	Expenses
<b>Shareholder</b>				
Portuguese State	-	2,115,705,938	-	-
<b>Associates</b>				
Publimetro	1,275,503	-	852,416	-
<b>Joint ventures</b>				
OTLIS (under liquidation)	-	-	555,161	(17,435)
Ensitrans	12,761	-	34,326	-
<b>Key management personnel</b>				
Board of Directors	-	-	-	(285,252)

The transactions recorded with the members of the Board of Directors in 2022 and 2021 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	2022	2021
			Value	Value
Banco BPI	10/03/2006	ADM&FISCAL COURT.LX-SECTION 2	7,494	7,494
Banco BPI	11/05/2006	FINANCE 4TH TAX DISTRICT	95,482	95,482
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
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	-	86,130
			<b>833,925</b>	<b>1,680,665</b>

### 35. CONTINGENT LIABILITIES

As at 31 December 2022, there are indemnity claims for damages sent to the Company amounting to 11,049 euros, concerning legal proceedings for expropriations 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

Up to this report's issue date, no information has been received about conditions that existed on the reporting date which could materially affect the Group's financial position and results.

#### THE BOARD OF DIRECTORS

Vitor Manuel Domingues dos Santos

Maria Helena Arranhado Carrasco Campos

João Paulo de Figueiredo Lucas Saraiva

#### THE CERTIFIED ACCOUNTANT

Pedro Miguel Galante Antunes Paiva

## 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 hereby 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:

Vítor Domingues dos Santos

**Chairman of the Board**

Maria Helena Campos

**Member of the Board of Directors**

João Paulo de Figueiredo Lucas Saraiva

**Member of the Board of Directors**

## V. Budget Statements

### 1 – Budget and Multi-Annual Budget Plan

Unit Euros

Items	Appointment	Budget				Multi-annual budget plan	
		2020	2021	2022	Sum	2023	2024
<b>CURRENT REVENUE</b>		<b>146,820,727</b>	<b>151,969,941</b>	<b>196,230,830</b>	<b>495,021,498</b>	<b>184,736,883</b>	<b>0</b>
R 1	Tax Revenue	0	0	0	0	0	0
R 11	Direct taxes	0	0	0	0	0	0
R 12	Indirect taxes	0	0	0	0	0	0
R 2	Contribution to social protection systems and health subsystem	0	0	0	0	0	0
R 3	Rates, fines and other penalties	0	0	0	0	0	0
R 4	Property income	0	0	0	0	0	0
R 5	Current Transfers	3,982,702	17,100,000	53,938,344	75,021,046	64,377,486	0
R 51	Public Administrations	3,982,702	17,100,000	3,590,995	24,673,697	64,377,486	0
R 511	Central Administration – State	3,959,702	17,100,000	3,590,995	24,650,697	4,928,058	0
R 512	Central Administration – Other entities	23,000	0	0	23,000	0	0
R 515	Local Administration	0	0	33,580,349	33,580,349	59,449,428	0
	European Union	0	10,000,000	16,767,000	26,767,000	51,870,694	0
R 6	Sale of products and services	142,838,025	104,046,748	128,831,905	375,716,678	109,908,082	0
R 7	Other current revenue	0	20,823,193	13,460,581	34,283,774	10,451,315	0
		0	20,823,193	13,460,581	34,283,774	10,451,315	0
		0	0	0	0	0	0
		0	20,823,193	13,460,581	34,283,774	10,451,315	0
<b>CAPITAL REVENUE</b>		<b>98,948,014</b>	<b>60,947,536</b>	<b>88,640,184</b>	<b>248,535,734</b>	<b>85,693,876</b>	<b>0</b>
R 8	Sale of investment assets	30,634,620	550,000	480,000	31,664,620	200,000	0
R 9	Capital transfers	68,313,394	60,397,536	88,160,184	216,871,114	85,493,876	0
R 91	Public Administrations	59,668,498	37,644,200	42,780,000	140,092,698	53,850,000	0
R 911	Central Administration – State	59,668,498	37,644,200	42,780,000	140,092,698	53,850,000	0
R 912	Central Administration – Other entities	0	0	0	0	0	0
R 913	Social Security	0	0	0	0	0	0
R 914	Regional Administration	0	0	0	0	0	0
R 915	Local Administration	0	0	0	0	0	0
R 92	External – European Union	8,644,896	22,753,336	45,380,184	76,778,416	31,643,876	0
R 93	Other	0	0	0	0	0	0
R 10	Other capital revenue	0	0	0	0	0	0
R 11	Refund not written off from the payments	0	0	0	0	0	0
Effective revenue [1]		245,768,741	212,917,477	284,871,014	743,557,232	270,430,759	0
Non-effective revenue [2]		454,904,913	367,625,166	239,589,785	1,062,119,864	141,411,884	0
R 12	Revenue from financial assets	0	0	0	0	0	0
R 13	Revenue from financial liabilities	454,904,913	367,625,166	239,589,785	1,062,119,864	141,411,884	0
<b>Total revenue [3] = [1] + [2]</b>		<b>700,673,654</b>	<b>580,542,643</b>	<b>524,460,799</b>	<b>1,805,677,096</b>	<b>411,842,643</b>	<b>0</b>

Items		Budget 2022				Multi-annual budget plan	
		2020	2021	2022	Sum	2023	2024
<b>CURRENT EXPENSE</b>		<b>353,248,777</b>	<b>289,811,913</b>	<b>243,274,285</b>	<b>886,334,975</b>	<b>214,966,400</b>	<b>0</b>
D1	Personnel expense	83,000,000	84,002,460	85,682,509	252,684,969	89,513,987	0
D11	Fixed and permanent remunerations	53,772,838	54,275,298	54,289,031	162,337,167	58,944,233	0
D12	Variable or possible allowances	4,437,456	4,437,456	4,575,935	13,450,847	4,755,700	0
D13	Social security	24,789,706	25,289,706	26,817,543	76,896,955	25,814,054	0
D2	Purchase of goods and services	59,995,402	57,776,516	59,373,302	177,145,220	72,943,397	0
D3	Interest and other costs	199,432,903	147,291,972	97,620,166	444,345,041	52,509,016	0
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	10,820,472	740,965	598,308	12,159,745	0	0
<b>CAPITAL EXPENSE</b>		<b>130,910,280</b>	<b>150,866,772</b>	<b>200,223,998</b>	<b>482,001,050</b>	<b>196,876,243</b>	<b>0</b>
D7	Investment	130,910,280	150,866,772	200,223,998	482,001,050	196,876,243	0
D8	Capital transfers	0	0	0	0	0	0
D81	Public Administrations	0	0	0	0	0	0
D811	Central Administration - State	0	0	0	0	0	0
D812	Central Administration - Other entities	0	0	0	0	0	0
D813	Social Security	0	0	0	0	0	0
D814	Regional Administration	0	0	0	0	0	0
D815	Local Administration	0	0	0	0	0	0
D82	Non-profit making institutions	0	0	0	0	0	0
D83	Households	0	0	0	0	0	0
D84	Other current expenses	0	0	0	0	0	0
D9	Other equity expenses	0	0	0	0	0	0
<b>Effective expense [4]</b>		<b>484,159,057</b>	<b>440,678,685</b>	<b>443,498,283</b>	<b>1,368,336,025</b>	<b>411,842,643</b>	<b>0</b>
<b>Non-effective expense [5]</b>		<b>216,514,597</b>	<b>139,863,958</b>	<b>80,962,516</b>	<b>437,341,071</b>	<b>0</b>	<b>0</b>
D10	Expense related to financial assets	0	0	0	0	0	0
D11	Expense related to financial liabilities	216,514,597	139,863,958	80,962,516	437,341,071	0	0
<b>Total expense [6] = [4] + [5]</b>		<b>700,673,654</b>	<b>580,542,643</b>	<b>524,460,799</b>	<b>1,805,677,096</b>	<b>411,842,643</b>	<b>0</b>
<b>Total balance [3] - [6]</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall balance [1] - [4]</b>		<b>-238,390,316</b>	<b>-227,761,208</b>	<b>-158,627,269</b>	<b>-624,778,793</b>	<b>-141,411,884</b>	<b>0</b>
Primary expense		284,726,154	293,386,713	345,878,117	923,990,984	359,333,627	0
Current balance		-206,428,050	-137,841,972	-47,043,455	-391,313,477	-30,229,517	0
Capital balance		-31,962,266	-89,919,236	-111,583,814	-233,465,316	-111,182,367	0
Primary balance		-38,957,413	-80,469,236	-61,007,103	-180,433,752	-88,902,868	0

2 - Multi-annual investment plan

Unit: Euros

Goal [1]	Project number [2]	Project name [3]	Budget item [4]	Form of realization [5]	Funding Source				Dates		Implementation stage [12]	Payments							Total forecast [21] = [13] + ... + [20]		
					GENERAL REVENUES [6]	OWN REVENUES [7]	EU [8]	LOANS [9]	Start [10]	End [11]		Realized in previous periods [13]	Estimated realization of period t-1 [14]	Following periods							
														2023 [t] [15]	2024 [16]	2025 [17]	2026 [18]	2027 [19]		Other [20]	
	1	Network Refurbishment	D.7	E	10,190,336						n.a.			17,558,621							17,558,621
	2	Network Expansion	D.7	E	33,554,384		45,380,184		2020	2024	3	52,799,965	37,925,462	71,656,203	159,240,957						321,622,588
	3	Modernization and CBTC	D.7	E/O	8,235,280				2020	2027	3	39,464,459	571,550	27,801,018	25,452,171	25,360,580	20,302,744				138,952,522
	4	TREM Lease	D.7	O	51,007,102				2020	2022	n.a.	102,814,962	52,777,778	0							155,592,739
	5	Investment (ML)	D.7	E	1	35,089,711					n.a.			27,989,707							27,989,707
	6	S. Sebastião/Alcântara Expansion	D.7	E			16,029,000		2021	2026	1	68,509	1,180,184	44,212,688	136,650,572	142,237,631	103,595,964				427,945,548
	7	Odivelas/Loures Light Surface Metro	D.7	E			738,000		2021	2026	1	54,650	513,842	7,658,006	97,279,050	99,479,211	51,179,429				256,164,188
<b>Total</b>					<b>102,987,103</b>	<b>35,089,711</b>	<b>62,147,184</b>	<b>0</b>				<b>Total</b>	<b>195,202,545</b>	<b>92,968,816</b>	<b>196,876,243</b>	<b>418,622,750</b>	<b>267,077,422</b>	<b>175,078,137</b>	<b>0</b>	<b>0</b>	<b>1,345,825,913</b>

## Individual reporting statements

## 1 - Budget performance statement - Revenue

Unit: Euros

ITEM	REVENUES	FUNDING SOURCES - 2022					2021	
		OWN REVENUES	ERAL REVEN	EU	LOANS	BORROWED FUNDS		TOTAL
	Balance of previous management						0	
	Budget operations [1]	47,653,987	1,685,857	3,563,173		70,202,815	123,105,832	47,271,470
	Restoration of budget operation balance						0	
	Treasury operations [A]	88,675					88,675	
	<b>CURRENT REVENUE</b>	<b>146,488,721</b>	<b>3,963,263</b>	<b>1,694,026</b>	<b>0</b>	<b>0</b>	<b>152,146,010</b>	<b>187,505,747</b>
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	72,919	0	0	0	0	72,919	0
R5	Current transfers	20,103,300	3,963,263	1,694,026	0	0	25,760,589	111,591,266
R51	Public administrations	20,103,300	3,963,263	0	0	0	24,066,563	8,483,263
R511	Central administration - State	0	3,963,263	0	0	0	3,963,263	3,963,263
R512	Central administration - Other entities	0	0	0	0	0	0	4,520,000
R513	Social Security	0	0	0	0	0	0	0
R514	Regional Administration	0	0	0	0	0	0	0
R515	Local Administration	20,103,300	0	0	0	0	20,103,300	103,108,003
R52	External - European Union	0	0	1,694,026	0	0	1,694,026	72,020,000
R53	Other	0	0	0	0	0	0	0
R6	Sale of products and services	117,923,025	0	0	0	0	117,923,025	69,247,992
R7	Other current revenue	8,389,477	0	0	0	0	8,389,477	6,666,489
	<b>CAPITAL REVENUE</b>	<b>272,844</b>	<b>42,780,000</b>	<b>29,817,018</b>	<b>0</b>	<b>0</b>	<b>72,869,862</b>	<b>78,455,224</b>
R8	Sale of investment assets	15,880	0	0	0	0	15,880	1,444,226
R9	Capital transfers	0	42,780,000	29,817,018	0	0	72,597,018	76,977,599
R91	Public administrations	0	42,780,000	0	0	0	42,780,000	38,294,200
R911	Central administration - State	0	42,780,000	0	0	0	42,780,000	38,294,200
R912	Central Administration - Other entities	0	0	0	0	0	0	0
R913	Social Security	0	0	0	0	0	0	0
R914	Regional Administration	0	0	0	0	0	0	0
R93	Other	0	0	0	0	0	0	0
R11	Refund not written off from the payments	256,964	0	0	0	0	256,964	33,399
	Effective revenue [2]	146,761,565	46,743,263	31,511,044	0	0	225,015,872	265,960,971
	Non-effective revenue [3]	0	216,588,376	0	0	0	216,588,376	378,902,192
R12	Revenue from financial assets	0	0	0	0	0	0	5,809,761
R13	Revenue from financial liabilities	0	216,588,376	0	0	0	216,588,376	373,092,431
	Sum [4] = [1] + [2] + [3]	194,415,552	265,017,496	35,074,217	0	70,202,815	564,710,080	692,134,633
	Treasury operations [B]	0	0		0	0	0	0



