

K2:2

D:



- 1. About the Report 14-15
- 2. Message from the Chairman 16-21



3. About Us

3.1 The IP Group 3.2 Mission, Vision and Values 3.3 Our Networks 3.4 Main Indicators 3.5 Highlights of the Year

22-39



- 4.1 Strategic Plan
- 4.2 Context Analysis
- 4.3 Management Model 4.4 IP Group Value Chain 4.5 Stakeholders
- 4.6 Risk Management 4.7 Innovation
- 40-57

Part I Management Report



5. Business Areas

- 5.1 Asset Management
- 5.2 Conservation and Maintenance of the Network 5.3 Investment in Road and Railway
- Infrastructure
- 5.4 Security 5.5 Use of the Railway Network
- 5.6 Public Private Partnerships 5.7 Telecommunications and Business
- Cloud
- 5.8 Engineering Services 5.9 Management of Property and Commercial Areas

58-103



- 6. Performance
 - 6.1 Financial Capital 6.2 Human capital 6.3 Intellectual Capital 6.4 Social Capital and Relationships 6.5 Natural Capital

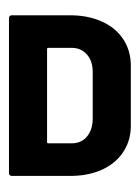
104-165



7. Governance Model and Organisational Structure

> 7.1 Governance Model 7.2 Organisational Structure

166-171





8. Compliance With Legal Guidelines

- 8.1 Management Objectives and Activity Plan and Budget8.2 Financial Risk Management
- 8.3 Debt Growth Limit
- 8.4 Evolution of the Average
- Payment Term to Suppliers 8.5 Shareholder Recommendations 8.6 Remuneration
- 8.7 Application of the Provisions of Articles 32 and 33 of the EGP
- 8.8 Undocumented Expenses
- 8.9 Report on Remuneration Paid to Women and Men 8.10 Annual Report on Corruption
- Prevention
- 8.11 Public Procurement 8.12 Adherence of the Company
- to the National Public Purchasing System
- 8.13 Measures to Reduce
- Operating Expenses 8.14 Principle of Unity of State Treasury
- 8.15 Recommendations Arising from Audits Performed by the Court of Auditors
- 8.16 Preparation and Dissemination of the Equality Plan 8.17 Non Financial Statement
- 8.18 Information available on the
- SEE website
- 8.19 Summary Table of Compliance with Legal Guidelines







9. COVID-19 Impact and International Geopolitical Situation

218-219

10. Subsequent Events

- 10.1 Share Capital Increase 10.2 Extension of Programme
- Contract
- 10.3 LAW 24-E/2022 of 30
- December 2022
- 10.4 Increase in tolls 10.5 Toll compensation mechanism
- 10.6 Moratorium on State loans
- originating from the roadway
- 10.7 EBD Amendment

220-221

11. Future Prospects

- 11.1 International Geopolitical Crisis
- 11.2 Rise in Euro Interest Rates
- 11.3 Network Intervention Plan
- 11.4 CAM ring 11.5 Railway Framework Contract
- 11.6 Financial Model of the Road Activity

222-225



12. Proposal for the Application of Results 226-227



Statement of Complaince 231

Separate Financial Statements

232-237

Notes to the Separate Financial Statements

238-239

1. Corporate Information

1.1 Company Activity

239

- 2. Main accounting policies
 - 2.1 Bases of Presentations 2.2 Summary of significant
 - 2.2 Summary of significant accounting policies
 - 2.3 Significant accounting judgements, estimates and assumptions

240-259

3. Segment reporting 260-263

- - 4. Investments in subsidiaries 264-265
 - 5. Investment in associates 266-267
 - 6. Intangible assets 268-269
 - 7. Tangible fixed assets 270-271
 - 8. Deferred tax assets and liabilities 272-275
 - 9. Inventories 276-277

Part II Separate Financial Statements and Notes



10. Government

278-281

11. Deferrals

282-285

11.1 Deferred assets 11.2 Deferred liabilities

and other public

bodies (Assets

and Liabilities)

12. Financial assets and financial liabilities

> 12.1 Categories under IFRS 9 12.2 Financial assets 12.3 Financial liabilities 12.4 Financial risk management policies

12.5 Changes in liabilities deriving from financing activities

286-303

- 13. Share Capital and reserves 304-307
- 14. Provisions 308-311
- 15. Sales and services 312-315



- 18. External supplies and services 320-322
- 19. Employee benefits expense 324-325
- 20. Impairments (losses)/reversals 326-327

- 21. Other Income and gains 328-329
- 22. Other expenses and losses 330-331
- 23. Gains/(losses) on subsidiaries and associates 332-333

- 16. Compensatory Allowances 316-317
- 17. Cost of goods sold and materials consumed 318-319







- 24. Financial Losses and Gains 334-335
- 25. Income tax 336-339
- 26. Related party disclosures
 - 26.1 Summary of Related Parties
 26.2 Significant balances and transactions with public entities
 26.3 Balances and transactions with subsidiaries
 26.4 Balances and transactions with railway operators
 26.5 Joint operations
 26.6 Remuneration of the members
 - of the corporate bodies
 - 340-349

- 27. Standards issued but not yet effective 350-353
- 28. Guarantees and Sureties 354-355



29. Contingencies 356-357

30. Commitments

358-359



- 31. Information required by law 360-363
- 32. Other relevant facts 364-367
- 33. Events after the reporting period 368-371



Part II Separate Financial Statements and Notes





Budgetary Statements

374-387

Annexes to the Budget Statements

388-389

1. Revenue Budget Changes

388-389

2. Budgetary Amendments to Expenditure 390-391

Part III Budgetary Statements and Annexes

3. Administrative Contracting

3.1. Contracts Situation3.2. Awards by Type of Procedure

392-458



4. Transfers and Subsidies

4.1. Transfers and Subsidies Granted4.2. Transfers and Subsidies Obtained

459-461



7



Consolidated Financial Statements and Notes

1. Corporate Information

1.1. IP Activity

- 1.2. Activities of IP Group Companies
- 1.2.1. Management and Operation of Telecommunications and Information Technology Infrastructures
- 1.2.2. Integrated Management Activity and Valuation of the Group's Real Estate Assets and Valuation of the Public Railway Property
- (Commercial Spaces) 1.2.3. Provision of Transport
- Engineering Services 1.3. Other Financial Holdings
- 1.3.1. Atlantic Corridor
- 1.3.2. High Speed Spain Portugal -AVEP 1.3.3. Railway Competence Centre (RCC)