## Individual reporting statements

## 1 - Budget performance statement - Expense

Unit: Euros

ITEM	PAYMENTS	FUNDING SOURCES - 2022					TOTAL	2021
		OWN REVENUES	GENERAL REVENUES	EU	LOANS	BORROWED FUNDS		
	<b>CURRENT EXPENSE</b>	<b>134,126,930</b>	<b>79,445,559</b>	<b>1,694,026</b>	<b>0</b>	<b>0</b>	<b>215,266,515</b>	<b>276,716,905</b>
D1	Personnel expenses	86,890,138	0	0	0	0	86,890,138	85,286,825
D11	Fixed and permanent remunerations	55,989,777	0	0	0	0	55,989,777	54,685,973
D12	Variable or possible allowances	4,662,309	0	0	0	0	4,662,309	4,397,404
D13	Social security	26,238,052	0	0	0	0	26,238,052	26,203,448
D2	Purchase of goods and services	45,687,503	3,747,795	1,669,739	0	0	51,105,037	46,919,570
D3	Interest and other costs	0	75,697,764	0	0	0	75,697,764	141,972,296
D4	Current transfers	0	0	0	0	0	0	0
D41	Public Administrations	0	0	0	0	0	0	0
D411	Central Administration - State	0	0	0	0	0	0	0
D412	Central Administration - Other entities	0	0	0	0	0	0	0
D413	Social Security	0	0	0	0	0	0	0
D414	Regional Administration	0	0	0	0	0	0	0
D415	Local Administration	0	0	0	0	0	0	0
D42	Non-profit making institutions	0	0	0	0	0	0	0
D43	Households	0	0	0	0	0	0	0
D44	Other current expenses	0	0	0	0	0	0	0
D5	Grants	0	0	0	0	0	0	0
D6	Other current expenses	1,549,289	0	24,287	0	0	1,573,576	2,538,213
	<b>CAPITAL EXPENSE</b>	<b>14,438,530</b>	<b>61,557,096</b>	<b>30,234,150</b>	<b>0</b>	<b>0</b>	<b>106,229,776</b>	<b>150,753,912</b>
D7	Investment	13,438,530	61,557,096	30,234,150	0	0	105,229,776	150,753,912
D8	Capital transfers	0	0	0	0	0	0	0
D81	Public Administrations	0	0	0	0	0	0	0
D811	Central Administration - State	0	0	0	0	0	0	0
D812	Central Administration - Other entities	0	0	0	0	0	0	0
D813	Social Security	0	0	0	0	0	0	0
D814	Regional Administration	0	0	0	0	0	0	0
D815	Local Administration	0	0	0	0	0	0	0
D82	Non-profit making institutions	0	0	0	0	0	0	0
D83	Households	0	0	0	0	0	0	0
D84	Other current expenses	0	0	0	0	0	0	0
D9	Other equity expenses	1,000,000	0	0	0	0	1,000,000	0
	<b>Effective expense [5]</b>	<b>148,565,460</b>	<b>141,002,655</b>	<b>31,928,176</b>	<b>0</b>	<b>0</b>	<b>321,496,291</b>	<b>427,470,817</b>
	<b>Non-effective expense [6]</b>	<b>0</b>	<b>80,962,515</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,962,515</b>	<b>139,863,958</b>
D10	Expense related to financial assets	0	0	0	0	0	0	0
D11	Expense related to financial liabilities	0	80,962,515	0	0	0	80,962,515	139,863,958
	<b>Sum [7] = [5] + [6]</b>	<b>148,565,460</b>	<b>221,965,170</b>	<b>31,928,176</b>	<b>0</b>	<b>0</b>	<b>402,458,806</b>	<b>567,334,775</b>
	<b>Treasury operations [C]</b>	<b>88,675</b>					<b>88,675</b>	
	<b>Balance for following management</b>							
	Budget operations [8] = [4] - [7]	45,850,092	43,052,326	3,146,041	0	70,202,815	162,251,274	124,799,858
	Treasury operations [D] = [A] + [B] - [C]	0	0	0	0	0	0	0
	<b>Overall balance [2] - [5]</b>	<b>-1,803,895</b>	<b>-94,259,392</b>	<b>-417,132</b>	<b>0</b>	<b>0</b>	<b>-96,480,419</b>	<b>-161,509,846</b>
	Primary expense	148,565,460	65,304,891	31,928,176	0	0	245,798,527	285,498,521
	Capital balance	-14,165,686	-18,777,096	-417,132	0	0	-33,359,914	-72,298,688
	Primary balance	-1,803,895	-18,561,628	-417,132	0	0	-20,782,655	-19,537,550
	Total revenue [1]+ [2]+ [3]	194,415,552	265,017,496	35,074,217	0	70,202,815	564,710,080	692,134,633
	Total expense [5]+ [6]	148,565,460	221,965,170	31,928,176	0	0	402,458,806	567,334,775

Budget performance statement - Revenue

Unit: Euros

Items	Appointment	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		Net revenues collected			Revenue to be collected at end of period (11)	Budget execution degree	
							Issued (6)	Paid (7)	2021 (8)	2022 (9)	Total (10) = (5) - (7)		Previous periods (12) = (8) / (2) x 100	Current period (13) = (9) / (2) x 100
<b>CURRENT REVENUE</b>		<b>195,827,689</b>	<b>0</b>	<b>152,146,010</b>	<b>0</b>	<b>152,146,010</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>152,146,010</b>	<b>152,146,010</b>	<b>0</b>		
R 1	Tax revenue	0	0	0	0	0	0	0	0	0	0	0		
R 11	Direct taxes	0	0	0	0	0	0	0	0	0	0	0		
R 12	Indirect taxes	0	0	0	0	0	0	0	0	0	0	0		
R 2	Contribution to social protection systems and health subsystem	0	0	0	0	0	0	0	0	0	0	0		
R 3	Rates, fines and other penalties	0	0	0	0	0	0	0	0	0	0	0		
R 4	Property income	72,919	0	72,919	0	72,919	0	0	0	72,919	72,919	0		
R 5	Current transfers	54,692,149	0	25,760,589	0	25,760,589	0	0	0	25,760,589	25,760,589	0		
R 51	Public administrations	37,925,149	0	3,963,263	0	3,963,263	0	0	0	3,963,263	3,963,263	0		
R 511	Central administration - State	3,590,995	0	3,963,263	0	3,963,263	0	0	0	3,963,263	3,963,263	0		
R 512	Central administration - Other entities	0	0	0	0	0	0	0	0	0	0	0		
R 513	Social Security	0	0	0	0	0	0	0	0	0	0	0		
R 514	Regional Administration	0	0	0	0	0	0	0	0	0	0	0		
R 515	Local Administration	34,334,154	0	20,103,300	0	20,103,300	0	0	0	20,103,300	20,103,300	0		
R 52	External - European Union	16,767,000	0	1,694,026	0	1,694,026	0	0	0	1,694,026	1,694,026	0		
R 53	Other	0	0	0	0	0	0	0	0	0	0	0		
R 6	Sale of products and services	132,673,142	0	117,923,025	0	117,923,025	0	0	0	117,923,025	117,923,025	0		
R 7	Other current revenue	8,389,479	0	8,389,477	0	8,389,477	0	0	0	8,389,477	8,389,477	0		
<b>CAPITAL REVENUE</b>		<b>328,633,110</b>	<b>0</b>	<b>289,458,238</b>	<b>0</b>	<b>289,458,238</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>289,458,238</b>	<b>289,458,238</b>	<b>0</b>		
R 8	Sale of investment assets	626,177	0	15,880	0	15,880	0	0	0	15,880	15,880	0		
R 9	Capital transfers	88,160,184	0	72,597,018	0	72,597,018	0	0	0	72,597,018	72,597,018	0		
R 91	Public administrations	42,780,000	0	42,780,000	0	42,780,000	0	0	0	42,780,000	42,780,000	0		
R 911	Central administration - State	42,780,000	0	42,780,000	0	42,780,000	0	0	0	42,780,000	42,780,000	0		
R 912	Central Administration - Other entities	0	0	0	0	0	0	0	0	0	0	0		
R 913	Social Security	0	0	0	0	0	0	0	0	0	0	0		
R 914	Regional Administration	0	0	0	0	0	0	0	0	0	0	0		
R 915	Local Administration	0	0	0	0	0	0	0	0	0	0	0		
R 92	External - European Union	45,380,184	0	29,817,018	0	29,817,018	0	0	0	29,817,018	29,817,018	0		
R 10	Other capital revenue	0	0	0	0	0	0	0	0	0	0	0		
R 11	Refund not written off from the payments	256,964	0	256,964	0	256,964	0	0	0	256,964	256,964	0		
R 12	Financial assets	0	0	0	0	0	0	0	0	0	0	0		
R 13	Financial Liabilities	239,589,785	0	216,588,376	0	216,588,376	0	0	0	216,588,376	216,588,376	0		
Balance of previous management - budget operations		52,903,020	0	123,194,507	0	123,194,507	0	0	0	123,194,507	123,194,507	0		
		<b>577,363,819</b>	<b>0</b>	<b>564,798,755</b>	<b>0</b>	<b>564,798,755</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>564,798,755</b>	<b>564,798,755</b>	<b>0</b>		

Budget performance statement - Expense

Unit: Euros

Items	Appointment	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
<b>CURRENT EXPENSE</b>		<b>1,203,870</b>	<b>271,945,219</b>	<b>10,473,918</b>	<b>220,773,811</b>	<b>220,773,811</b>	<b>1,203,870</b>	<b>214,062,645</b>	<b>215,266,514</b>	<b>0</b>	<b>5,507,297</b>	<b>0.4</b>	<b>78.7</b>
D1	Personnel expenses	146,967	101,507,112	0	87,000,284	87,000,284	146,967	86,743,171	86,890,138	0	110,147	0.1	85.5
D11	Fixed and permanent remunerations	146,958	68,460,296	0	55,999,629	55,999,629	146,958	55,842,819	55,989,777	0	9,852	0.2	81.6
D12	Variable or possible allowances	9	5,203,472	0	4,762,311	4,762,311	9	4,662,300	4,662,309	0	100,003	0.0	89.6
D13	Social security	0	27,843,344	0	26,238,344	26,238,344	0	26,238,052	26,238,052	0	292	0.0	94.2
D2	Purchase of goods and services	1,053,597	71,153,873	10,473,918	56,485,425	56,485,425	1,053,597	50,051,440	51,105,037	0	5,380,389	1.5	70.3
D3	Interest and other costs	1,486	97,672,375	0	75,714,526	75,714,526	1,486	75,696,278	75,697,764	0	16,762	0.0	77.5
D4	Current transfers	0	0	0	0	0	0	0	0	0	0	-	-
D41	Public Administrations	0	0	0	0	0	0	0	0	0	0	-	-
D411	Central Administration - State	0	0	0	0	0	0	0	0	0	0	-	-
D412	Central Administration - Other entities	0	0	0	0	0	0	0	0	0	0	-	-
D413	Social Security	0	0	0	0	0	0	0	0	0	0	-	-
D414	Regional Administration	0	0	0	0	0	0	0	0	0	0	-	-
D415	Local Administration	0	0	0	0	0	0	0	0	0	0	-	-
D42	Non-profit making institutions	0	0	0	0	0	0	0	0	0	0	-	-
D43	Households	0	0	0	0	0	0	0	0	0	0	-	-
D44	Other current expenses	0	0	0	0	0	0	0	0	0	0	-	-
D5	Grants	0	0	0	0	0	0	0	0	0	0	-	-
D6	Other current expenses	1,820	1,611,859	0	1,573,576	1,573,576	1,820	1,571,756	1,573,576	0	0	0.1	97.5
<b>CAPITAL EXPENSE</b>		<b>3,299,179</b>	<b>305,418,600</b>	<b>0</b>	<b>227,696,871</b>	<b>227,696,871</b>	<b>3,299,180</b>	<b>183,893,111</b>	<b>187,192,291</b>	<b>0</b>	<b>40,504,580</b>	<b>1.1</b>	<b>60.2</b>
D7	Investment	3,299,179	223,456,084	0	145,734,356	145,734,356	3,299,180	101,930,596	105,229,776	0	40,504,579	1.5	45.6
D8	Capital transfers	0	0	0	0	0	0	0	0	0	0	-	-
D81	Public Administrations	0	0	0	0	0	0	0	0	0	0	-	-
D811	Central Administration - State	0	0	0	0	0	0	0	0	0	0	-	-
D812	Central Administration - Other entities	0	0	0	0	0	0	0	0	0	0	-	-
D813	Social Security	0	0	0	0	0	0	0	0	0	0	-	-
D814	Regional Administration	0	0	0	0	0	0	0	0	0	0	-	-
D815	Local Administration	0	0	0	0	0	0	0	0	0	0	-	-
D82	Non-profit making institutions	0	0	0	0	0	0	0	0	0	0	-	-
D83	Households	0	0	0	0	0	0	0	0	0	0	-	-
D84	Other current expenses	0	0	0	0	0	0	0	0	0	0	-	-
D9	Other equity expenses	0	1,000,000	0	1,000,000	1,000,000	0	1,000,000	1,000,000	0	0	0.0	100.0
D10	Financial assets	0	0	0	0	0	0	0	0	0	0	-	-
D11	Financial Liabilities	0	80,962,516	0	80,962,516	80,962,516	0	80,962,515	80,962,515	0	1	0.0	100.0
		<b>4,503,049</b>	<b>577,363,819</b>	<b>10,473,918</b>	<b>448,470,682</b>	<b>448,470,682</b>	<b>4,503,050</b>	<b>397,955,755</b>	<b>402,458,805</b>	<b>0</b>	<b>46,011,877</b>	<b>0.8</b>	<b>68.9</b>

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 2022	Following years	Total	Following years	2022	Total		
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14] = [12] + [13]	[15]	[16]	[17] = [15] + [16]		
	1	Network Refurbishment	D.2	E	0	24,267					0	0	0		24,267	24,267	0.24%	79.42%
	1	Network Refurbishment	D.7	E	552,765	7,540,789					10,190,336		10,190,336		8,093,554	8,093,554	10.25%	
	2	Network Expansion	D.2	E		36,310							0		36,310	36,310	0.05%	
	2	Network Expansion	D.7	E	7,655,003		30,234,150		2020	2024	78,934,568	230,897,160	309,831,728		37,889,153	37,889,153	48.00%	48.00%
	3	Modernization and CBTC	D.2	E/O					2020	2027			0		0	0	0.00%	
	3	Modernization and CBTC	D.7	E/O	571,550				2020	2027	8,235,280	53,253,189	61,488,469		571,550	571,550	6.94%	694.00%
	4	TREM Lease	D.7	O	52,777,778				2020	2022	51,007,102	0	51,007,102	102,814,962	52,777,778	155,592,740	103.47%	103.47%
	5	Other	D.7	E		5,897,598					35,089,712		35,089,712	0	5,897,598	5,897,598	16.81%	16.81%
	6	S. Sebastião/Alcântara Expansion	D.2/D.6	E			1,180,183		2021	2026	16,029,000	180,863,260	196,892,260		1,180,183	1,248,692	7.36%	7.36%
	7	Odivelas/Loures Light Surface Metro	D.2/D.6	E			513,842		2021	2026	738,000	104,937,056	105,675,056	54,650	513,842	568,492	69.63%	69.63%
Total					61,557,096	13,498,964	31,928,175	0	Total		200,223,998	569,950,665	770,174,663	102,938,121	106,984,235	209,922,356	53.43%	215.89%

## Budget changes - Revenue

Unit Euros

Items [1]	Description [2]	Revenue				Corrected forecasts [7]=[3]+[4]-[5]+[6]	Notes [8]
		Initial forecasts [3]	Budget changes				
			Entries/increases [4]	Reductions/annulments [5]	Special loans [6]		
<b>CURRENT REVENUE</b>		<b>196,230,830</b>	<b>35,015,968</b>	<b>35,419,109</b>	<b>0</b>	<b>195,827,689</b>	
R 1	Tax revenue	0	0	0	0	0	
R 11	Direct taxes	0	0	0	0	0	
R 12	Indirect taxes	0	0	0	0	0	
R 2	Contribution to social protection systems and health subsystem	0	0	0	0	0	
R 3	Rates, fines and other penalties	0	0	0	0	0	
R 4	Property income	0	72,919	0	0	72,919	
R 5	Current transfers	37,171,344	753,805	0	0	37,925,149	
R 51	Public administrations	37,171,344	753,805	0	0	37,925,149	
R 511	Central administration - State	3,590,995	0	0	0	3,590,995	
R 512	Central administration - Other entities	0	0	0	0	0	
R 515	Local Administration	33,580,349	753,805	0	0	34,334,154	
R 6	Sale of products and services	128,831,905	34,113,373	30,272,136	0	132,673,142	
R 7	Other current revenue	13,460,581	75,871	5,146,973	0	8,389,479	
<b>CAPITAL REVENUE</b>		<b>88,640,184</b>	<b>665,923</b>	<b>519,746</b>	<b>0</b>	<b>88,786,361</b>	
R 8	Sale of investment assets	480,000	130,297	0	0	610,297	
R 9	Capital transfers	88,160,184	519,746	519,746	0	88,160,184	
R 91	Public administrations	42,780,000	519,746	519,746	0	42,780,000	
R 911	Central administration - State	42,780,000	519,746	519,746	0	42,780,000	
R 912	Central Administration - Other entities	0	0	0	0	0	
R 913	Social Security	0	0	0	0	0	
R 914	Regional Administration	0	0	0	0	0	
R 915	Local Administration	0	0	0	0	0	
R 92	External - European Union	45,380,184	0	0	0	45,380,184	
R 93	Other	0	0	0	0	0	
R 10	Other capital revenue	0	0	0	0	0	
<b>Effective revenue [1]</b>		<b>284,871,014</b>	<b>35,681,891</b>	<b>35,938,855</b>	<b>0</b>	<b>284,614,050</b>	
<b>Non-effective revenue [2]</b>		<b>239,589,785</b>	<b>53,159,984</b>	<b>0</b>	<b>0</b>	<b>292,749,769</b>	
R 11	Refund not written off from the payments	0	256,964	0	0	256,964	
R 13	Financial Liabilities	239,589,785	0	0	0	239,589,785	
Balance of previous management - budget operations			52,903,020			52,903,020	
<b>Total revenue [3] = [1] + [2]</b>		<b>524,460,799</b>	<b>88,841,875</b>	<b>35,938,855</b>	<b>0</b>	<b>577,363,819</b>	