472-475





2. Main Accounting Policies

- 2.1. Bases of Presentation
- 2.2. Basis of Consolidation
- 2.3. Summary of Significant Accounting Policies
- 2.3.1. Business Combinations
- and Goodwill
- 2.3.2. Segments 2.3.3. Classification Current / Non Current
- 2.3.4. Transactions in Foreign Currency
- 2.3.5. Fair Value
- 2.3.6. Financial Applications in Associated Companies
- 2.3.7. Intangible Assets 2.3.8. Tangible Fixed Assets
- 2.3.9. Investment Property
- 2.3.10. Income Tax
- 2.3.11. Financial Assets and Liabilities
- 2.3.12. Inventory
- 2.3.13. Subsidies
- 2.3.14. Provisions and Contingent Liabilities
- 2.3.15. Revenue
- 2.3.16. Employment Benefits 2.3.17. Impairments
- 2.3.18. Related Parties
- 2.3.19. Subsequent Events
- 2.4. Signficant Accounting Judgements, Estimates and Assumption

476-499

Part IV Consolidated Financial Statements and Notes

- 3. Group 500-501
- 4. Segment Reporting 502-505
- Goodwill 506-509
- 6. Investments in Associates

510-511

7. Intangible Assets

512-513

8. Tangible Fixed Assets

514-515

9. Investment Properties

516-519

10. Deferred Tax Assets and Liabilities

520-523

11. Inventories

11.1. Raw, Subsidiary and Consumable Materials 11.2. Finished Products 11.3. Other Materials

524-527

12. Government and Other Public Bodies (Assets and Liabilities)

528-531

13. Deferrals

13.1. Deferred Assets
13.2. Deferred Liabilities
13.2.1. Investment Subsidies

Road Concession Right

532-535

14. Financial Assets and Financial Liabilities

14.1. Categories Under IFRS 9
14.2. Financial Assets
14.2.1. Grantor State Account Receivable
14.2.2. Customers
14.2.3. Other Accounts Receivable
14.2.4. Cash and Cash Equivalents
14.3.1. Financing Obtained
14.3.2. Shareholder Borrowings
14.3.3. Suppliers
14.3.4. Other Accounts Payable
14.4. Financial Risk Management Policies
14.4.2. Liquidity Risk
14.4.3. Interest Rate Risk
14.4.4. Capital Risk
14.4.4. Capital Risk
14.4.4. Capital Risk
14.4.5. Changes in Liabilities Deriving from Financing Activities

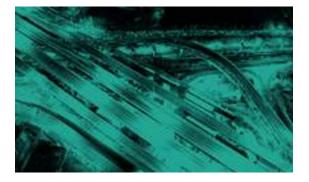
536-555



15. Share Capital and Reserves

556-559

- 16. Provisions 560-563
- 17. Sales and Services Rendered 564-567



- 18. Compensatory Allowances 568-569
- 19. Cost of Goods Sold and Materials Consumed 570-571
- 20. External Supplies and Services 572-575
- 21. Employee Benefits Expense

576-577



9





22. Impairments (losses)/ Reversals

578-579

23. Other Income and Gains

580-581



25. Financial Losses and Gains 584-585





24. Other Expenses and Losses

582-583

Part IV Consolidated Financial Statements and Notes



27. Related Party Disclosures

- 27.1. Summary of Related Parties 27.2. Significant balances and
- Transactions with Public Entities
- 27.3. Balances and Transactions
- with Other Related Parties
- 27.4. Joint Operations27.5. Remuneration of the Members of the Corporate Bodies

590-597



28. Recently Issued Accounting Standards and Interpretations 598-601



- 29. Guarantees and Sureties 602-603
- **30. Contingencies** 604-605
- 31. Commitments
- 32. Information Required by Law 608-611
- 33. Other Relevant Facts 612-615
- 34. Subsequent Events 616-619



Legal Certification of Accouunts 2022

772-829

Part V LegalCertification of Accouunts 2022



ANNUAL REPORT 2022

7 6

1. About the Report 14-15

2. Message from the Chairman 16-21

3. About Us

3.1 The IP Group3.2 Mission, Vision and Values3.3 Our Networks 3.4 Main Indicators 3.5 Highlights of the Year

22-39

4. Our Strategy

4.1 Strategic Plan 4.2 Context Analysis 4.3 Management Model 4.4 IP Group Value Chain 4.5 Stakeholders 4.6 Risk Management 4.7 Innovation

40-57

5. Business Areas

5.1 Asset Management 5.2 Conservation and Maintenance of the Network 5.3 Investment in Road and Railway Infrastructure 5.4 Security 5.5 Use of the Railway Network 5.6 Public Private Partnerships 5.7 Telecommunications and Business Cloud 5.8 Engineering Services 5.9 Management of Property and Commercial Areas

58-103

Performance

6.1 Financial Capital 6.2 Human capital 6.3 Intellectual Capital 6.4 Social Capital and Relationships 6.5 Natural Capital

104-165

7.

Governance Model and Organisational Structure

7.1 Governance Model 7.2 Organisational Structure

166-171

8. Compliance With Legal Guidelines

- 8.1 Management Objectives and Activity Plan and Budget8.2 Financial Risk Management
- 8.3 Debt Growth Limit
- 8.4 Evolution of the Average
- Payment Term to Suppliers 8.5 Shareholder Recommendations
- 8.6 Remuneration8.7 Application of the Provisions of Articles 32 and 33 of the EGP
- 8.8 Undocumented Expenses 8.9 Report on Remuneration Paid to Women and Men 8.10 Annual Report on Corruption
- Prevention 8.11 Public Procurement
- 8.12 Adherence of the Company to the National Public
- Purchasing System 8.13 Measures to Reduce Operating Expenses 8.14 Principle of Unity of State
- Treasury
- 8.15 Recommendations Arising from Audits Performed by the
- Court of Auditors 8.16 Preparation and Dissemination of the Equality Plan 8.17 Non Financial Statement 8.18 Information available on the
- SEE website

172-217

8.19 Summary Table of Compliance with Legal Guidelines

9. COVID-19 Impact and International Geopolitical Situation

218-219

10. Subsequent Events

- 10.1 Share Capital Increase 10.2 Extension of Programme
- Contract 10.3 LAW 24-E/2022 of 30 December 2022
- 10.4 Increase in tolls
- 10.5 Toll compensation mechanism 10.6 Moratorium on State loans
- originating from the roadway 10.7 EBD Amendment

220-221

11. Future Prospects

- 1 International Geopolitical Crisis
- 11.2 Rise in Euro Interest Rates 11.3 Network Intervention Plan
- 11.4 CAM ring 11.5 Railway Framework Contract 11.6 Financial Model of the Road Activity

222-225

12. Proposal for the Application of Results

226-227



ANNUAL REPORT 2022

001 334 ZEE 100

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1. ABOUT THE REPORT

Infraestruturas de Portugal, SA publishes the Integrated Report, corresponding to the year 2022, in a model that combines financial and non-financial information, in accordance with the reporting guidelines published by the International Integrated Reporting Council (IIRC) and the legal guidelines that frame the Public Business Sector and large companies, with the necessary adaptations to the reality of the IP Group.