## Budget changes - Expense

Unit Euros

Items [1]	Description [2]	Expense				Corrected allocations [7]=[3]+[4]-[5]+[6]	Notes [8]
		Initial allocations [3]	Budget changes				
			Entries/increases [4]	Reductions/annulments [5]	Special loans [6]		
		<b>242,474,285</b>	<b>34,334,198</b>	<b>4,863,264</b>	<b>0</b>	<b>271,945,219</b>	
D 1	Personnel expense	85,682,509	15,903,263	78,660	0	101,507,112	
D 11	Fixed and permanent remunerations	54,289,031	14,249,925	78,660	0	68,460,296	
D 12	Variable or possible allowances	4,575,935	627,537	0	0	5,203,472	
D 13	Social security	26,817,543	1,025,801	0	0	27,843,344	
D 2	Purchase of goods and services	58,573,302	17,365,175	4,784,604	0	71,153,873	
D 3	Interest and other costs	97,620,166	52,209	0	0	97,672,375	
D 6	Other current expenses	598,308	1,013,551	0	0	1,611,859	
		<b>191,223,998</b>	<b>61,399,554</b>	<b>28,167,468</b>	<b>0</b>	<b>224,456,084</b>	
D 7	Investment	191,223,998	61,399,554	28,167,468	0	224,456,084	
<b>Effective expense [4]</b>		<b>433,698,283</b>	<b>95,733,752</b>	<b>33,030,732</b>	<b>0</b>	<b>496,401,303</b>	
<b>Non-effective expense [5]</b>		<b>80,962,516</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80,962,516</b>	
D 11	Expense related to financial liabilities	80,962,516	0	0	0	80,962,516	
<b>Total expense [6] = [4] + [5]</b>		<b>514,660,799</b>	<b>95,733,752</b>	<b>33,030,732</b>	<b>0</b>	<b>577,363,819</b>	
<b>Total balance [3] - [6]</b>		<b>9,800,000</b>	<b>-6,891,877</b>	<b>2,908,123</b>	<b>0</b>	<b>0</b>	
<b>Overall balance [1] - [4]</b>		<b>-148,827,269</b>	<b>-60,051,861</b>	<b>2,908,123</b>	<b>0</b>	<b>-211,787,253</b>	
Primary expense		336,078,117	95,681,543	33,030,732	0	398,728,928	
Current balance		-46,243,455	681,770	30,555,845	0	-76,117,530	
Capital balance		-102,583,814	-60,733,631	-27,647,722	0	-135,669,723	
Primary balance		-51,207,103	-59,999,652	2,908,123	0	-114,114,878	

Changes to the multi-annual investment plan

Unit Euros

Goal	Project number	Project name	Budget item	Dates		Payments							Modification (+/-)
				Start	End	2022		Following periods					
						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.2				24,267	24,267					24,267
	1	Network Refurbishment	D.7			10,190,336	16,659,794	8,093,554	17,558,621				6,469,458
	2	Network Expansion	D.2	2020	2024		36,311	36,310					36,311
	2	Network Expansion	D.7	2020	2024	78,934,568	122,057,443	37,889,153	71,656,203	159,240,957			43,122,875
	3	Modernization and CBTC	D.2	2020	2027		0	0					0
	3	Modernization and CBTC	D.7	2020	2027	8,235,280	10,637,292	571,550	27,801,018	25,452,171	25,360,580	20,302,744	2,402,012
	4	TREM Lease	D.7	2020	2022	51,007,102	52,777,778	52,777,778					1,770,676
	5	Other	D.7			35,089,712	7,737,552	5,897,598	27,989,707				-27,352,160
	6	S. Sebastião/Alcântara Expansion	D.2/D.6	2021	2026	0	2,115,199	1,180,183					2,115,199
	6	S. Sebastião/Alcântara Expansion	D.7	2021	2026	16,029,000	13,586,080		44,212,688	136,650,572	142,237,631	103,595,964	-2,442,920
	7	Odivelas/Loures Light Surface Metro	D.2/D.6	2021	2026		1,065,721	513,842					1,065,721
	7	Odivelas/Loures Light Surface Metro	D.7	2021	2026	738,000	0		7,658,006	97,279,050	99,479,211	51,179,429	-738,000
<b>Total</b>						<b>200,223,998</b>	<b>226,697,437</b>	<b>106,984,235</b>	<b>196,876,243</b>	<b>418,622,750</b>	<b>267,077,422</b>	<b>175,078,137</b>	<b>26,473,439</b>

## Treasury operations

Unit Euros

Account code	Appointment	Opening balance	Revenues	Payments	Closing balance
<b>REVENUE</b>		<b>71,896,841</b>	<b>0</b>	<b>1,694,026</b>	<b>70,202,815</b>
R.17	Extra-budgetary Operations	71,896,841	0	1,694,026	70,202,815
R.17.02	Other treasury operations	71,896,841	0	1,694,026	70,202,815
R.17.02.00.00.00	Other treasury operations	71,896,841		1,694,026	70,202,815
<b>EXPENSE</b>		<b>0</b>	<b>88,675</b>	<b>88,675</b>	<b>0</b>
D.12	Extra-budgetary Operations	0	88,675	88,675	0
D.12.02.00	Other treasury operations	0	88,675	88,675	0
D.12.02.00.00.00	Other treasury operations	0	88,675	88,675	0
	<b>Total</b>	<b>71,896,841</b>	<b>88,675</b>	<b>1,782,701</b>	<b>70,202,815</b>

vi. **Opinion of the Supervisory Board on the Individual and Consolidated Accounts**



## OPINION OF THE SUPERVISORY BOARD

### METROPOLITANO DE LISBOA, E.P.E.

#### CONSOLIDATED REPORT AND INDIVIDUAL AND CONSOLIDATED ACCOUNTS 2022

### 1. FRAMEWORK

In compliance with the legal and statutory provisions in force, in particular the Commercial Companies Code (CSC)<sup>1</sup> and the Articles of Association of Metropolitano de Lisboa, E.P.E. (ML)<sup>2</sup>, the Supervisory Board (SB) is responsible for overseeing management and compliance with the rules governing ML's activity, as well as issuing an opinion on the Consolidated Report<sup>3</sup>, the individual and consolidated financial statements of ML ("ML Group"<sup>4</sup>) and the proposal for the appropriation of profits for the financial year ended 31 December 2022<sup>5</sup>, taking into account the respective Statutory Auditor's Report (CLC) issued by the Statutory Auditor (ROC), the External Auditor's Audit Reports<sup>6</sup> and the corresponding Additional Reports<sup>7</sup>.

This report and opinion take into account the specific regulatory framework applicable to companies in the State Enterprise Sector (SEE), as well as the guidelines issued by the State, as the holder of the statutory capital, on the process of rendering accounts for 2022, through the circular letter from the Directorate-General for Treasury and Finance (DGTF) SAI\_DGTF/2023/630, of 10 February, and to this extent the SB is responsible for verifying compliance with the legal guidelines

<sup>1</sup> Article 60(2) of the Legal Framework of the Public Business Sector (RJSPE), approved by Decree-Law 133/2013 of 3 October, in its current wording, establishes that the supervisory bodies have the generic powers provided for in commercial law, without prejudice to the provisions of the aforementioned Decree-Law.

<sup>2</sup> Approved by Decree-Law No. 148-A/2009, of 26 June.

<sup>3</sup> Presented under the terms of Article 508-C(6) of the CSC.

<sup>4</sup> The consolidated accounts include, using 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.). (liquidation closed on 27 April 2022), are included in the consolidated accounts using the equity method.

<sup>5</sup> Documents that were sent, for this purpose, to this Board, following their approval by the Board of Directors on 20 June 2023.

<sup>6</sup> Issued under and pursuant to Article 45(2) of the RJSPE, and Article 245(1)(b) of the Securities Code.

<sup>7</sup> Submitted to the Supervisory Board, by the Statutory Auditor and the External Auditor, under the terms of Article 24(1) and (2) of the Legal Framework for Supervision and Auditing, approved by Law No. 148/2015 of 9 September, as amended.

in force for the SES, as well as the presentation of the Annual Report on Good Corporate Governance Practices, which must include current and complete information on all matters regulated by Chapter II of the aforementioned law, as determined by Article 54(1) of the Legal Framework of the Public Business Sector (RJSPE).<sup>8</sup>

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 2022, approved by the Board of Directors (BoD) on 20 June 2023, were prepared in accordance with the Accounting Standards System (SNC)<sup>9</sup> and the International Financial Reporting Standards (IFRS), respectively, and the non-financial information was prepared in accordance with the GRI Standards guidelines;
- c) When the Board of Directors prepared and approved the report and accounts for the 2022 financial year, the financial statements for the year ended 31 December 2021 had not yet been approved by the supervisory bodies, and ML recorded the appropriation of profits for those financial years as it considered that the financial statements and the proposal for the appropriation of profits would be approved without significant changes. By Order of the Secretaries of State for the Treasury and Urban Mobility of 22 June 2023, ML's individual and consolidated financial statements for 2021 were approved, taking into account the reservations and emphases expressed in the statutory auditor's reports and the external auditors' reports, as well as the opinion of the Supervisory Board<sup>10</sup>;
- d) Under the terms of the Budget Execution Law, ML is considered a reclassified public entity, thus forming part of the consolidation perimeter of the Public Administration.

<sup>8</sup> Approved through the aforementioned RJSPE.

<sup>9</sup> Approved by Decree-Law No. 158/2009, of 13 July, amended and republished by Decree-Law No. 98/2015, of 2 June.

<sup>10</sup> It is recommended that the Board of Directors endeavour to:

- Implement a system that allows budget statements to be obtained and validated automatically, in compliance with the Accounting Standards System for Public Administrations, as well as observing compliance with the accounting rules applicable to the recognition and measurement of transactions and other events inherent to budget accounting;
- Disclose, in accordance with NCP 26 - Accounting and Budgetary Reporting of the Accounting Standards System for Public Administrations, in the notes to the budget statements for the 2022 financial year, information relating to Administrative contracting, specifically the status of contracts and awards by type of procedure, and to Expenditure and revenue transfers and subsidies.

## 2. ACTIVITY CARRIED OUT BY THE SUPERVISORY BOARD

The Supervisory Board, appointed in January 2017<sup>11</sup>, monitored, within the scope of its competences, the activity of ML throughout 2022, as well as the subsequent accounts closure and review procedures.

In 2022, 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 2023, with the issuing of the respective opinion;
- b) Monitoring the legal review and external audit of the individual and consolidated annual accounts for 2021 and issuing of the respective opinion;
- c) Preparation of the SB's quarterly implementation monitoring reports for the 1st, 2nd and 3rd quarters of 2021;
- d) Preparation of the SB's quarterly implementation monitoring report for the 1st quarter of 2022;
- e) Preparation of a proposal for the procedure to provide statutory audit services to ML for the three-year period 2022-2024<sup>12</sup>;
- f) Consultation of the minutes of the Board of Directors' meetings;
- g) Twenty-two SB meetings held.

In 2023, and with a special focus on the procedures for closing and reviewing the accounts for 2022, the following activities are of note:

- a) Preparation of the SB's quarterly implementation monitoring reports for the 2nd and 3rd quarters of 2022;
- 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;

<sup>11</sup> 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 State Secretaries for the Environment, of 25 January 2017.

<sup>12</sup> Although they will only be appointed for the 2023-2025 term of office.

- e) Consultation of the minutes of the Board of Directors' meetings;
- f) Analysis of the Consolidated Report, presented in accordance with Article 508-C (6) of the CSC, the individual and consolidated financial statements for 2022 and the respective notes, the Corporate Governance Report and the Non-financial Statements.

In this context, the necessary clarifications were obtained from the Finance Department, the Statutory Auditor, the External Auditors and the Board of Directors, in relation to the latter at the meeting to approve the financial statements, which was attended by the Statutory Auditor, the External Auditors and the Board of Directors.

The SB counted on the full availability of the Board of Directors, the Statutory Auditor, the External Auditors, the head of the Finance Department, as well as most of the ML staff it had to contact in the performance of 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** presented by the BoD, in compliance with articles 66, 66-A, 66-B and 508-C of the CSC, adequately reflects the activity of ML and the ML Group during the 2022 financial year, and the analyses made therein are consistent with the individual and consolidated financial statements for that financial year.

Given its importance in the overall performance of ML and the ML Group, the SB emphasises the following aspects identified in that report:

- a) Growth in activity levels, compared to 2021, expressed through increases of 63.3%, both in the number of passengers transported with a paid ticket and in passengers x km and reflected in public service revenue (+64.2%<sup>13</sup>). Even so, the figures achieved remain below those of 2019 (pre-pandemic), particularly in terms of the number of passengers transported with a paid ticket (-24.8%) and public service revenue (-6.4%);
- b) Investment was much lower than planned (-119.1 million euros<sup>14</sup>/-70.4%), but we would highlight the completion of the refurbishment of the seats of the entire fleet of rolling stock with a new cork coating and the installation of lifts at Entrecampos and Cidade Universitária stations, as well as the continued installation, refurbishment and overhaul of various systems essential for the control and supervision of the network and the work needed to connect the yellow and green lines (as part of the construction of the circular line). In terms of the

<sup>13</sup> Considering the revenues from transport tickets (monthly passes and occasional tickets), financial compensation related to the 4- 18/Sub23/social+ social passes and the payment exemption granted to former combatants, as well as the amounts received under PART (AML).

<sup>14</sup> Million euros.

deviation in implementation, the following projects stand out: the Rato / Cais do Sodré Extension project, with a negative deviation of 49.5 million euros (-56.9%), the National Accessibility Plan, with a negative deviation of 10.1 million euros (-82.8%) and the S. Sebastião / Alcântara Extension project, with a negative deviation of -14.9 million euros (- 100%);

- c) Admission of staff, following the authorisation granted by the Government within the scope of the 2022 Activities Plan and Budget.

**3.2. The individual financial statements**, as at 31 December 2022, show an improvement in the company's equity situation compared to 31 December 2021, reflected in equity of 1,944,606,216 euros (+183,547,565 euros), with total assets amounting to 5,850,513,639 euros (+30,029,260 euros) and total liabilities to 3,905,907,422 euros (-153,518,306 euros).

However, this development is essentially the result of the increase in share capital, 181.4 million euros fully subscribed and paid up, since the company continues to generate losses, which in 2022 amounted to 21.1 million euros, a figure similar to that obtained in 2021 (a loss of 22.9 million euros).

The operating income came to -1.0 million euros, with an unfavourable evolution of 3.3 million euros compared to 2021 (+2.3 million euros), following a growth in income (+11.6 million euros) lower than the increase in expenses (+14.9 million euros).