The IP Group has evolved in recent years with a focus on the management of multimodal mobility and the vast network of infrastructures under its responsibility, under the motto **LIGAMOS DESTINOS (we connect destinations)**, with a significant impact on territorial cohesion and the economic and social development of the country.

The integrated report presents the various business areas and the performance achieved by the different capitals (human, intellectual, social, natural and financial), focusing on the major short-term challenges of the IP Group, of which we highlight the modernisation of the National Railway Network through the implementation of the Ferrovia 2020 Investment Programme, and the road investments planned under the Recovery and Resilience Plan.

This report is a contribution to divulge and share IP's business strategy and the transfer of value to its stakeholders (employees, shareholder, customers, regulators, suppliers, partners, etc.), to whom this Report is addressed.

All these aspects, which are part of the Management Report (Part I), are presented and developed from the point of view of the IP Group, as there is a common corporate strategy, despite IP's size and preponderance in relation to the other Group companies

Part II, III and IV of this report present the separate, budget and consolidated financial statements and respective notes and annexes to the accounts, part V is composed of the IP Corporate Governance Report and part VI contains the GRI (Global Reporting Initiative) Standard Table.

The separate and consolidated financial statements of the IP Group have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), issued and in force as at 31 December 2022.

The Budget Statements were prepared in accordance with NCP 26 of the Accounting Standards System for General Government.

The IP 2022 Corporate Governance Report was prepared in accordance with the manual provided by the UTAM (Technical Unit for Accompanying and Monitoring the Public Business Sector).

The disclosure of non-financial information follows the guiding principles of the Global Reporting Initiative (GRI), and complies with the publication requirement set out in Decree-Law 89/2017 of 28 July and articles 66-B and 508-G of the Commercial Companies Code, relating to consolidated non-financial information.

This document is digitally signed (Part VII).

The Management Report and Financial Statements were the object of an opinion by the General Supervisory Board, certified by the firm Vítor Almeida e Associados, SROC, Lda. and audited by the external entity BDO & Associados, Sociedade de Revisores Oficiais de Contas, Lda. (Part VIII).

It should also be mentioned that in this exercise we comply with the provisions of Directive 2013/50/EU which requires issuers with securities permitted to trade on a regulated market, subject to the duty of disclosure, to prepare their annual financial reports in a single electronic reporting format.

For more information on the data published in this report, or if you would like to send your comments, please contact: ip@infraestruturasdeportugal.ptor at the following address: Campus do Pragal; Praça da Portagem; 2809-013 ALMADA · Portugal.

Inclusive Language

Due to the length of the text, we have dispensed with the use of gender-neutral language. This choice is only motivated by ease of reading, and does not compromise our conviction and our practice of combating all sexism in all forms of communication.



ANNUAL REPORT 2022

1 ART 7

2. MESSAGE FROM THE CHAIRMAN

After two years strongly marked by the COVID-19 pandemic, the Russian aggression against Ukraine, which caused the return of war to Europe and the inherent international geopolitical instability, was the most significant event of 2022, having generated direct and very significant impacts on the national economy and on the IP Group's own performance.

2022 was thus another atypical year, with an inflation rate the like of which had not been seen for around 30 years, particularly in the agri-food, energy and various commodity sectors. In turn, the logistics chains that had already been severely disrupted by the effects of the pandemic, not only showed no signs of recovery or significant adjustment last year, but also faced some new constraints.

Despite this adverse context in 2022, the IP Group's Net Profit rose to 48.3 million euros, compared to 15.9 million euros in 2021. This is a clearly positive increase which has been the result of judicious management that has adjusted to recent challenges. The favourable evolution of financial costs also contributed positively to this trend.

Despite facing significant challenges, the IP Group deserves recognition for once again showing its capacity for achievement and resilience. It has resolutely continued with an ambitious investment plan, geared towards expanding and modernising the railway network. At the same time investments have also been made in the road network, which, despite having been rated on several occasions as one of the best in Europe, still has some areas to address. These include completing missing links, improving cross-border connections, and upgrading business areas. It is always important to remember that in addition to the enormous effort to increase investment, IP is in charge of a challenging plan of asset maintenance, both in the rail network and in the road network.

IP's investment plan illustrates one of the company's primary strategic goals: the integrated development of the road-rail network to maximize connectivity. This is paired with a continuous commitment to investing in innovation, ensuring infrastructure resilience throughout its lifecycle, and meeting demanding sustainability objectives in the medium to long term.

Total investment in the rail and road networks in 2022 amounted to 466 million euros, which is an increase of 72% compared to the same period in 2021, but also represents the highest amount made since 2010. This aspect deserves to be highlighted: 2022 was what could be called a year of relaunching the investment plan, with a significant effort made by internal teams and increased efficiency.

It is important to highlight, in this context, the overall level of completion of the Ferrovia 2020 Investment Programme, which is in full deployment phase, in the amount of 348 million euros. The effective, on the ground, start of investments in the road network has also begun backed by the Recovery and Resilience Plan, an instrument of great importance to get the country on the road to economic recovery and growth. Still with regard to the deployment of the RRP related IP investments, it is important to highlight the timely achievement of goals and milestones underlying contracted investments.

Still within the scope of the IP's investment plan, it is important to also mention the National Investment Programme 2030, with some works already happening on





the ground, namely the Modernisation of the Vouga Line, as well as all the preparatory work carried out within the scope of the new High Speed Rail project, between Porto and Lisbon, whose public presentation took place in September 2022, an investment with the potential to be considered structural for the country. At the operational level, it is worth mentioning the fact that, despite the very significant increase in the price of road fuels, there was a positive evolution in demand for the road network in 2022, increasing to levels in line with, or even higher than, those recorded in 2019, continuing on a path that had been halted by the pandemic. The increase in



Miguel Jorge de Campos Cruz - Presidente do Conselho de Administração Executivo

road traffic was decisive for the growth of the IP Group's operating income, by around 71 million euros (+6%).

With regard to operating expenses, there was a very significant increase in spending on external suppliers and services, which rose by about 48 million euros (+15%) in 2022, largely due to rising prices in general, and the cost of electricity in particular.

While investment is very relevant for the definition of the future road-rail network, in the present, maintenance and conservation activities are, as previously mentioned, absolutely fundamental to ensure adequate levels of service and operational safety. It is for this reason that at the IP Group, we assign a high level of importance to the maintenance and conservation activities of the road-railway net-



work, to which about 203 million euros have been allocated in 2022, which represents an increase of 11.5 million euros (+6%) compared to 2021.