In terms of income, the growth in turnover of approximately 44.3 million euros compared to 2021 is noteworthy, showing a recovery to levels close to those recorded in 2019 (pre-pandemic), mainly through an increase in public service revenue of approximately 40.5 million euros (63.3% increase in demand<sup>15</sup> and price updates for some occasional tickets). On the other hand, there was a 27.7 million euros reduction in payments on account (COVID) compared to 2021 .

Accrued expenses include: (i) external supplies and services (+4.6 million euros), due to the increase in the value of high-voltage energy; (ii) staff costs (+4 million euros), as a result of new hires and salary updates; and (iii) losses attributable to subsidiaries (+3.8 million euros), particularly TREM II - Aluguer de Material Circulante, ACE.

Financial charges remain very high ( 20.2 million euros), despite a reduction of 5.1 million euros compared to 2021, and approximately 94 per cent of these charges (18.9 million euros) relate to interest from swap contracts.

On 31 December 2022, ML's remunerated liabilities stood at 3,293.3 million euros, representing a reduction of 1.4% (-45.8 million euros compared to 31 December 2021), and it should be noted that Treasury loans now account for 63.3% of the total (61.3% on 31 December 2021)<sup>16</sup>.

<sup>15</sup> Total number of passengers transported.

<sup>16</sup> It should be noted that the last instalment of debt to the EIB was paid off in 2022.

In 2022, capitalised investment in ML's fixed assets<sup>17</sup> amounted to 50.1 million euros, which was lower than that realised in 2021 (-37.3 million euros/-42.7%) and the forecast (-119.1 million euros/-70.4%), with the Rato/Cais do Sodré extension standing out (37.4 million euros, representing approximately 75% of the total realised).

From a financial flow perspective, the cash balance increased by 37.5 million euros in 2022, which was made possible by positive balances from financing activities (59.9 million euros, with the value of capital increases and financing obtained, although overall lower than in 2021, exceeding the value of debt repayments and interest and similar expenses) and operating activities (11.1 million euros, with a significant evolution compared to 2021, when a negative balance of 17.3 million euros was recorded, mainly due to the growth in receipts from customers<sup>18</sup>, +54.4 million euros compared to the previous year). Investment activity generated a negative cash flow of 33.5 million euros, essentially due to the reduction in investment subsidy receipts (-80.9 million euros compared to 2021).

**3.3. The consolidated financial statements** as at 31 December 2022 reflect the financial position of the group of companies included in the consolidation (ML Group), the consolidated net income 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 5,850,889,017 euros, total liabilities of 3,936,046,505 euros and equity of 1,914,842,512 euros.

The consolidated net loss in 2022 amounted to -21.1 million euros, close to the figure for 2021 (-22.9 million euros). However, there is a significant worsening of the operating result, -0.9 million euros in 2022 compared to +2.4 million euros in 2021.

**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 reducing remunerated liabilities;
- c) Notwithstanding the progress made in 2022, efforts must continue to be made to improve operating conditions and the quality of the service provided, which are determining factors in the growth of demand and, consequently, tariff revenue.

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<sup>17</sup> Gross Fixed Capital Formation.

<sup>18</sup> Mainly related to public service revenue.

#### 4. STATUTORY AUDITOR'S REPORT AND OPINION OF THE EXTERNAL AUDITORS

The individual and consolidated financial statements for the financial year 2022 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 express an opinion with reservations (three reservations and one emphasis).

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 2022 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;
- 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 2022 financial statements;
- c) The balance sheet includes in current assets, as at 31 December 2022, the amount of 29.7 million euros relative to works carried out by ML on behalf of State corporate 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, express an opinion with three reservations.

The Statutory Auditor's Reports and the Audit Reports coincide in terms of the matters subject to reservation.

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<sup>19</sup> AND SHAREHOLDER GUIDELINES<sup>20</sup>

With relevance to this point, it should be noted that, through the Joint Order of Finance and Environment and Climate Action of 12 June 2022, signed by Your Excellencies the Secretaries of State for the Treasury and Mobility, the ML ABP proposal for 2022 was approved and authorisation was granted for: "a) *The hiring of 34 station staff, 13 maintenance officers, 2 site inspectors and 9 specialised technicians, entering at the bottom of the career ladder, revoking the other authorisations for hiring previously granted and not yet implemented; b) The increase in personnel expenses in 2022, compared to 2021, by up to 3,683,000 euros, (...); c) The increase in travel, subsistence and accommodation costs, and those associated with the vehicle fleet, by up to 134,000 euros, compared to 2019, without an increase in the vehicle fleet; d) The increase in the costs of hiring studies, opinions, projects and consulting services, by up to 1,556,000 euros, compared to 2019; (...)*"

In this context, and taking into account the information contained in point VIII of the Consolidated Report, the following should be highlighted:

a) Management and Budget Objectives for 2022

No management objectives were set for 2022, so the Consolidated Report shows the status of implementation of efficiency, investment and indebtedness indicators projected in the 2022 ABP, as well as the status of implementation of the budget uploaded on the State Budget System, justifying the main deviations. In this context, it should be noted that the operating result<sup>21</sup> achieved in 2022 (-23.4 million euros) represents an unfavourable deviation of 6.1 million euros compared to what was budgeted (-17.3 million euros).

b) Operational efficiency

The weight of operating expenses over turnover<sup>22</sup> (106.3%) registered an unfavourable deviation of 6 p.p. compared to what was budgeted and approved for 2022 (100.3%), essentially due to the fact that the turnover forecast for 2022, for the purposes of calculating

<sup>19</sup> In particular, the rules contained in Law No. 12/2022, of 27 June, which approved the State Budget Law for 2022 (LOE 2022), and Decree-Law No. 53/2022, of 12 August, which established the rules for implementing the Budget for 2022.

<sup>20</sup> Through the aforementioned circular letter on the process of rendering accounts.

<sup>21</sup> Net of provisions, impairments and fair value adjustments.

<sup>22</sup> 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 exceptional factors (the COVID-19 pandemic and increase in fuel prices, among others) may be excluded in the calculation of the OC to Turnover ratio.



operating efficiency, amounts to 128.5 million euros<sup>23</sup> compared to 111.2 million euros of executed turnover.

When calculating this ratio, it should be noted that exceptional costs and/or costs that distort comparability were excluded, namely operating costs impacted by the increase in energy prices (6.9 million euros), compulsory salary increases (1.1 million euros) and the integration of Ferconsult, S.A. employees<sup>24</sup> (1.9 million euros).

Taking into account the terms and authorisations granted in the aforementioned Order approving the 2022 ABP, it should be noted that the total expenses on travel, subsistence, accommodation and the car fleet (480.8 million euros<sup>25</sup>) exceeded the limit approved for the period by 5.1 million euros (475.7million euros), and that the total expenses on hiring studies, opinions, projects and consulting services (2.5 million euros) was within the limit approved for the period (3.2 million euros).

c) Evolution of human resources and personnel costs

As at 31 December 2022, ML had a total of 1,569<sup>26</sup> employees (1,516<sup>27</sup> employees, as at 31 December 2021), which corresponds to a net increase of 53 employees compared to 2021. With regard to the net increase in the number of employees in 2022, it should be noted that this was below what was authorised for the period (+58 employees).

Personnel costs increased from 82.8 million euros in 2021 to 86.8 million euros in 2022, which constitutes a breach of the limit authorised for the period (86.7 million euros) under the approval of the 2022 ABP.

d) Public Manager Statute (PMS)<sup>28</sup>

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 set for fuel and tolls (set at ¼ of the value of representation expenses).

<sup>23</sup> The projected turnover for 2022 includes losses in fare revenue (tickets and passes) and non-fare revenue (sale and personalisation of cards, commercial spaces and advertising), related to the COVID-19 pandemic, amounting to 52.8 million euros.

<sup>24</sup> The integration, with effect from December 2020, was authorised by Order No. 602/2020-SET, of 8 October.

<sup>25</sup> Thousands of euros.

<sup>26</sup> Not considering the governing bodies (3 members of the Board of Directors and 3 members of the Supervisory Board).

<sup>27</sup> Not considering the governing bodies (6).

<sup>28</sup> Decree-Law No. 71/2007, of 27 March, as amended.

e) Indebtedness growth limit

Indebtedness grew by 1.9% compared to 31 December 2021, by applying the calculation formula contained in the guidelines transmitted by the DGTF, which constitutes compliance with the 2.15% limit approved under the 2022 ABP.

f) Principle of the State's Treasury Unity (UTE)

By Order<sup>29</sup> of the Agência de Gestão da Tesouraria e da Dívida – IGCP, E.P.E., ML was exempted from complying with the UTE principle in the years 2022 and 2023, exclusively for amounts: i) collected by a cash-in-transit company; ii) relating to bank guarantees that cannot be replaced by escrow deposits; iii) inherent to the custody of securities; iv) from leasing and factoring contracts, and v) for the purchase of foreign currency.

At the end of the period, ML had a 65% rate of centralisation of balances with the IGCP.

g) Public procurement

In the Consolidated Report, ML, as the contracting entity, explains that it applied the Public Procurement Code<sup>30</sup>, and complied with all standards and regulations regarding public procurement. In this context, the SB points out that in 2022 ML signed a contract worth more than 5 million euros, relative to the supply of electricity.

h) Average Payment Period and Overdue Payments

According to data disclosed by the company, reported on 31 December 2022, the average payment period was 21 days and arrears amounted to 122.8 million euros.

In compliance with Article 55(4) of the State Budget Law for 2022<sup>31</sup>, the SB reports that there was a worsening of arrears compared to 31 December 2021<sup>32</sup>.

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.

The 2022 Consolidated Report includes the information required for the non-financial statements, as set out in Article 66-B(2) of the Commercial Companies Code.

<sup>29</sup> Of 28 April 2022.

<sup>30</sup> Approved by Decree-Law No. 18/2008, of 29 January, as amended.

<sup>31</sup> However, no management contracts have been signed.

<sup>32</sup> On 31 December 2021, arrears amounted to 114.6 million euros.

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 2022, attached to the Consolidated Report, whose process still needs some improvement.

On this matter, the Order of 22 June 2023, issued by the Secretaries of State for the Treasury and Urban Mobility, approving ML's 2021 financial statements (including the individual and consolidated financial statements), includes a recommendation (see point 1. of this report).

## 6. CORPORATE GOVERNANCE REPORT (CGR)

In compliance with article 54 of the RJSPE, ML submitted the 2022 CGR, which generally follows the structure previously defined by the Technical Unit for Supervision and Monitoring of the Public Corporate Sector (UTAM).

Considering the SB's analysis of the content of the 2022 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 2022 CGR, approved at the BoD's meeting held on 20 June 2023, 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 2022 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.

## 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 2022.

In view of the above, and in compliance with Article 420(6) of the CSC, the Supervisory 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 2022, 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 2022, amounting to 21,135,399.74 euros, will be fully transferred to the retained earnings account - should be approved.

Lisbon, 29 June 2023

**The Supervisory Board**

**Chairman**

**Permanent member**

**Permanent member**

[Signed by: José Carlos Pereira Nunes  
Identification number: BIO4833126  
Date: 2023.06.29 12:19:47+01'00']

[Signed by: CRISTINA MARIA  
PEREIRA FREIRE  
Identification number: 10415151  
Date: 2023.06.29 12:35:57+01'00']

[Signed by: MARGARIDA CARLA  
CAMPOS FREITAS TABORDA  
Identification number: BIO9504700]

**(José Carlos Pereira  
Nunes)**

**(Cristina Maria Pereira  
Freire)**

**(Margarida Carla Campos  
Freitas Taborda)**

vii. **Legal Certification of the Individual and Consolidated Accounts**



## STATUTORY AUDITOR'S REPORT

### REPORT ON THE AUDIT 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 2022 (showing a total of 5,850,513,639 euros and total equity of 1,944,606,216 euros, including a net loss of 21,135,400 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 2022 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, which expires on 1 July 2024. This contract includes the rights and obligations inherent in the aforementioned public service provision, as well as all the assets allocated to the concession, particularly those included in the Entity's assets as at 31 December 2014, which are characterised as concession assets. However, the financial statements as at 31 December 2022 continue to present no changes in the classification, recognition and measurement of these assets, as well as other possible consequences of the conclusion of the concession contract, and we were unable to obtain sufficient information to allow us to conclude on the respective effects on the financial statements as at 31 December 2022.

2. As disclosed in notes 4.2 and 6 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. As a result, ML continues to record all flows related to LTI under balance sheet items called "Long-term infrastructure investments", presented under assets and liabilities. Thus, as at 31 December 2022, non-current assets comprise the amount of 5,369,302,753 euros relating to (i) receivables from the State (3,180,829,583 euros), (ii) derivatives measured at fair value (586,759 euros) and (iii) tangible fixed assets, intangible fixed assets or investment properties, which total 2,187,886,411 and correspond to costs incurred with the construction, administration and financing of LTI (net of grants received); liabilities comprise financing, derivatives measured at fair value, provisions and other payables related to LTI, totalling 2,761,095,729 euros, of which 1,544,911,659 euros is considered non-current. It should also be noted that, as a result of this contractual omission, tangible and intangible fixed assets classified as LTI are not being depreciated and amortized, respectively. Therefore, given the contractual lack of definition that persists on this matter, we are unable to conclude on the adequacy of the



accounting policy adopted by ML regarding the management of long-term infrastructure investment activities, as well as its effects on the financial statements in question.

3. As disclosed in note 16 of the notes to the accounts, the balance sheet includes, as at 31 December 2022, 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 International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines of the Portuguese Institute of Statutory Auditors. Our responsibilities under those standards are described in the ‘Responsibilities of the auditor for the audit of 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 Portuguese Institute of Statutory Auditors.

We are convinced that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Emphasis**

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.

Our opinion has not changed in relation to these matters.

### **Key audit matters**

The key audit matters are those 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. Measurement of derivative financial instruments**

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 2022, the total amount of derivative financial instruments reflected under assets amounts to 586,759 euros (included under the heading Long-term infrastructure investments) and under liabilities amounts to 17,238,733 euros (included under the heading Long-term infrastructure investments – Non-current liabilities). Notes 4.2, 4.11, 6, 6.4 and 32 of the notes to the accounts present the disclosures relating to this matter.



Most significant risks of material misstatement	Summary of the response to the most significant risks of material
<p>Derivative financial instruments are measured at fair value, which is determined based on valuation techniques involving the use of estimates, judgements and assumptions.</p> <p>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.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Evaluation of methodologies and assumptions used to determine fair value;</li> <li>• Obtaining and analysing the assessments made, namely by the IGCP; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>

## 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 2022, ML has liabilities for post-employment benefits in the amount of 241,430,364 euros. Notes 4.15 and 21 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
<p>Given the uncertainty associated with the estimates used in relation to various actuarial assumptions, namely the discount rate, inflation rate, growth rate of salaries and pensions and mortality tables, as well as the complexity involved in their valuation, it is our understanding that the risk associated with the measurement of liabilities for post-employment benefits is significant.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Evaluation of the reasonability of the assumptions and estimates used in the actuarial study carried out by an external expert;</li> <li>• Validation of the accounting records made, based on the figures shown in the actuarial report;</li> <li>• Assessment of the competence, independence, and integrity of the contracted actuary; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>

## 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 Tariff Reduction Support Programme (PART), as well as the allocation of compensatory allowances for the pass '4\_18@escola.tp', 'sub23@superior.tp' and 'Social +' passes was amended in 2022 in order to maintain the extraordinary support scheme for passenger transport operators for carrying out essential public transport services, as defined by the transport authorities, whose economic situation has been affected by the exceptional public health protection measures adopted during the state of emergency regarding the COVID -19 pandemic. This extraordinary regime, the validity of which has been extended until 31 December 2023, is established in the current wording of Decree-Law No. 14-C/2020, of 7 April, and





provides that the payment of these funds is subject to assessment by the Mobility and Transport Authority (AMT), which may result in the return of amounts or the adjustment of amounts in subsequent payments.