If economic and financial sustainability, already addressed, are fundamental to the company, there are other dimensions of sustainability which are just as important to us. It is in this context that the IP Group develops its core activity of transport infrastructure manager, in alignment with concrete policies to promote environmental and social sustainability, but also to strengthen one of its most important assets, Human Capital.

Within the scope of Social Responsibility, in 2022 the IP Group developed a set of partnerships and initiatives, structured along the axes of Quality of Life, Environment, Mobility and Safety, which are presented in detail in Point 6.4, and which reflect the company's commitment to pursue sustainable actions close to Society.

With regard to environmental sustainability, in 2022 the IP Group developed a set of innovative projects aimed at improving work processes and services with an impact on environmental performance. It is worth highlighting the projects that incorporate "eco-design" principles, through the adoption of solutions for reusing and recycling raw materials that reconcile environmental protection options with the need for intervention in the network, in line with the principles of the circular economy, promoted by the European Union.

Another highlight is the REPowerIP Plan, which aims to comply with the determinations established by the European Commission through the REPowerEU Plan. The REPowerIP Plan aims to accelerate the reduction of energy and water consumption, with short-term measures of a more comprehensive scope, which include not only the continuation of the investments and their coordination with the energy reduction programmes underway at IP, but also the strong involvement of our workers.

Still within the scope of sustainability, in 2022, indepth work was carried out to identify the Sustainable Development Goals (SDGs) that are a priority for the IP Group, as they relate directly to our core activity, and its main impacts.

With the identification of the priority SDGs and the definition of the respective goals to be achieved by 2030, the commitment and alignment of the IP Group with sustainability and, specifically, with the SDGs defined by the United Nations, is clearly evident.

I have previously mentioned that Human Capital is one of the IP Group's most important assets. In fact, the high level of specialization of IP's employees, based on many years of experience, is a fundamental asset for the management of the roadway infrastructure, including traffic management.

For this reason, it is essential to continue the policy of sharing and disseminating knowledge, from the most experienced to the younger generations, particularly technical knowledge specific to railway activity. Training plays a key role to this end, but also to reinforce in our employees a culture of learning, innovation and safety in the development of their activity.

To this end, in 2022, the IP Academy provided our employees with a total of more than 110,000 hours of training, mostly in professional categories associated with the core activity of the IP Group, namely Circulation and Infrastructures categories.

Still in relation to Human Capital, the IP Group's strategy is to stabilise its staff, pursuing a goal of gradual renewal, through the replacement of employees who leave their contract, in most situations due to retirement, with occasional reinforcements in critical areas, in which the operational areas of maintenance, inspection and supervision of infrastructures, projects and other investment support areas stand out.

In the projections for the near future, a peak in investment is foreseen for 2023, associated with the conclusion of a significant part of the investments included in Ferrovia 2020, but also, due to the greater degree of maturity, of the road investments foreseen in the RRP. 2023 will also be a very important year for the development of the studies and projects needed to implement PNI2030, and in particular the Porto / Lisbon High Speed Rail Line.

Another structuring project that should have a strong impulse in 2023 is the implementation of the new submarine electronic communications cable system between the continent and the Autonomous Regions (Atlantic CAM Ring). With a view to pursuing this objective, in 2022 IP's corporate object was broadened by means of Decree-Law no. 63/2022.

This is a clear sign of the Portuguese State's confidence in the IP Group's technical and performance capability, a fact that we are very pleased to note.

Also within the scope of the relationship with the Portuguese State, the new program contract for the

management of the railway network should be materialized in 2023, an absolutely fundamental instrument for the regulation of the service provided by IP, namely as to the contracted service levels, on the one hand, and, on the other hand, as to the corresponding financial compensation.

Another very relevant aspect for the future sustainability of the company is the evolution of the financing model, taking into account the legal changes introduced in relation to the previous Road Service Contribution (RSC), which is a topic that deserves special attention in the near future. IP is proud, of the way it carries its activity, of the projects it develops and participates in, of constituting itself as an innovative company, and of acting in a context of open innovation. The years 2023 and following shall consolidate this trend in an approach increasingly oriented towards the promotion of efficiency, resilience and environmental sustainability of the infrastructure.

IP's activity, whether in the Railway, Road, Telecommunications or even Real Estate fields, is absolutely central to the competitiveness and attractiveness of the Portuguese economy, as well as to the evolution of transport and mobility policies. Management as well as all of the IP Group's teams are committed to delivering the value associated to the fulfilment of these responsibilities.

This recognition justifies a final word of thanks, for their dedication, commitment and professionalism, to all workers who contribute significantly to the development of the activity described above.

We must also thank all the partners on the ground who accompany us in our efforts to build and ensure the availability and safety of our infrastructures.

The current Executive Board of Directors, which took office at the end of August 2022, reaffirms its commitment to the principles of transparency, rigour and efficiency in the conduct of the Group's activities with a view to fulfilling the strategy and objectives defined by the shareholder, also recognising the contribution of the members of the previous Board.

Finally, a special thanks to the Shareholders, for their confidence, and to the members of the Supervisory Bodies for their support, collaboration, always constructive interaction and commitment.

We all connect destinations, with our eyes on the future!

I Cipul CRUZ

Miguel Jorge de Campos Cruz Chairman of the Executive Board of Directors



6

ANNUAL REPORT 2022

3. About us

The IP GROUP is the largest Portuguese group in transport infrastructure management, with the main objective of providing a safe, efficient and sustainable multimodal mobility service.

The IP Group is a public company resulting from the merger between Rede Ferroviária Nacional – REFER, E.P.E. (REFER) and EP – Estradas de Portugal, S.A. (EP) through which RE-FER, by merger, incorporates EP, and is transformed into a public limited company, changing its name to Infraestruturas de Portugal, S.A. (IP). The merger was established on 1 June 2015, following the publication of Decree-Law 91/2015 of 29 May.

To this end, IP is responsible for the management of infrastructures, under the terms of the general concession contract of the national road network entered into with the State and the concession contracts that may be entered into with the State, as well as the management of the other infrastructures under its administration.

Also included in the company's object are the activities of operating the public railways and roads of the State and its autonomous assets, namely operating the service areas, car parks, as well as traffic information and management systems, railway and road safety systems, the technical channel and communication networks between infrastructures or between these and vehicles, stations, terminals and other railway installations.

The following contracts have been signed with the State:

Road Concession Contract:

The State entered into a concession contract with EP, S.A. (now integrated in IP), approved through Decree-Law No. 380/2007, of 13 November, and subsequently amended by Law No. 13/2008, of 29 February, Decree-Law No. 110/2009, of 18 May, and Decree-Law No. 44-A/2010, of 5 May.