ML presents, in 2022, sales and provisions of services in the amount of 111,204,866 euros and operating grants in the amount of 10,639,940 euros, of which 9,050,009 euros relate to special compensation under the COVID-19 pandemic, called "Variable" PART.

Notes 4.13, 4.16, 25 and 26 of the notes to the accounts set out the disclosures relating to these matters.

Most significant risks of material misstatement	Summary of the response to the most significant risks of material
<p>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.</p> <p>In view of the significance of the amounts involved, the complexity of the calculations and the judgements involved, depending on their type and their compliance with regulatory/legislative changes, we believe that compensation/tariff indemnities are a material audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Survey and evaluation of existing procedures and controls in the revenue cycle and the ticketing system;</li> <li>• Operational testing of relevant controls related to the integration of the revenue system into the accounting system;</li> <li>• Obtaining documentary evidence of the fare compensations received and verifying the accuracy of the amounts accounted for;</li> <li>• 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.</li> <li>• Obtaining external confirmations from transport operators with whom there is revenue sharing;</li> <li>• Analytical review by analysing monthly/annual trends by type of service;</li> <li>• Performing cut-off validation procedures;</li> <li>• Enquiries from the management body regarding the assumptions adopted in the preparation of the estimates;</li> <li>• 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; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>

#### 4. Measurement of Provisions

As at 31 December 2022, ML has provisions totalling 9,870,858 euros (of which 6,022,500 euros are included under the heading Long-term infrastructure investments). Notes 4.2, 4.14, 6, 6.7 and 19 of the notes to the accounts set out the disclosures relating to these matters.



Most significant risks of material misstatement	Summary of the response to the most significant risks of material
<p>Given the complexity and level of judgement inherent in the diversity of the risks involved, the unpredictability associated with their outcome, and the materiality of the potential liabilities arising from the Entity's activity, as well as the activities related to the construction, installation, renovation, maintenance and management of the LTI assigned to it, we consider this item to be a relevant matter for our audit.</p> <p>Contingencies associated with the administrative annulment of the award of the tender for the sub-concession of the operation of the ML transport system and the annulment of the corresponding sub-concession contract, which took place in 2016. These acts are being contested in court, and recent negotiations between the parties have led to a draft out-of-court agreement which is the basis for the creation of a provision totalling 1.3 million euros in the year under review.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtaining and analysing the detailed list of litigation cases prepared by the legal office;</li> <li>• Survey and analysis of the most relevant accounting movements in the period under provisions;</li> <li>• Obtaining and analysing responses to requests for confirmation from external lawyers and checking that they are in line with the calculations of provisions;</li> <li>• Obtaining and analysing the financial statements of subsidiaries in which ML as E.P.E. has assumed legal or constructive obligations;</li> <li>• Enquiries from the management body regarding the assumptions adopted in the preparation of the estimates;</li> <li>• Reading and analysing the minutes of the Board of Directors; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>

### **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;
- creation and maintenance of an appropriate internal control system to enable the preparation of financial statements 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 misstatement, whether 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 the 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 made on the basis of those financial statements.



As part of an audit in accordance with the ISAs, we make professional judgements and maintain professional scepticism during the audit, as well as:

- 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 due to fraud is greater than the risk of not detecting a material misstatement due to error, since fraud can involve collusion, forgery, intentional omissions, misrepresentations or the 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;
- assess the appropriateness of the 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 conclusions 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;
- assess 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 reported to those charged with governance, including the supervisory body, 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 when the 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 564,710,080 euros), the statement of budget execution of expenses (which shows total expenses



paid net of write-backs of 402,458,806 euros) and the statement of implementation of the multi-annual investment plan for the year ended 31 December 2022.

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 key audit matters mentioned above, we also report the following:

- We were appointed as Statutory Auditor of ML- Metropolitan 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 15 October 2019.



- 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 performing our audit in accordance with the ISAs, we maintained professional scepticism and designed auditing 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 misstatement 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, 29 June 2023

[Signed by: José Luis Areal Alves da Cunha  
Identification number: 01081065  
Date: 2023.06.29 15:45:39+01'00']

Alves da Cunha, A. Dias & Associados, SROC, Lda.  
represented by José Luís Areal Alves da Cunha  
Statutory Auditor No. 585 registered with the CMVM  
under number 20160240



## 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 2022 (showing a total of 5,850,889,017 euros and total equity of 1,914,842,512 euros, including a net loss of 21,138,782 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 2022 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, which expires on 1 July 2024. This contract includes the rights and obligations inherent in the aforementioned public service provision, as well as all the assets allocated to the concession, particularly those included in the Entity's assets as at 31 December 2014, which are characterised as concession assets. However, the consolidated financial statements as at 31 December 2022 continue to present no changes in the classification, recognition and measurement of these assets, as well as other possible consequences of the conclusion of the concession contract, and we were unable to obtain sufficient information to allow us to conclude on the respective effects on the consolidated financial statements as at 31 December 2022.

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 “Long-term infrastructure investments” in the consolidated statement of financial position, shown under assets and liabilities. Thus, as at 31 December 2022, non-current assets comprise the amount of 5,369,302,753 euros relating to (i) receivables from the State (3,180,829,583 euros), (ii) derivatives measured at fair value (586,759 euros) and (iii) tangible fixed assets, intangible fixed assets or investment properties, which total 2,187,886,411 and correspond to costs incurred with the construction, administration and financing of LTI (net of grants received); liabilities comprise financing, derivatives measured at fair value, provisions and other payables related to LTI, totalling 2,761,095,729 euros, of which 1,544,911,659 euros is considered 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 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 2022, under the heading “Other credit receivables”, the amount of 29,738,382 euros, net of impairment losses, relating to works carried out 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 regarding the moment of realisation and the measurement of those assets.

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 Group under the law and comply with other ethical requirements under the Code of Ethics of the Institute of Statutory Auditors.

We are convinced that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.

### **Emphasis**

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.

Our opinion has not changed in relation to these matters.

### **Key audit matters**

The key audit matters are those which, in our professional judgement, were of most importance in the audit of the current year’s consolidated financial statements. These matters were considered in the context of the audit of the consolidated financial statements as a whole and in forming our opinion, and we did not issue 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:

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#### **1. Measurement of derivative financial instruments**

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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 2022, the total amount of derivative financial instruments reflected under consolidated assets amounts to 586,759 euros (included under the heading Long-term infrastructure investments) and under liabilities amounts to 17,238,733 euros (included under the heading Long-term infrastructure investments)



– Non-current liabilities). Notes 3.3, 3.12, 5, 5.4, 21 and 31 of the notes to the accounts set out the disclosures relating to these matters.

Most significant risks of material misstatement	Summary of the response to the most significant risks of material misstatement
<p>Derivative financial instruments are measured at fair value, which is determined based on valuation techniques involving the use of estimates, judgements and assumptions.</p> <p>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.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Evaluation of methodologies and assumptions used to determine fair value;</li> <li>• Analysing the assessments made, namely by the IGCP; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>

## 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 2022, the Group has liabilities for post-employment benefits in the amount of 241,430,364 euros. Notes 3.16 and 20 of the notes to the accounts set out the disclosures relating to these matters.

Most significant risks of material misstatement	Summary of the response to the most significant risks of material misstatement
<p>Given the uncertainty associated with the estimates used in relation to various actuarial assumptions, namely the discount rate, inflation rate, growth rate of salaries and pensions and mortality tables, as well as the complexity involved in their valuation, it is our understanding that the risk associated with the measurement of liabilities for post-employment benefits is significant.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Evaluation of the reasonability of the assumptions and estimates used in the actuarial study carried out by an external expert;</li> <li>• Validation of the accounting records made, based on the figures shown in the actuarial report;</li> <li>• Assessment of the competence, independence, and integrity of the contracted actuary; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>

## 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 Tariff Reduction Support Programme (PART), as well as the allocation of compensatory allowances for the pass '4\_18@escola.tp', 'sub23@superior.tp' and 'Social +' passes was amended in 2022 in order to maintain the extraordinary support scheme for passenger transport operators for carrying out essential public transport services, as defined by the transport authorities, whose





economic situation has been affected by the exceptional public health protection measures adopted during the state of emergency regarding the COVID -19 pandemic. This extraordinary regime, the validity of which has been extended until 31 December 2023, is established in the current wording of Decree-Law No. 14-C/2020, of 7 April, and provides that the payment of these funds is subject to assessment by the Mobility and Transport Authority (AMT), which may result in the return of amounts or the adjustment of amounts in subsequent payments.

The Group presents, in 2022, sales and provisions of services in the amount of 111,950,789 euros and operating grants in the amount of 10,639,940 euros, of which 9,050,009 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 risks of material misstatement	Summary of the response to the most significant risks of material misstatement
<p>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.</p> <p>In view of the significance of the amounts involved, the complexity of the calculations and the judgements involved, depending on their type and their compliance with regulatory/legislative changes, we believe that compensation/tariff indemnities are a material audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Survey and evaluation of existing procedures and controls in the revenue cycle and the ticketing system;</li> <li>• Operational testing of relevant controls related to the integration of the revenue system into the accounting system;</li> <li>• Obtaining documentary evidence of the fare compensations received and verifying the accuracy of the amounts accounted for;</li> <li>• 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.</li> <li>• Obtaining external confirmations from transport operators with whom there is revenue sharing;</li> <li>• Analytical review by analysing monthly/annual trends by type of service;</li> <li>• Performing cut-off validation procedures;</li> <li>• Enquiries from the management body regarding the assumptions adopted in the preparation of the estimates;</li> <li>• 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; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>



#### 4. Measurement of Provisions

As at 31 December 2022, ML has provisions totalling 9,138,076 euros (of which 6,022,500 euros are included under the heading Long-term infrastructure investments). Notes 3.3, 3.15, 5, 5.7 and 18 of the notes to the accounts set out the disclosures relating to these matters.

Most significant risks of material misstatement	Summary of the response to the most significant risks of material misstatement
<p>Given the complexity and level of judgement inherent in the diversity of the risks involved, the unpredictability associated with their outcome, and the materiality of the potential liabilities arising from the ML Group's activity, as well as the activities related to the construction, installation, renovation, maintenance and management of the LTI assigned to it, we consider this item to be a relevant matter for our audit.</p> <p>Contingencies associated with the administrative annulment of the award of the tender for the sub-concession of the operation of the ML transport system and the annulment of the corresponding sub-concession contract, which took place in 2016. These acts are being contested in court, and recent negotiations between the parties have led to a draft out-of-court agreement which is the basis for the creation of a provision totalling 1.3 million euros in the year under review.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>• Obtaining and analysing the detailed list of litigation cases prepared by the legal office;</li> <li>• Survey and analysis of the most relevant accounting movements in the period under provisions;</li> <li>• Obtaining and analysing responses to requests for confirmation from external lawyers and checking that they are in line with the calculations of provisions;</li> <li>• Obtaining and analysing the financial statements of subsidiaries in which ML as E.P.E. has assumed legal or constructive obligations;</li> <li>• Enquiries from the management body regarding the assumptions adopted in the preparation of the estimates;</li> <li>• Reading and analysing the minutes of the Board of Directors; and</li> <li>• Assessment of whether the corresponding disclosures are adequate.</li> </ul>

#### 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;
- the establishment and maintenance of 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.

#### Auditor's responsibilities for the audit of 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 made on the basis of those financial statements.

As part of an audit in accordance with the ISAs, we make professional judgements and maintain professional scepticism during the audit, as well as:

- 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 greater than the risk of not detecting a material misstatement due to error, since fraud can involve collusion, forgery, intentional omissions, misrepresentations or the 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 Group's internal control;
- assess the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and respective 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 conclusions 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 guidance, supervision 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 communicate to those charged with governance, including the supervisory body, we determine which were the most important in the audit of the consolidated financial statements for the current year and which are the key audit matters. We describe these matters in our report, except when the 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 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, 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, referred to by the Group as the "Consolidated 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 the Group, we have not identified any 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 European Single Electronic Format (ESEF)**

The consolidated financial statements of *ML – Metropolitano de Lisboa, E.P.E.* for the financial year ended 31 December 2022 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 dissemination 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 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
- 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 understanding the process implemented by the organisation 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 6 of the Companies Code, we inform you that the Group prepared the non-financial information, as provided for in article 66- B 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 16 April 2014, and in addition to the key audit 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 planning and executing our audit in accordance with ISA, we maintained professional scepticism 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.
- 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, 29 June 2023

Alves da Cunha, A. Dias & Associados, SROC, Lda.  
represented by José Luís Areal Alves da Cunha  
Statutory Auditor (ROC) No. 585 registered with the  
CMVM under number 20160240

viii. Report of the External Auditor (Individual and Consolidated Accounts)

## 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 2022 (showing a total of 5,850,513,639 euros and a total equity of 1,944,606,216 euros, including a negative net profit of 21,135,400 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 2022 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.

#### Bases for qualified opinion

1. As disclosed in notes 4.2 and 6 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 and financing of LTI, under the item 'Long-term infrastructure investments' in the cumulative amount (net) of approximately 5,369 million euros (31Dec2021: about 5,401 million euros), which includes fixed, tangible and intangible assets, investment properties which have not been depreciated, net of subsidies, in the amount of about 2,188 million euros (31Dec2021: about 2,174 million euros), and an account receivable from the State of about 3,181 million euros (31Dec2021: about 3,212 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 1,545 million euros (31Dec2021: about 1,730 million euros) in non-current liabilities and about 1,216 million euros (31Dec2021: about 1,169 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 3,181 million euros (31Dec2021: about 3,212 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 2022 do not reflect any change in the classification, recognition and measurement of the assets allocated to the concession, as well as any other possible effects arising from the concession contract, and it is not possible to quantify the effects of this situation on the financial statements, which is a limitation to the scope of our work.

3. In assets, the item 'Deferrals' includes approximately 30.4 million euros (the same amount as at 31 December 2021) 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.



## Key audit matters

The key audit matters are those 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 referred to in the section 'Basis for Qualified Opinion', we have considered in the audit the following key matters:

Relevant audit matter	Summary of the audit response
<b>1. Valuation of financial instruments</b>	
<p>Following the financing operations, Metropolitanano subscribed to derivative financial instruments, of complex measurement, shown in assets for about 0.6 million euros (31Dec2021: about 14.6 million euros) and in liabilities for about 17.2 million euros (31Dec2021: about 136.2 million euros). These financial instruments were registered in accordance with the valuation of the banks with which they were contracted. The disclosures related to this matter are contained in notes 4.11 and 6.4 of the annex to the financial statements.</p>	<p>The audit response involved, in summary, carrying out 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 2022; (iv) review of the disclosures in the financial statements.</p>
Relevant audit matter	Summary of the audit response
<b>2. Recognition of services rendered and operating subsidiaries</b>	
<p>Sales and services rendered in the amount of around 111, 2 million euros (31Dec2021): 66.9 million euros) and operating subsidiaries in the amount of around 10.6 million euros (31Dec2021: 38 million euros) include, as described in note 4.16 of the annex to the financial statements, the recognition of the revenue of Metropolitanano de Lisboa 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 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</p>	<p>The audit response involved, in summary, carrying out the following procedures:</p> <ul style="list-style-type: none"> <li>• Survey and analysis of the relevant controls identified in the revenue cycle of Metropolitanano de Lisboa;</li> <li>- Operational testing of controls related to the integration of revenue into the accounts;</li> <li>- Analysis of the assumptions considered in the recognition of the specialisations carried out;</li> <li>- Validation of the recognition of services rendered and operating subsidiaries with the respective receipts, taking into account the official letters from the Lisbon Metropolitan Authority (AML) and;</li> <li>- Detailed check of the disclosures made in the financial statements.</li> </ul>

<p>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 grants awarded by the state. The disclosures related to this matter are contained in notes 4.16, 25 and 26 of the annex to the financial statements.</p>	
<p><b>3. Measurement of provisions and liabilities for post-employment benefits</b></p>	
<p>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, 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 4.14 and 4.15, 19 and 21 of the annex to the financial statements.</p>	<p>The audit response involved, in summary, carrying out the following procedures: (i) understanding and critically analysing the technical and financial assumptions used in the measurement of provisions; (ii) making enquiries of the management body as to the consistency and technical validity of the assumptions and estimates and as to the documentation supporting the assumptions; (iii) detailed verification of the external experts' calculations relating to post-employment costs; (iv) analysis of the external lawyers' replies to requests for information and additional inquiries from those responsible for the Company; and (v) detailed checking of the disclosures made in the financial statements.</p>

#### Other matters

Although current assets (about 213 million euros) are significantly lower than current liabilities (about 1,993 million euros), Metropolitanano 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.