One of the most important changes was the introduction of the concept of availability, which consists of verifying the quality of the service provided to users and gauging the levels of road accidents and the levels of externalities generated by them, translated into performance indicators. The financing of the National Road Network is done, besides the toll charges collected on toll roads and other operating income from the concession, by the road service contribution (RSC), created by Law 55/2007 of 31 August.

Railway Framework Contract:

On 11 March 2016, the State entered into a 5-year Programme Contract for the National Railway Network with IP, in compliance with Decree–Law No 217/2015, of 7 October.

Since the first semester of 2021, the Program Contract is being extended every six months, for periods of six months, through Addenda determined by Resolutions of the Council of Ministers, with the last one having an end date on the 30th of June 2022.

These Addenda result from the fact that a new Programme Contract, with a multi-annual scope, has not yet been signed. IP's expectation is that it will be signed at the beginning of 2023.

It is worth highlighting the State's obligations in financing infrastructure management and IP's obligations to comply with performance objectives aimed at users, in the form of indicators and quality criteria covering elements such as train performance (speed, line reliability and customer satisfaction), network capacity, asset management, activity volumes, safety levels and environmental protection. The contract also sets financial efficiency targets for the IP in the form of revenue and expenditure indicators.

The National Railway Network is financed through the tariff revenues collected from the railway operators, the surpluses resulting from complementary activities associated to the railway infrastructure exploitation and the compensatory indemnities to cover the expenses arising from the fulfilment of the public service obligations that cannot be covered by the referred revenues.

CAM ring

In 2022, Decree-Law No. 63/2022 extended the company's corporate object, so as to allow it to promote the conception, design, construction, operation and maintenance, under a concession regime, with the possibility of sub-concession, of the electronic communications submarine cable system between the continent and the Autonomous Regions of Madeira and Azores (CAM ring).



3.1 THE IP GROUP

The **IP Group** incorporates the technical knowledge necessary for the good performance of the road-railway infrastructure in the areas of conception, design, construction, financing, maintenance, operation, requalification, widening and modernisation of the national road and rail networks, including, in the latter, the command and control of circulation.

IP currently holds shares in three companies: IP Engenharia, IP Património and IP Telecom.

The subsidiaries aim to set up profit centres with a view to optimising the IP Group's non-core revenues, making the surplus capacity of assets not used in core activities profitable.

The exception, in the current context of high investment, particularly in railway infrastructure, is IP Engenharia, which focuses the vast majority of its activity on contributing to the implementation of the Ferrovia 2020 Programme and the National Investment Programme 2030.

IP also has a stake in the share capital of the Atlantic Corridor and in AVEP - High Speed Spain / Portugal, entities formed with similar European companies to IP and which aim, respectively, to foster the competitiveness of rail freight transport and to carry out preliminary studies of the Oporto-Vigo and Madrid-Lisbon-Oporto rail corridors.



3.2 MISSION, VISION AND VALUES

MISSION

The object of Infraestruturas de Portugal is to conceive, design, construct, finance, maintain, operate, renovate, extend and modernise the national road and rail networks, the latter including traffic control and command.

IP is also responsible for the conception, design, construction, operation and maintenance, under concession, with the possibility of sub-concession, of the electronic communications submarine cable system between the territory of mainland Portugal and the Azores and Madeira archipelagos.

VISION



Positioning Infraestruturas de Portugal as a **multimodal mobility manager**, enhancing **asset management** and ensuring the **provision of a safe**, efficient and sustain**able service**, enhanced by the **profitability of complementary assets**.

VALUES



MANAGEMENT VALUES AND COMMITMENTS

3.3 OUR NETWORKS

3.3.1 ROAD NETWORK

The total length of the network in operation by IP is currently 14,942 km, of which 13,922 km are under direct management and 1,020 km are sub-concession.

The 13,922 km of network under direct management by IP are distributed as follows:

- IP (Main Routes): 463 km;
- IC (Complementary Routes): 1,809 km;
- EN (National Roads): 4,680 km;
- ER (Regional Roads): 3,352 km;
- ED (Declassified Roads): 3,619 km;

In 2022, the "EN327(326) - Section 1 - Feira (A32/ IC2) / Escariz" opened to traffic on 23 November, with a total length of approximately 7.14 Km.

Regarding the change of ownership of declassified road sections, 92 km were transferred to municipalities in 2022.

Ethics

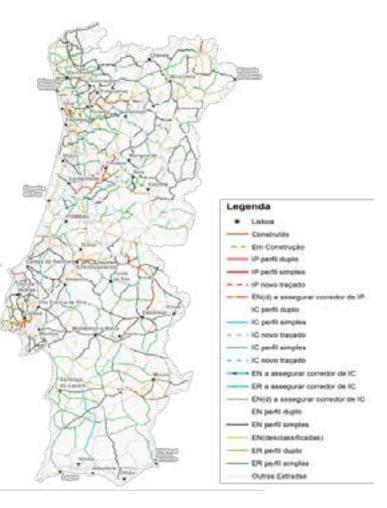
Acting with respect for ethical principles, namely transparency, good faith, and honestly.

Security

Acting with respect for people's lives and physical integrity, are the core values that mark our service.

Sustainability

Acting towards economic, social and environmental sustainability.





3.3.2 RAIL NETWORK

The National railway network lines and branches (whether operating or idle) have a total length of 3,600 km.

No changes in the length of the National Railway network (including operational and idle lines) have occurred during 2022, which stands at 3,600 Km.

Seventy per cent of the network is operational, corresponding to a length of 2,527 km, of which 1,916 km are single track, 563 km double-track and 48 km multi-track.

The electrified network extension (1,794 km), corresponds to 71% of the total network in operation.

In 2022 there were 563 railway stations and stops in operation and with services, of which 292 had an exclusive passenger service, 12 had an exclusive goods service and 245 a mixed service.



3.3.3 TRANS-EUROPEAN TRANSPORT NETWORK

Part of the national road and rail network is integrated into the Trans-European Transport Network, which aims to contribute to the strengthening of the Union's social, economic and territorial cohesion and to the creation of an efficient and sustainable single European transport area that brings greater benefits to its users and supports inclusive growth.

The Trans-European Transport Network is intended to add value European added value through its contribution focusing on accessibility, modal integration, promotion of cost-effective and high-quality transport, interoperability and the coordinated and efficient development of new and existing infrastructure, in particular at cross-border sections, bottlenecks and missing links.

It consists of two levels to be developed gradually: the comprehensive network to be completed by the end of 2050 and the core network, integrated into the Atlantic Corridor, to be completed by the end of 2030 and comprising those parts of the comprehensive network that are strategically most important for achieving the TEN-T development goals.

About 1,800 km of the national railway network form part of the comprehensive network, of which about 900 km form part of the main network. With regard to the road network, around 800 km form part of the main network.



Global and Main Road Network



Global and Main Railway Network



ABOUT US PART I

3.4 MAIN INDICATORS

3.4.1 FINANCIAL CAPITAL

In 2022, the Turnover of the IP Group reached the amount of 1,171 million euros, 69 million euros more than in 2021, and the Net Income was positive, at 48 million euros, which translates as an increase of 32 million euros compared to the previous year.



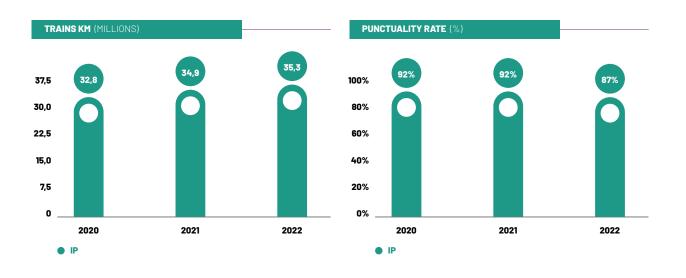
TURNOVER (MILLIONS OF EUROS)

GRUPO IP

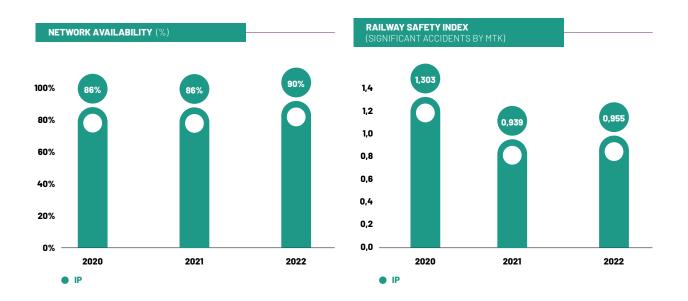
• IP

3.4.2 OPERATING EXPENSES

A total of 35.3 million train-kilometres (TK) were travelled in 2022, 1% higher than in 2021, of which 85% was passenger traffic and 15% related to freight.

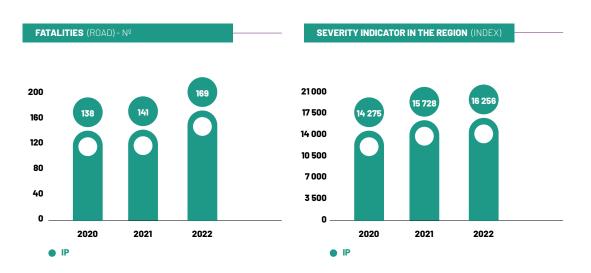


Network Availability increased from 86% to 90%, while the Rail Safety Level decreased slightly.



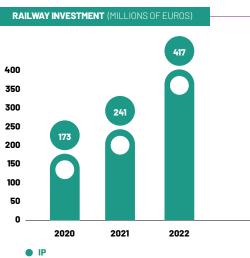


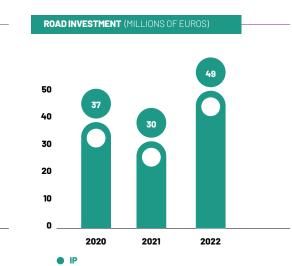
Road fatalities increased in 2022 compared to the previous two years, which were favourably impacted by lower traffic volumes due to the pandemic.



3.4.3 INVESTMENT

Increase in rail investment by 73% in 2022, driven by the Ferrovia 2020 Programme, and increase in road investment by 61%, due to the start of execution of the Recovery and Resilience Plan.

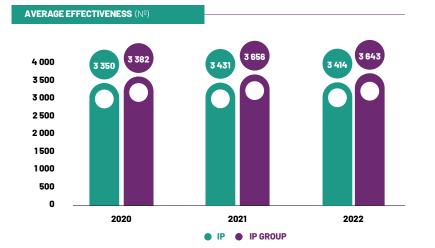




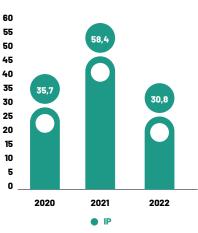
3.4.4 HUMAN CAPITAL

The company wants to stabilise its current workforce, replacing employees and strengthening specific critical areas, namely in the operational maintenance, inspection and control areas.

The decrease in Training in 2022 is due to the significant number of initial in-person training programmes for new employees carried out in 2021.



HOURS OF TRAINING (BY EMPLOYEE)



3.5 HIGHLIGHTS OF THE YEAR

JANUARY

Vouga Line Rehabilitation Plan

The Public Tender was launched for the complete renovation of the section between Oliveira de Azeméis and Sernada do Vouga, an estimated investment of 4.95 million euros, to which will be added the costs related to the materials.

The rehabilitation of the Vouga Line will ensure a strong improvement in the levels of operation, reliability and safety of the infrastructure, promoting the use of public rail transport as a safe, comfortable and environmentally sustainable alternative.





Rehabilitation of the EN13 section in Póvoa de Varzim

On the 28th of January the works contract "EN13 – Between LC Vila do Conde/Póvoa de Varzim (km 25.335) and LD PRT/ BRG (km 36.380) – Rehabilitation", located in the municipality of Póvoa de Varzim, district of Porto, was concluded.

The project was prepared internally by technicians from IP's Department of Road Studies and Projects, and the contract was awarded for 2.34 million euros. The purpose of the intervention was to improve traffic conditions, comfort and safety on the EN13, over an extension of 11 km. The stretch of the EN13 is a very important communication route within the surrounding road network.

Improving road safety on the EN109

Work has started to improve traffic and safety conditions on the stretch of the EN 109 in the municipalities of Figueira da Foz and Cantanhede and at the start of the Tavarede Bypass.

With an investment of around 1.2 million euros, its implementation will guarantee important improvements in terms of circulation, accessibility and safety on a road used daily by thousands of motorists and pedestrians.

FEBRUARY

Santa Apolónia railway station welcomes a Hotel

The Editory Riverside Santa Apolónia Hotel, a new five star hotel unit in the city of Lisbon, located in Santa Apolónia Station, was inaugurated on February 7. You are invited to embark on a journey through the history of one of the most iconic buildings of Portuguese Railway Infrastructure.

The project aimed to rehabilitate a part of the station building that was currently not in use and was not essential for the provision of the rail transport service. This was an investment made under a sub-concession contract between IPP and Sonae Capital, for the installation and operation of the hotel unit.

Accreditation of IP as an Assessment Body (AsBo)

On 13 January IP's accreditation as an Assessment Body (AsBo) in accordance with NP EN ISO/IEC 17020:2013 was completed, culminating in the issuance by the Portuguese Accreditation Institute (IPAC) of the certificate and respective accreditation symbol with code I0124.