#### Responsibilities of the management body and the supervisory body for financial statements

The management body is responsible for:

- (i) preparation of financial statements that present, in a true and fair way, the financial position, the financial performance and the cash flows of the Company in accordance with the Accounting and Financial Reporting Standards adopted in Portugal through the Accounting Standards System;
- (ii) preparation of the management report, including the corporate governance report and non-financial information on applicable legal and regulatory terms;

- (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 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 made on the basis of those financial statements.

As part of an audit in accordance with the ISAs, we make professional judgements and maintain professional scepticism during the audit, as well as:

- (i) 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 due to fraud is greater than the risk of not detecting a material misstatement due to error, since fraud can involve collusion, forgery, intentional omissions, misrepresentations or the override of 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 conclusions 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 the financial statements represent the underlying transactions and events in a manner that achieves fair 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 we reported to those charged with governance, including the supervisory body, 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 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 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 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 budget statements**

We audited the Entity's budget statements, which comprise the statement of budget performance, the statement of budget execution of revenue (which shows a total net revenue collected of 565 million euros (2021: 692 million euros), the statement of budget execution (which shows total expenses paid net of write-backs of 402 million euros (2021: 567 million euros) and the statement of implementation of the multi-annual investment plan for the year ended 31 December 2022.

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 - Budget Accounting and Reporting 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, 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 Metropolitan 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 Metropolitan de Lisboa for the year ended 31 December 2022 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 the ESEF Regulation.

Our responsibility is to obtain reasonable assurance 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.

**About 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 performing our audit in accordance with ISAs, we maintained professional scepticism and designed auditing 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 misstatement 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, 29 June 2023

[Illegible signature]  
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(1)(B) OF THE SECURITIES CODE

### REPORT ON THE AUDIT OF THE CONSOLIDATED 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 2022 (showing total assets of 5,850,889,017 euros and total equity of 1,914,842,512 euros, including a negative net income of 21,138,782 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 attached consolidated financial statements present fairly, in all material respects, the consolidated financial position of Metropolitano de Lisboa, E.P.E. as at 31 December 2022 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.

#### Bases for qualified opinion

1. As disclosed in notes 3.3 and 5 of the notes 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 LTI, under a heading called 'Long-term infrastructure investments', with an accumulated value of approximately 5,369 million euros (31Dec2021: about 5,401 million euros), including tangible fixed assets, intangible assets and investment properties that have not been depreciated, net of subsidies, amounting to about 2 188 million euros (31Dec2021: about 2,174 million euros), as well as a receivable from the State of about 3,181 million euros (31Dec2021: about 3,212 million euros). Similarly, it has been recording under liabilities, under the same heading of 'Long-term infrastructure investments', financing obtained, other payables and provisions related to the construction, renovation and financing of LTI, including approximately 1,545 million euros (31Dec2021: about 1,730 million euros) under non-current liabilities and approximately 1 216 million euros (31Dec2021, approximately 1,169 million euros) under current liabilities. The legal or contractual framework, which has been assumed by the Metropolitano Group, for the State's possible obligation to reimburse the Metropolitano Group for the non-subsidised part of the investment in LTI and the costs associated to their financing is unclear, thus leaving significant uncertainty as to the recovery of the amounts invested in LTI and the form and realisation value of the aforementioned account receivable from the State of approximately 3,181 million euros (31Dec2020: 3,212 million euros), which constitutes a limitation to the scope and depth of our audit regarding the valuation of these assets and the impacts of these accounting policies on the Metropolitano Group's consolidated financial statements.

2. Through a concession contract signed in March 2015, the Portuguese State awarded the Metropolitan Group the concession, until 1 July 2024, for the public transport of passengers by metro in the city of Lisbon and neighbouring municipalities, comprising all the assets allocated to the concession, which are shown in the Metropolitan Group's assets, as well as the rights and obligations intended to fulfil 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 any other possible effects arising from the concession contract, and it is not possible to quantify the effects of this situation on the consolidated financial statements, which is a limitation to the scope and depth of our audit.

3. On the assets side, the item "Other receivables" includes approximately 30.4 million euros (the same amount as at 31 December 2021) of works carried out by the Metropolitan Group on behalf of entities in the State business sector that have not yet been invoiced and are pending the formalisation of protocols to regularise the situation. No information is available to allow us to conclude on the recoverability of these amounts, which limits the scope and depth of our audit.

Our audit was carried out in accordance with the International Standards on Auditing (ISAs) and other technical and ethical standards and guidelines of the Portuguese Institute of Statutory Auditors. Our responsibilities under these standards are described in the "Auditor's responsibilities for auditing the consolidated financial statements" section below. We are independent of the entities that make up the Metropolitan Group under the terms of the law and fulfil the other ethical requirements under the terms of the code of ethics of the Portuguese Institute of Statutory Auditors.

We are convinced that the audit evidence we obtained is sufficient and appropriate to provide a basis for our qualified opinion.



### Key audit matters

The key audit matters are those which, in our professional judgement, were of most importance in the audit of the current year's consolidated financial statements. These matters were considered in the context of the audit of the consolidated financial statements as a whole and in forming our opinion, and we did not issue a separate opinion on these matters.

In addition to the matters referred to in the section 'Bases for Qualified Opinion', we considered the following relevant matters in the audit:

Relevant audit matter	Summary of the audit response
<b>1. Valuation of financial instruments</b>	
<p>As a result of the financing operations, the Metropolitan Group subscribed to derivative financial instruments, of complex measurement, recognised under assets for approximately 0.6 million euros (31Dec2021: approximately 14.6 million euros) and under liabilities for approximately 17.2 million euros (31Dec2021: approximately 136.2 million euros).</p> <p>These financial instruments were registered in accordance with the valuation of the banks with which they were contracted.</p> <p>The related disclosures can be found in notes 3.12, 5.4 and 21 attached to the consolidated financial statements.</p>	<p>The audit response involved, in summary, carrying out the following procedures: (i) critical analysis of the technical and financial assumptions used in the respective measurements; (ii) enquiries of the management body as to the consistency and technical validity of the assumptions and estimates; (iii) comparative analysis of the various valuations made with reference to 31 December 2022; and (iv) checking the disclosures made in the consolidated financial statements.</p>

Relevant audit matter	Summary of the audit response
<b>2. Recognition of services rendered and operating subsidies</b>	
<p>Sales and services rendered in the amount of approximately 112 million euros (31Dec2020): 67.4 million euros) and operating subsidies in the amount of around 11 million euros (31Dec2020: 38 million euros) include, as described in note 3.17 of the notes to the financial statements, the recognition of Metropolitan de Lisboa's revenue in each year and are dependent on various exogenous factors, namely: (i) various laws and; (ii) appropriations entered in the Budget Law and; (iii) revenue breakdowns communicated by various transport operators. In this way, there is a risk that the revenue will be incorrectly recorded, particularly considering the dependence on factors that the Metropolitan Group does not control, such as revenue reported by other transport operators for the purposes of calculating additional subsidies, appropriations from the State Budget Law for the allocation of compensation for the purpose of providing financial support to transport operators.</p> <p>The related disclosures are set out in notes 3.17, 24 and 25 attached to the consolidated financial statements.</p>	<p>The audit response involved, in summary, carrying out the following procedures:</p> <ul style="list-style-type: none"> <li>- Survey and analysis of the relevant controls identified in the revenue cycle of Metropolitan de Lisboa;</li> <li>- Operational testing of controls related to the integration of revenue into the accounts;</li> <li>- Analysis of the assumptions considered in the recognition of the specialisations undertaken;</li> <li>- Validation of the recognition of services rendered and operating subsidies with the respective receipts, taking into account the official letters from the Lisbon Metropolitan Authority (AML) and;</li> <li>- Detailed check of the disclosures made in the financial statements.</li> </ul>
<b>3. Measurement of provisions and liabilities for post-employment benefits</b>	
<p>The measurement of provisions for ongoing legal proceedings and liabilities for post-employment benefits is highly complex, taking into account the volume and nature of ongoing legal proceedings, the actuarial assumptions used in the measurement of liabilities for post-employment benefits and the exposure of the Metropolitan Group, involving a high degree of uncertainty and a high level of judgement on the part of the management body. Thus, the validation of the assumptions and calculations underlying recognised liabilities is a significant area of auditing.</p> <p>The disclosures related to this matter are contained in notes 3.15, 3.16, 18 and 20 attached to the consolidated financial</p>	<p>The audit response involved, in summary, carrying out the following procedures: (i) understanding and critically analysing the technical and financial assumptions used in the measurement of provisions; (ii) making enquiries of the management body as to the consistency and technical validity of the assumptions and estimates and as to the documentation supporting the assumptions; (iii) detailed verification of the external experts' calculations relating to post-employment costs; (iv) analysis of the external lawyers' replies to requests for information and additional enquiries from Metropolitan Group officials; (v) detailed check of the disclosures made in the consolidated financial statements.</p>

## Other matters

Although current assets (approximately 216 million euros) are significantly lower than current liabilities (approximately 1,915 million euros), Metropolitan's business is carried out in accordance with state directives, the financing of which is guaranteed through subsidies and loans mostly guaranteed by the state, and the company's Board of Directors believes that the settlement of its liabilities, particularly with regard to financing obtained that can be repaid in the short term, will continue to be met, essentially by obtaining additional lines of financing in coordination with its shareholder.

## Responsibilities of the management body and the supervisory body for the consolidated financial statements

The management body is responsible for:

- (i) the preparation of consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Metropolitan Group in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- (ii) the preparation the consolidated management report including the consolidated non-financial statement and the corporate governance report and in accordance with the applicable laws and regulations;
- (iii) the establishment and maintenance of 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;
- (iv) adoption of accounting policies and criteria that are appropriate in the circumstances; and
- (v) the assessment of the Metropolitan Group's ability to continue as a going concern, disclosing, where applicable, any matters that may give rise to significant doubts as to the continuity of its activities.

The supervisory body is responsible for supervising the process of preparing and disclosing the Metropolitan Group's financial information.

## Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit performed in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of those financial statements.

As part of an audit in accordance with the ISAs, we make professional judgements and maintain professional scepticism during the audit, as well as:

- (i) 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 greater than the risk of not detecting a material misstatement due to error, since fraud can involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control;

- (ii) obtain an understanding of the 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 Metropolitan 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 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 Metropolitan 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 financial statements or, if such disclosures are inadequate, modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Metropolitan 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 a manner that achieves fair presentation;
- (vi) obtain sufficient appropriate audit evidence regarding the financial information of the entities or activities within the Metropolitan Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit and are ultimately responsible for our audit opinion;
- (vii) communicate with those charged with governance, including the supervisory body, among other matters, the planned scope and timing of the audit, and the significant findings of the audit, including any significant deficiencies in internal control identified during the audit;
- (viii) of the matters we communicate to those charged with governance, including the supervisory body, we determine which were the most important in the audit of the consolidated financial statements for the current year 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 communicate to it all relationships and other matters that could be perceived as threats to our independence and, where applicable, what measures were taken to eliminate the threats or what safeguards were applied.

Our responsibility also includes verifying that the information contained in the management report is consistent with the consolidated financial statements and the checks provided for in paragraphs 4 and 5 of Article 451 of the Companies Code with regard to corporate governance, as well as verifying that the consolidated non-financial statement has been presented.



## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **About the consolidated 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 'Basis for qualified opinion' section 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 Metropolitan Group, we did not identify any material misstatements.

### **About the corporate governance report**

In compliance with Article 451(4) of the Commercial Companies Code, except for the possible effects of the matters referred to in the "Basis for the qualified opinion" section of the Report on the audit of the consolidated financial statements, in our opinion 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 paragraph 1(c), (d), (f), (h), (i) and (l) of the aforementioned article.

### **About the non-financial statement**

In compliance with Article 451(6) of the Commercial Companies Code, we would like to inform you that Grupo Metropolitan included the non-financial statement provided for in Article 66-B of the Commercial Companies Code in its management report.

### **About the European Single Electronic Format (ESEF)**

The Group's financial statements for the year ended 31 December 2022 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 the 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 compliance with the requirements established in the ESEF Regulation.

Our procedures took into account the Portuguese Institute of Statutory Auditors' Technical Application Guide on reporting in ESEF and included, among others:

- gaining an understanding of the financial reporting process, including the presentation of the annual report in a valid XHTML format;
- the identification and assessment of the risks of material misstatement associated with the marking of information in the consolidated financial statements in XBRL format using iXBRL technology. This assessment was based on understanding the process implemented by the organisation 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 the 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 indicated above, we also report the following:

- (i) We were hired as the external auditors of Metropolitano de Lisboa, E.P.E, for the first time on 1 January 2017 for the financial year 2016 and since then 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 suspected fraud with a material effect on the consolidated financial statements. In planning and performing our audit in accordance with the ISAs, we maintained professional scepticism and designed audit procedures to respond to the possibility of material misstatement of the consolidated financial statements due to fraud. As a result of our audit, we did not identify any material misstatement of the consolidated financial statements due to fraud.
- (iii) We confirm that the audit opinion we issued is consistent with the additional report we prepared and delivered to the Metropolitano Group's supervisory body on the same date.
- (iv) We declare that we did not provide any services prohibited under Article 77(8) of the Statute of the Portuguese Institute of Statutory Auditors and that we maintained our independence from the Metropolitano Group during the course of the audit.
- (v) We inform that we did not provide the Metropolitano Group with any services other than auditing.

Lisbon, 29 June 2023

[signature: António Pina Fonseca]

António José Correia de Pina Fonseca,  
(Statutory Auditor No. 949, registered with the 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 organisation's ability to create value in the short, medium and long-term. The IIRC also states that "organisations 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."