The Editory Riverside Santa Apolónia Hotel



Accreditation of IP as an Assessment Body (AsBo)



Rainha D. Amélia Bridge - Reinforcement of the Foundations and Renovation of the Pillars

Infraestruturas de Portugal is elected chairman of PFP

The election of the social bodies of the *Plataforma Fer-roviária Portuguesa* (Portuguese Railway Platform) – PFP took place on the 24th of February, in a general assembly. João Figueiredo, Manager of the Innovation Unit of Infraestruturas de Portugal (IP) was elected chairman for the 2022-2023 biennium.

MARCH

Rainha D. Amélia Bridge - Reinforcement of the Foundations and Renovation of the Pillars

On 28th March the contract was awarded for the "Rainha D. Amélia Bridge – Reinforcement of the Foundations and Renovation of the Pillars", located in the municipalities of Cartaxo and Salvaterra de Magos Monção, district of Santarém.

The project was prepared by the company Armando Rito - Engenharia, SA, and the contract was awarded for 270 days and for 1.73 million euros.

2nd phase of the EN14 bypass between Maia and Trofa has begun

The second phase of the construction work on the Alternative Route to the EN14, between Via Diagonal, in Maia, and the Trofa Road and Railway Interface, began on 31st March.

This contract is the first work consigned within the scope of the RRP and has an estimated investment of around 32 million euros.

Contract for rehabilitation of EN108 signed

The contract for the rehabilitation of the EN108 road between Peso da Régua and Mesão Frio was signed on 10 March, with a view to improving the safety and mobility of a road that serves the populations of these two municipalities in the Vila Real district.

With an investment of 1.7 million euros, the work has an execution period of 255 days.

APRIL

Douro Line - Conclusion of the Contract for the Rehabilitation of the Track Superstructure

The contract works to improve the track superstructure, between km 127.059 and 139.500, on the Pinhão – Tua section of the Douro Line, in the municipalities of Alijó and Carrazeda de Ansiães, were concluded.

The intervention, with an associated global investment of 5.8 million euros, aimed at the requalification of the track infrastructure in the stretch, as part of the Rehabilitation Plan for the Douro Line that IP has underway.

Installation of Road Retention Systems

Seven lots of the "Installation of Road Retention Systems (7 Sections)" contract were awarded, with an investment of 1.69 million Euros, distributed across the road network in the 18 districts of mainland Portugal.

The Road Safety Plan (RSP) defines as one of its strategic objectives Intervention in the Area Adjacent to the Carriageway, namely initiatives related to Retention Systems for vehicles

IP tests overhead catenary line suspensions for High-Speed travel

IP carried out tests on equipment for the High-Speed Line, on the North Line, having assembled three LP300 overhead contact line suspensions.





Douro Line - Conclusion of the Contract for the Rehabilitation of the Track Superstructure



Installation of Road Retention Systems



IP tests overhead catenary line suspensions for High-Speed travel



Investment of over 108 million Euros in the Current Maintenance of the National Road Network (NRN)



The placement of this equipment is intended to test the mechanical behaviour of this type of suspension when passing pantographs, which were placed on the ascending track, at kilometre 254, in the Oliveira do Bairro area, district of Aveiro.

MAY

Investment of over 108 million Euros in the Current Maintenance of the National Road Network (NRN)

In early May 2022, Infraestruturas de Portugal awarded 18 contracts worth a total of 108.5 million euros to carry out current maintenance work on the National Road Network (NRN) over the next three years.

These contracts, one for each district and adjusted to the different characteristics of the road network in each region, are aimed at promoting the maintenance and conservation of all the elements/components of the Roads under contract and the Works of Art within them.

Rehabilitation of North Line track concluded

The contract works to fully renew the track, between km 1.100 and 4.090 of the North Line, in the Santa Apolónia – Braço de Prata section, in Lisbon, were concluded.

The work represented an overall investment of 4 million euros.

Ferrovia 2020 - North International Corridor - Seminar "Modernization of the Beira Alta Line"

IP organised a Seminar "Modernisation of the Beira Alta Line" on 4 May. The event debated the importance of this investment – around 500 million euros – in a line which is of great importance in the requalification of the National Railway Network and which will ensure passengers and goods a more efficient railway transport in the inter-regional railway connections, as well as in the connection to Spain and the rest of Europe.

JUNE

Upgrading of the section between Torres Vedras and Caldas da Rainha

IP began, on June 28th, the contract works to modernise the stretch of the West Line between Torres Vedras and Caldas da Rainha.

The contract works are carried out under the National Railway Network Expansion and Modernisation Programme, Ferrovia



Rehabilitation of North Line track concluded





Electrification on the Tunes - Lagos section

2020, and represent an investment of 38.4 million euros, co-financed with European Union funds under COMPETE 2020.

Ferrovia 2020 - Algarve Line - Start of electrification works on the Tunes - Lagos section

On 24 June IP began work on the contract works to electrify the 45-kilometre section of the Algarve Line between Tunis and Lagos. This work is part of the National Railway Network Expansion and Modernisation Programme, Ferrovia 2020, and involves an investment of 25.4 million euros, co-financed by the European Union under COMPETE 2020.

New Arruda dos Vinhos bypass

IP was awarded, on 28 June, the contract for the construction of the EN248 bypass in Arruda dos Vinhos, which is part of the RRP, and involves an investment of around 6 million euros to improve mobility, increase road safety and improve the environment and quality of life of the region's population.

JULY

Mondego Mobility System Hospital Line and Toll section - Coimbra B

On 22 July, in the Main Hall of Coimbra City Hall, the consignment note was signed for this work, with a value of \leq 15.5 million and an execution period of 18 months.

The contract involves the construction of the Hospital Line, Aeminium – Pediatric Hospital and the Remodelling of the Wastewater Drainage Networks and is promoted jointly by IP and Águas de Coimbra.

This Development is co-financed by POSEUR.

RRP- Connection to the Fontiscos and Ermida Industrial Areas in Santo Tirso

The contract for the execution of the Works Linking the Industrial Area of Fontiscos and Ermida, in Santo Tirso, which involves an investment of around 3.2 million euros, was signed on 18 July.

This work is part of the PRR, more specifically in the investment in Business Areas (AAE) - Road Accessibility.

100 years of the Portimão - Lagos Railway Link

July 30 marked the 100th anniversary of the arrival of the train in Lagos (the coming into operation of the Portimão Bridge and the inauguration of the Portimão – Lagos railway link), a milestone in the history of the railway in Portugal and a symbol of the evolution and modernity of the southern region of the country.

Lagos City Council organised a commemorative programme, which was attended by the Deputy Mayor, Carlos Fernandes, at the colloquium "100 Years of the Arrival of the Train in Lagos – past, present and future".