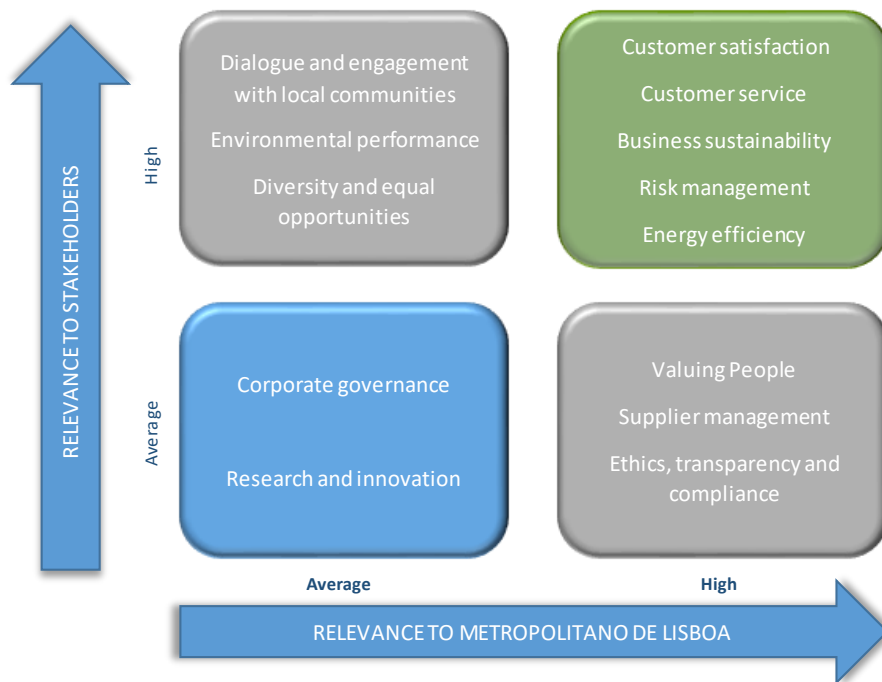
This Consolidated Report seeks to inform the stakeholders of the path being pursued by ML with a view to its sustainability and how it is contributing to the sustainability of its surrounding environment. To this end, the stakeholders have been identified (presented in this report, in the chapter on "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 2022.

The selection of material aspects is in line with the Global Reporting Initiative (GRI) and their economic, environmental and social impacts on the organisation, 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 87 – Prioritization of material aspects

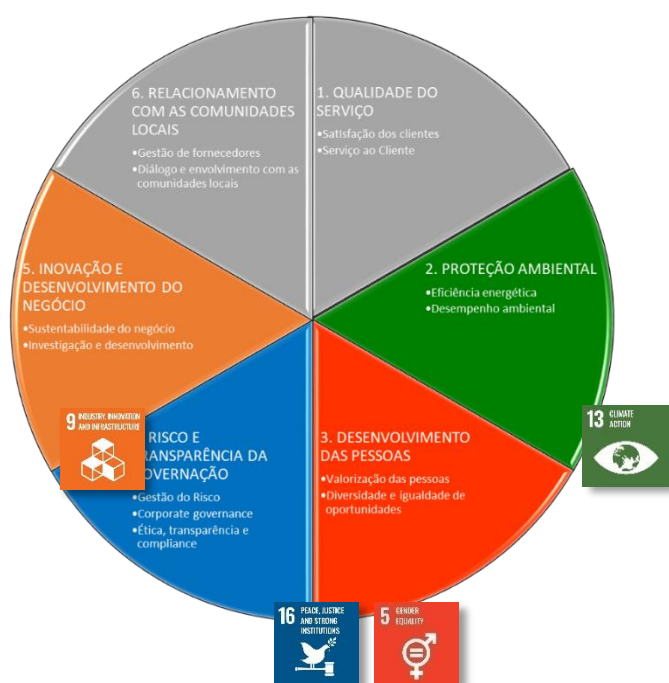


The main sources used to select the material issues include:

- 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 organisation;
- 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 ML sustainability approach and to the strategic areas of action. It is on these material topics that this report focuses most strongly.

Table 88 – Alignment of the material aspects with the strategy



<b>1. Service quality</b>
Customer satisfaction
Customer Service
<b>2. Environmental protection</b>
Energy efficiency
Environmental performance
<b>3. People development</b>
Valuing people
Diversity and equal opportunity
<b>4. Governance risk and transparency</b>
Risk management
Corporate governance
Ethics, transparency and compliance
<b>5. Innovation and business development</b>
Business sustainability
Research and development
<b>6. Relationship with local communities</b>
Supplier management
Dialogue and engagement with local communities

b) GRI INDICATORS

1) Economic Performance

GRI 201-1 Direct economic value generated and distributed

	2020	2021	2022
Economic value generated (€)	57,175,169	62,392,728	103,065,794
Economic value distributed (€)	329,809,774	260,516,511	232,579,538
Accumulated economic value (€)	-272,634,605	-198,123,784	-129,513,744



**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**

	2020	2021	2022
Capital allocations (€)	320,423,764	253,904,909	181,390,745
Financial Compensation / Ministry of Environment and Climate Action / AML (euros)	(i) 32,521,300	(iii) 48,233,046	(v) 14,295,918
Grant to Investment / PIDDAC / Environmental Fund / IMT (euros)	(ii) 31,474,692	(iv) 153,517,599	(vi) 10,639,940
Loans raised from the DGTF (€)	203,813,049	167,147,451	35,197,631

(i) Includes PART: €28,558,037, of which €20.299.084 refer to Operating grants.

(ii) includes: Environmental Fund: € 28,328,650 and Cohesion Fund: € 3,146,042

(v) Includes receipts from AML: €44,566,434 (PART: €7,848,238, COVID: €36,718,196 and fare co-funding €3,666,613.

(iv) Includes PIDDAC €800,000, Environmental Fund: €56,847,527 Cohesion Fund: €38,683,399 and PRR €70,816,795.

(i) Includes PART: 10.8 million euros.

(vi) Includes Environmental Fund: 57 thousand euros, PRR: 1.5 million euros and variable PART: 9.1 million euros.

**GRI 202-1 Ratios of standard entry level wage by gender compared to local minimum wage**

	2020	2021	2022
Ratios of entry level Wage compared to local minimum wage at significant business premises	155.2	154.1	150.3

	Year 2021		Year 2022	
	WOMEN	MEN	WOMEN	MEN
Ratios of entry level Wage compared to local minimum wage at significant business premises	157.92	154.07	150.30	150.30

**GRI 202-2 Proportion of senior management hired from the local community**

	2020	2021	2022
% of senior management hired from the local communities	91.7%	91.7%	92.3%

**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

	2020	2021	2022
Spending on local suppliers (%)	97.1	96.9	97.3

#### GRI 205-1 Operations assessed for risks related to corruption

	(*) 2020	2021	2022
Percentage and total number of business units targeted for corruption risk analysis	64%	100%	100%
	11	21	23
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

	2021		2022	
	No.	%	No.	%
Members of the governing body to whom the anti-corruption policies and procedures adopted by the organisation were communicated	24	88.9%	(*) 26	89.7%
Employees who have been informed of the anti-corruption policies and procedures adopted by the organisation	1515	100.0%	1538	100.0%
Business partners who have been informed of the anti-corruption policies and procedures adopted by the organisation	1003	100.0%	(**) 1201	100.0%
Members of the governing body who have been trained in fighting corruption	1	3.7%	1	3.4%
Employees who have received training in fighting corruption	5	0.3%	9	0.6%

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

**GRI 205-3 Confirmed incidents of corruption and actions taken**

	2020	2021	2022
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.

**GRI 207-1 Approach to tax**

Metropolitano de Lisboa is a Public Business Entity (EPE) ruled by its own statutes, and pursues its activity in accordance with the applicable laws and regulations.

Since 2011, ML has been included in the list of reclassified entities of the Public Administration perimeter as a reclassified public entity (EPR), equivalent to Autonomous Funds and Services. This entails significant impacts on the company's budget framework, information reporting and observance of specific legislation, namely the Law on Commitments and Payments in Arrears, the Budget Implementation Law and mandatory preparation of Budgetary Proposals to be submitted to the Directorate General for the Budget (DGO) for direct inclusion in the State Budget (OE).

The Budget Support Technical Unit (UTAO) of the Assembly of the Republic has been a standing parliamentary unit since 2010 with powers and duties on budget and financial matters, which provides support in the drafting of studies and documents of technical work on budget and public financial management.

**GRI 207-2 Tax governance, control and risk management**

Metropolitano de Lisboa monitors and carries out the management of tax matters in order to ensure the best decision-making and mitigate potential tax risks. The Supervisory Board is the body responsible for ensuring compliance in that sphere, supervising the process of preparation and disclosure of financial information. The Supervisory Board drafts a report, on an annual basis, giving its opinion of the annual report and financial statements presented by the Board of Directors.

## 2) Environmental performance

**GRI 301-1 Materials used by weight or volume**

Year	Lamps (un.)	Paper (kg)	Concrete (m <sup>3</sup> )	Steel (t)	Toners (un.)	Clamps (un.)	Cable (m)
2020	16,377	22,672	729	170	22	36,949	7,098
2021	12,934	12,612	6,182	716	23	41,690	9,213
2022	19,922	24,881	16,666	676	213	47,058	13,276

**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 organisation****GRI 302-2 Energy consumption outside the organisation**

	2020	2021	2022
Diesel (MWh)	709	678	742
Gasoline (MWh)	4.47	4.66	1.98
Natural gas (MWh)	3,012	3,371	3,022
Electricity (MWh)	100,264	87,712	95,994
<b>Total (MWh)</b>	<b>103,990</b>	<b>91,766</b>	<b>99,760</b>

**GRI 302-3 Energy intensity**

	2020	2021	2022
Energy efficiency (Pass.km/kWh)	4.32	4.60	7.42

**GRI 302-4 Reduction of energy consumption****GRI 302-5 Reductions in energy requirements of products and service**

The project for technological change of the lighting of the stations and all the other facilities was continued during 2022, 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

	2020	2021	2022
Direct greenhouse gas emissions (t CO <sub>2</sub> e)	791	853	801
Indirect greenhouse gas emissions (t CO <sub>2</sub> e)	27,105	17,025	5,975
Other indirect GHG emissions GEE (t CO <sub>2</sub> e)	1.50	4.76	20.63
GHG emissions intensity (g CO <sub>2</sub> e/Pkm)	62.6	42.2	8.4
Total avoided emissions (t CO <sub>2</sub> e)	-56,351	-3,703	38,772

**GRI 305-6** Emissions of ozone-depleting substances

0 (zero).

**GRI 305-7** Nitrogen oxides (NO<sub>x</sub>), sulphur oxides (SO<sub>x</sub>) and other significant air emissions

	2020	2021	2022
SO <sub>2</sub> emissions - acidifying gas (t)	262	229	251
NO <sub>2</sub> emissions - ozone precursor gas (t)	121	106	116

GRI 306-1 Water discharge by quality and destination

Source	Quality	Destination	Treatment performed	Annual Estimate 2022 (m <sup>3</sup> )	
PMO II (Lisbon)	Wastewater of an industrial nature from workshops	Wastewater is discharged into the Lisbon municipal collection sewers	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	8,603	
PMO III (Lisbon)	Wastewater of an industrial nature from workshops	Wastewater is discharged into the Lisbon municipal collection sewers		Alcantara WWTP - advanced primary treatment, with an installed treatment capacity for a peak flow of 3.3 m <sup>3</sup> /s in dry weather (with final effluent disinfection) and 6.6 m <sup>3</sup> /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 <sup>3</sup> /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 <sup>3</sup> /day.	16,437
ML stations integrated in the municipality of Lisbon	Potentially industrial wastewater from commercial spaces (restaurants)	Wastewater is discharged into the Lisbon municipal collection sewers		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 <sup>3</sup> /day. Frielas WWTP - secondary treatment, using activated sludge, including biofiltration and UV disinfection, with an installed treatment capacity of 70,000 m <sup>3</sup> /day. São João da Talha WWTP - secondary treatment using activated sludge, with an installed treatment capacity of around 16,000 m <sup>3</sup> /day.	35,481
ML stations integrated in the municipality of Loures	Potentially industrial wastewater from commercial spaces (restaurants)	Wastewater is discharged into the Loures municipal collection sewers			
ML stations integrated in the municipality of Odivelas	Potentially industrial wastewater from commercial spaces (restaurants)	Wastewater is discharged into the Odivelas municipal collection sewers			
ML stations integrated in the municipality of Amadora	Potentially industrial wastewater from commercial spaces (restaurants)	Wastewater is discharged into the Amadora municipal collection sewers			
<b>Summary:</b> ML sites with industrial or potentially industrial waste water 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 <sup>3</sup> and that in total at all metro stations some 37,954 m <sup>3</sup> were discharged.			Estimate of total wastewater discharged in PMO II and PMO III (industrial nature)	25,040	
			Estimate of total wastewater discharged in ML stations (potential industrial nature)	35,481	

It is estimated that approximately 80% of the water consumed is discharged as residual water.

	2020	2021	2022
Total wastewater, with potential industrial nature, discharged by ML (m <sup>3</sup> )	62,912	60,580	60,522

#### GRI 306-2 Total quantity of waste by type and disposal method

	2020	2021	2022
Total weight of hazardous waste	1.9%	1.2%	10.4%
Total weight of non-hazardous waste	98.1%	98.8%	89.6%
Total weight of waste for disposal	50.0%	32.4%	68.3%
Total weight of waste for recycling	50.0%	67.6%	31.7%

	2020	2021	2022
Hazardous waste (t)	19	19	116
Non-hazardous waste (t)	982	1,613	995
Waste for disposal (t)	500	528	759
Waste for recycling (t)	501	1,104	353

#### 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 organisation

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 specialized service provider in the matter.

No legal non-compliance was detected by the inspection of the competent authorities in 2022; 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.

	2020	2021	2022
Procedures using environmental criteria (%)	12.5	10.8	12.4

**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 rise 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**

	2020	2021	2022
No. of employees (women)	385	388	413
No. of employees (men)	1,132	1,133	1,162
<b>Total number of employees</b>	<b>1,517</b>	<b>1,521</b>	<b>1,575</b>
Hiring of new staff	63	16	75
Outflows	15	20	21
<b>Turnover rate</b>	<b>5.1%</b>	<b>2.4%</b>	<b>6.1%</b>

AGE	Year 2021		Year 2022	
	WOMEN	MEN	WOMEN	MEN
< 30 years old	2.6%	4.7%	6.8%	6.3%
30 to 50 years	52.1%	41.7%	47.2%	37.6%
> 50 years old	45.4%	53.6%	46.0%	56.1%



**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 organisation

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		
	2020	2021	2022	2020	2021	2022
Employees entitled to parental leave	385	388	413	1,132	1,133	1,162
Employees who had parental leave in the financial year	2	4	4	23	18	14
Employees who returned to work after the end of parental leave	1	3	3	22	15	14
Employees who have returned to work and are still employed 12 months after returning from parental leave	1	3	3	22	15	14
Return to work rate	50.0%	75.0%	75.0%	95.7%	83.3%	100.0%
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

	2020	2021	2022
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

	2020	2021	2022
Incidence index	31.36	45.60	39.01
Frequency index	23.00	33.69	29.27
Severity index	1.20	1.64	1.80
Work accidents	60	75	77
Lost days	2,409	3,364	3,686
Number of fatalities	0	0	0
Absenteeism rate (%)	8.05	7.48	8.92

	2021		2022	
	WOMEN	MEN	WOMEN	MEN
Occupational accidents (n.º)	11	64	13	64
Lost days	476	2,888	329	3,357

**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**

	2020	2021	2022
Managing Staff	63.70	41.61	41.84
Senior Management	35.30	33.80	38.46
Middle Managers	9.78	6.57	14.89
Middle Management	8.81	18.90	11.16
Qualified / Highly qualified professionals	14.66	11.77	35.17
Unskilled / Semi-skilled professionals	2.55	8.66	13.75
<b>Average</b>	<b>17.56</b>	<b>16.47</b>	<b>31.52</b>

	Year 2021		Year 2022	
	Women	Men	Women	Men
Managing Staff	54.91	35.60	59.79	35.50
Senior Management	34.93	32.79	38.21	38.67
Middle Managers	6.94	6.31	13.13	16.26
Middle Management	7.33	19.30	54.00	9.30
Qualified / Highly qualified professionals	13.18	11.31	46.50	31.47
Unskilled / Semi-skilled professionals	17.46	1.33	0.00	13.75
<b>Average</b>	<b>20.19</b>	<b>15.21</b>	<b>41.88</b>	<b>28.13</b>

**GRI 404-2 Programmes for upgrading employee skills and transition assistance programmes, contributing to the continued employability of employees preparing for retirement**

	2020	2021	2022
Executive MBA (Directors)	1	0	0
Licentiate Degree	6	10	9
Master's Degree	1	0	2
PhD	1	0	0

**GRI 404-3 Percentage employees receiving regular performance and career development reviews, by gender and functional category**

In 2022, 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**

GOVERNING BODIES	2020		2021		2022	
	M	W	M	W	M	W
Board of Directors	2	1	2	1	2	1
Advisory to the Board of Directors	1	0	0	0	0	0
Audit Committee	1	2	1	2	1	2
Directors	15	6	15	6	17	6
<b>Total</b>	<b>19</b>	<b>9</b>	<b>18</b>	<b>9</b>	<b>20</b>	<b>9</b>

DIRECTORS	2020		2021		2022	
	M	W	M	W	M	W
Less than 30 years	0	0	0	0	0	0
30 to 50 years	3	4	3	3	3	3
More than 50 years	12	2	12	3	14	3
<b>Total</b>	<b>15</b>	<b>6</b>	<b>15</b>	<b>6</b>	<b>17</b>	<b>6</b>

**GRI 405-2 Ratio of basic salary and remuneration of women to men**

	2020	2021	2022
Senior Management	106.6%	108.9%	110.9%
Middle Managers	104.8%	105.1%	103.5%
Middle Management	100.3%	98.3%	100.6%
Highly qualified professionals	89.7%	86.9%	89.8%
Qualified professionals	100.8%	98.2%	97.1%

**GRI 406-1 Incidents of discrimination and corrective actions taken**

	2020	2021	2022
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<sup>7</sup>.

**GRI 410-1** Security personnel trained in human rights policies or procedures

	2020	2021	2022
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 organisations providing security personnel.

**GRI 411-1** Incidents of violations involving rights of indigenous peoples

No incidents were recorded in 2022.

**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 organisation's operations, including the percentage of trained employees

	2020	2021	2022
Total hours of training in human rights policies or procedures	0.0	0.0	181.5
Employees trained in human rights policies during the reporting period	0.00%	0.00%	2.41%

<sup>7</sup> <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**

We comply with all the existing legal regulations for the effect, and are subject to frequent audits to demonstrate compliance with the defined requirements.

The requirements that refer to information to the customer, complaints, and Customer Satisfaction Survey and CM studies (which are structured pursuant to the same quality criteria), are defined in NP 4475:2020 and EN 13816.

	2020	2021	2022
Percentage of main categories of products and services evaluated	87.5%	87.5%	87.5%
Customer satisfaction index	7.52	7.78	7.42
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 2022 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 89 – GRI Summary Table (I)

INDICATOR	GRI Standards	Page number(s) and/or URL	OMISSION	SDG
<b>GRI 102 General Contents 2016</b>				
<b>Organisational Profile</b>				
Name of the organisation	102-1	Metropolitano de Lisboa, E.P.E. Page 11		
Activities, brands, products and services	102-2	Page 11		
Location of headquarters	102-3	Avenida Fontes Pereira de Melo, 28, 1069-065 Lisboa, Page: <a href="http://www.metrolisboa.pt">www.metrolisboa.pt</a>		
Location of operations	102-4			
Ownership and legal form	102-5	Page 11		
Markets served	102-6	Page 11		
Scale of the organisation	102-7	Page 61		
Information on employees and other workers	102-8	Page 61		
Supply chain	102-9	Page 14		
Significant changes to the organisation 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		
<b>Strategy</b>				
Statement from senior decision-maker	102-14	Page 6		
Key impacts, risks and opportunities	102-15	Page 23		
<b>Ethics and integrity</b>				
Values, principles, standards and norms of behaviour	102-16	<a href="#">ML Code of Ethics and Conduct</a>		
Mechanisms for advice and concerns about ethics	102-17	<a href="#">Plan for Prevention of Risks of Corruption and Related Infractions (PPRCIC) Implementation Report</a>		
<b>Governance</b>				
Governance Structure	102-18	Page 25 <a href="#">CGR 2021</a>		
Delegating authority	102-19	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 14		
Composition of the highest governance body and its committees	102-22	<a href="#">CGR 2021</a>		
Chair of the highest governance body	102-23	<a href="#">CGR 2021</a>		
Selecting and nominating the highest governance body	102-24	<a href="#">CGR 2021</a>		
Conflicts of interest	102-25	<a href="#">CGR 2021</a>		
Role of highest governance body in setting purpose, values and strategy	102-26	<a href="#">CGR 2021</a>		
Collective knowledge of the highest governance body	102-27	Page 25		
Evaluating the highest governance body's performance	102-28	<a href="#">Annual Report 2021</a>		
Identifying and managing economic, environmental and social impacts	102-29	Page 242		
Effectiveness of risk management processes	102-30	<a href="#">CGR 2021</a> ; <a href="#">PPRCIC Implementation Report</a>		
Review of economic, environmental and social topics	102-31	Board of Directors' meetings; <a href="#">CGR 2021</a>		



Table 90 – GRI Summary Table (II)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
<b>Governance (continuation)</b>				
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		
<b>Stakeholder engagement</b>				
List of stakeholder groups	102-40	Page 14		
Collective bargaining agreements	102-41	Page 244		
Identifying and selecting stakeholders	102-42	Page 14		
Approach to stakeholder engagement	102-43	Page 14		
Key topics and concerns raised	102-44	Page		
<b>Reporting practice</b>				
Entities included in the consolidated financial statements	102-45	Page 11		
Defining report content and topic boundaries	102-46	Page 5		
List of material topics	102-47	Page 234		
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	<a href="#">Annual Report 2020</a>		
Reporting cycle	102-52	Annual		
Contact point for questions regarding the report	102-53	<a href="http://www.metrolisboa.pt">www.metrolisboa.pt</a> <a href="mailto:relacoes.publicas@metrolisboa.pt">relacoes.publicas@metrolisboa.pt</a>		
Claims of reporting in accordance with the GRI Standards	102-54	Page 5		
GRI content index	102-55	Page 251		
External assurance	102-56	Page		
<b>GRI 201: Environmental Performance 2016</b>				
Direct economic value generated and distributed	201-1	Page 234		5; 9
Financial implications and other risks and opportunities due to climate change	201-2	Page 235		13
Defined benefit plan obligations and other retirement plans	201-3	Page 235		
Financial assistance received from government	201-4	Page 235		
<b>GRI 202: Market Presence 2016</b>				
Ratios of standard entry level wage by gender compared to local minimum wage	202-1	Page 235		
Proportion of senior management hired from the local community	202-2	Page 235		
<b>GRI 203: Indirect Economic Impacts 2016</b>				
Infrastructure investments and services supported	203-1	Page 235		5; 9
<b>GRI 204: Procurement Practices 2016</b>				
Proportion of spending on local suppliers	204-1	Page 236		

Table 91 – GRI Summary Table (III)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
<b>GRI 205: Anti-corruption 2016</b>				
Operations assessed for risks related to corruption	205-1	Page 236		16
Communication and training about anti-corruption policies and procedures	205-2	Page 236		
Confirmed incidents of corruption and actions taken	205-3	Page 237		16
<b>GRI 206: Anti-competitive Behaviour 2016</b>				
Legal actions for anti-competitive behaviour, anti-trust and monopoly practices	206-1	Page 237		
<b>GRI 207: Tax 2019</b>				
Approach to tax	207-1	Page 237		
Governance, control and risk management	207-2	Page 237		
<b>GRI 301: Materials 2016</b>				
Materials used by weight or volume	301-1	Page 237		
Recycled input materials used	301-2	Page 237		
Reclaimed products and their packaging materials	301-3	Page 238		
<b>GRI 302: Energy 2016</b>				
Energy consumption within the organisation	302-1	Page 238		13
Energy consumption outside the organisation	302-2	Page 238		13
Energy intensity	302-3	Page 238		13
Reduction of energy consumption	302-4	Page 238		13
Reductions in energy requirements of products and services	302-5	Page 238		13
<b>GRI 303: Water 2018</b>				
Water withdrawal by source	303-1	Page 238		
Water sources significantly affected by withdrawal of water	303-2	Page 238		
Water recycled and reused	303-3	Page 238		
<b>GRI 304: Biodiversity 2016</b>				
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	304-1	Page 238		
Significant impacts of products and services on biodiversity	304-2	Page 239		
Habitats protected or restored	304-3	Page 239		
IUCN Red List species and national conservation list species with habitats in areas affected by operations.	304-4	Page 239		
<b>GRI 305: Emissions 2016</b>				
Direct (Scope 1) GHG emissions	305-1	Page 239		13
Indirect (Scope 2) GHG emissions	305-2	Page 239		13
Other (Scope 3) GHG emissions	305-3	Page 239		13
GHG emissions intensity	305-4	Page 239		13
Reduction of GHG emissions	305-5	Page 239		13
Emissions of ozone-depleting substances	305-6	Page 239		13
Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) and other significant air emissions	305-7	Page 239		13
<b>GRI 306: Effluents and Waste 2016</b>				
Water discharge by quality and destination	306-1	Page 240		13
Total quantity of waste by type and disposal method	306-2	Page 241		13
Total number and volume of significant spills	306-3	Page 241		13
Weight of transported, imported, exported or handled hazardous waste and percentage of waste transported internationally	306-4	Page 241		
Identification, size, protection status and value of the biodiversity of water bodies affected by water discharges and/or runoff carried out by the organisation	306-5	Page 241		

Table 92 – GRI Summary Table (IV)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
<b>GRI 307: Environmental Compliance 2016</b>				
Non-compliance with environmental laws and regulations	307-1	Page 241		
<b>GRI 308: Supplier Environmental Assessment 2016</b>				
New suppliers that were screened using environmental criteria	308-1	Page 242		
Negative environmental impacts in the supply chain and actions taken	308-2	Page 242		
<b>GRI 401: Employment 2016</b>				
New employee hires and employee turnover	401-1	Page 242		5
Benefits provided to full-time employees that are not provided to temporary or part-time employees	401-2	Page 243		
Parental leave	401-3	Page 243		5
<b>GRI 402: Labour Management Relations 2016</b>				
Minimum notice periods regarding operational changes	402-1	Page 243		
<b>GRI 403: Occupational Health and Safety 2018</b>				
Occupational health and safety management system	403-1	Page 243		
Hazard identification, risk assessment and investigation of incidents	403-2	Page 244		
Occupational health services	403-3	Page 244		
Participation of workers, consultation and communication with workers on occupational health and safety	403-4	Page 244		
Training of workers on occupational health and safety	403-5	Page 61		
Promotion of the worker's health	403-6	Page 61		
Prevention and mitigation of impacts on health and safety	403-7	Page 61		
Workers covered by an occupational health and safety management system	403-8	Page 61		
Work accidents	403-9	Page 61		
Occupational diseases	403-10	Page 61		
<b>GRI 404: Training and Education 2016</b>				
Average hours of training per year per employee	404-1	Page 245		5
Programmes for upgrading employee skills and transition assistance programmes	404-2	Page 245		
Percentage of employees receiving regular performance and career development reviews	404-3	Page 245		5
<b>GRI 405: Diversity and Equal Opportunity 2016</b>				
Diversity of governance bodies and employees	405-1	Page 246		5
Ratio of basic salary and remuneration of women to men	405-2	Page 246		5
<b>GRI 406: Non-discrimination 2016</b>				
Incidents of discrimination and corrective actions taken	406-1	Page 246		5
<b>GRI 407: Freedom of Association and Collective Bargaining 2016</b>				
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	407-1	Page 247		
<b>GRI 408: Child Labour 2016</b>				
Operations and suppliers at significant risk for incidents of child labour	408-1	Page 247		
<b>GRI 409: Forced or Compulsory Labour 2016</b>				
Operations and suppliers at significant risk for incidents of forced or compulsory labour	409-1	Page 247		
<b>GRI 410: Security Practices 2016</b>				
Security personnel trained in human rights policies or procedures	410-1	Page 247		

Table 93 – GRI Summary Table (V)

INDICATOR	GRI Standard	Page number(s) and/or URL	OMISSION	SDG
<b>GRI 411: Rights of Indigenous Peoples 2016</b>				
Incidents of violations involving rights of indigenous peoples	411-1	Page 247		
<b>GRI 412: Human Rights Assessment 2016</b>				
Operations that have been subject to human rights reviews or impact assessments	412-1	Page 247		
Employee training on human rights policies or procedures	412-2	Page 247		
Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	412-3	Page 249		
<b>GRI 413: Local Communities 2016</b>				
Operations with local community engagement, impact assessments and development programmes	413-1	Page 249		
Operations with actual and potential negative impacts on local communities	413-2	Page 249		
<b>GRI 414: Supplier Social Assessment 2016</b>				
New suppliers that were screened using social criteria	414-1	Page 249		5
Negative social impacts in the supply chain and actions taken	414-2	Page 249		5
<b>GRI 415: Public Policy 2016</b>				
Political contributions	415-1	Page 249		
<b>GRI 416: Customer Health and Safety 2016</b>				
Assessment of the health and safety impacts of product and service categories	416-1	Page 249		
Incidents of non-compliance concerning the health and safety impacts of product and services	416-2	Page 249		
<b>GRI 417: Marketing and Labelling 216</b>				
Requirements for product and service information and labelling	417-1	Page 250		
Incidents of non-compliance concerning product and service information and labelling	417-2	Page 250		
Incidents of non-compliance concerning marketing communications	417-3	Page 250		
<b>GRI 418: Customer Privacy 2016</b>				
Substantiated complaints concerning breaches of customer privacy and losses of customer data	418-1	Page 250		
<b>GRI 419: Socioeconomic Compliance 419</b>				
Non-compliance with laws and regulations in the social and economic area	419-1	Page 250		

## 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 organisations which are acknowledged as representing best practices for the purpose of making improvements at the organisation.

### Capacity-building

Refers to all types of vocational and other training, paid leave for studies provided by the organisation for its employees, capacity-building or education conducted outside the organisation and totally or partially paid by the organisation, and training in specific topics.

### Cars x km

Number of journeys multiplied by the number of cars 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 organisation or operation, whether legally incorporated or not.

#### Company Climate Study

Satisfaction Questionnaire applied to the company's employees, on an annual basis.

#### Local suppliers

Organisation 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<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and sulphur hexafluoride (SF<sub>6</sub>).

#### 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 organisation'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 cars multiplied x km by the average capacity of each care.

#### Monitoring

Series of actions aimed at monitoring the full functioning of the organisation's operations or its goals, processes, indicators or other matters of economic, environmental and social performance.

**ISO 9001**

International Organisation 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 organisation.

**Incidents per million passengers transported**

Number of criminal incidents involving passengers per million passengers transported.

**Organisation**

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 organisation concerning quality.

**Environmental Management System**

Part of an organisation'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
Data Protection	Data Protection Officer
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
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 Intermodal Line
LKO	Seats x km
MAVT	Automated Ticket Sale Machine
MKBF	Mean Kilometres Between Failure
ML	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.d.	Not Available
SDG	Sustainable Development Goals

Abbreviation / Acronym	Meaning
OTLIS	Operadores de Transportes da Região de Lisboa, A.C.E.
p.p.	Percentage Point
ABP	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 Resolution
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