Troço Linha do Hospital e Portagem - Coimbra B



1

100 years of the Portimão - Lagos Railway Link



Viaduto Duarte Pacheco



AUGUST

Rehabilitation and earthquake proofing of Duarte Pacheco Viaduct

The contract work for the rehabilitation and earthquake proofing of the Duarte Pacheco Viaduct in Lisbon was awarded to us.

The signing of the consignment note, on 31 August, marks the beginning of the work, which involves an investment of around 6.9 million euros.

Infraestruturas de Portugal at Ciência Viva Summer

Infraestruturas de Portugal participated in another edition of Ciência Viva during Summer, which ran from July 15th to September 15th, promoted by the Network of Ciência Viva Centres.

IP offered the participants a visit to the South massif mooring room and a section (about 20 metres) of the railway deck walkway, including a view of the entrance of the Pragal tunnel and the mobile inspection/maintenance platforms of the 25 de Abril Bridge.

SEPTEMBER

Ferrovia 2020 - South Line - IP began rehabilitation work on the Ermidas do Sado - Grândola North section

Infraestruturas de Portugal has started the contract works to modernise the stretch of the South Line, between Ermidas do Sado and Grândola Norte, worth around 29 million euros.

The investment in the modernisation of the railway link between the Port of Sines and the South Line is carried out under the Ferrovia 2020 programme and is co-financed with European Union funds under the CEF (Connecting Europe Facility) programme.

PNI 2030 - Presentation of the New Porto - Lisbon High Speed Line

On 29 September the public presentation of the new Porto - Lisbon High Speed railway line took place.

In a ceremony attended by the Prime Minister, António Costa, the Minister for Infrastructures and Housing, Pedro Nuno Santos, and the Chairman and Vice-Chairman of the Executive Board of Directors of IP, Miguel Cruz and Carlos Fernandes, the presentation was made by Infraestruturas de Portugal (IP) at the Porto - Campanhã Station, the railway station that will serve the future High Speed Line.





Ferrovia 2020 - South Line - IP began rehabilitation work on the Frmidas do Sado - Grândola North section



New Porto - Lisbon High Speed Line

Mondego Mobility System - the entire infrastructure is under construction

The construction work has begun on the stretch of the link between the Toll area and Coimbra B, which will form part of the Mondego Mobility System (SMM) in the municipality of Coimbra.

In a ceremony held on European Car Free Day, as part of Mobility Week, the contract deed for the construction work, worth around 34 million euros, was signed by the Chairman of the IP Board of Directors, Miguel Cruz.

Submarine electronic communications system cables between the continent and the Madeira and Azores **Autonomous Regions**

Decree-Law No 63/2022 attributes IP the competencies to carry out, under a concession regime, the activities related to the submarine electronic communications cable system between the mainland and the Autonomous Regions.

IP thus assumes the responsibility for the conception, design, construction, operation and maintenance of these new infrastructures related to submarine electronic communications cables, under concession, without prejudice to its operation and maintenance being attributed to IP Telecom.

OCTOBER

IP presents plans for the rehabilitation and reinforcement work of the Edgar Cardoso Bridge in Figueira da Foz

IP met on 13 October with the Executive Board of the Figueira da Foz Municipal Council and representatives of companies, associations, unions and other public entities, to present the rehabilitation and reinforcement work on the Edgar Cardoso Bridge over the River Mondego, which began on 31 October.

This project involves an investment of 16.8 million euros and an estimated execution period of 21 months. The planned measures essentially involve the complete replacement of the bridge's cable system with a new generation system, as well as general improvements to the site.

Ferrovia 2020 - Northern International Corridor - Modernisation of the Beira Alta Line - Field visit to the works

On 24 and 25 October IP held meetings with the region's representatives to present the current status of the various works, the specific technical characteristics of the works carried out, and the intervention plan that is being outlined in order to achieve the major objective of providing the Beira Alta Line with a more modern, safer and environmentally sustainable rail transport service.

NOVEMBER

Start of the contract works to improve the EN10 between Marateca and Pegões

The contract for the improvement of the EN10 between Marateca and Pegões was awarded, an intervention that aims at improving road safety levels and mobility conditions of the thousands of users that daily travel along the EN10, in an investment of over 3 million euros.

The project is being built along a section that directly serves the municipalities of Palmela and Montijo, in the Setúbal district.



Submarine electronic communications system cables between the continent and the Madeira and Azores Autonomous Regions



IP presents plans for the rehabilitation and reinforcement work of the Edgar Cardoso Bridge in Figueira da Foz



Modernisation of the Beira Alta Line - Field visit to the works



Start of the contract works to improve the EN10 between Marateca and Pegões

Contract for the Rehabilitation of the Track Superstructure on the Douro Line

In November, work began on the contract works to improve the track superstructure of the Douro Line (Ferradosa - Freixo de Numão), in the municipalities of São João da Pesqueira and Vila Nova de Foz Côa.

This intervention aims at the requalification of the track infrastructure in the section, with an overall investment of around 6.7 million euros.



Presentation of the National Railway Plan

In a ceremony attended by the Prime Minister, António Costa, and the Minister for Infrastructure and Housing, the National Railway Plan was publicly presented.

This is a strategic planning document, to which Infraestruturas de Portugal contributed, and the Coordinator of the Working Group responsible for preparing the NRP, Frederico Francisco, highlighted IP's participation in its presentation.

Opening to traffic of the new road link from the Escariz Business Park to the A32, in the municipality of Arouca

The new link to the Escariz Business Park, in Arouca, opened to traffic on 23 November, in an inaugural ceremony attended by the Minister for Infrastructure and Housing.

Involving an investment of 30.4 million euros, this project aimed at the construction of a new access road to the Escariz Business Park, connecting the Escariz Roundabout to the Pigeiros Junction of the A32, over a length of 7.1 kilometres.

DECEMBER

Ferrovia 2020 - Awarding of the contract to modernise the track and overhead line of the Cascais Line

The work was awarded on 6 December for 31.6 million euros, and includes the migration of the current 1.5 kV direct current electrification system to 25 kV alternating current, with the complete replacement of the existing overhead contact line between Cais do Sodré (inclusive) and Cascais (exclusive) Stations.

This investment is part of the Modernisation Project of the Cascais Line that IP is implementing and is co-financed by POSEUR under Portugal 2020.

IP Património signs contract for the installation of a University Residence in Santa Apolónia Station

On 19 December, IP Património signed the Subconcession Contract for the Partial Private Use of Public Railway Domain Property for the installation and operation of a University Residence at the Santa Apolónia railway station.

The contract established aims at the partial concession of the passenger building, for a term of 35 years, for the installation and operation of a university residence. The investment, the responsibility of the sub-concessionaire, is estimated at around 7 million euros.



Pression Pression



PLANO FERROVIÁRIO NACIONAL

Presentation of the National Railway Plan



Escariz Business Park to the A32







University Residence in Santa Apolónia Station



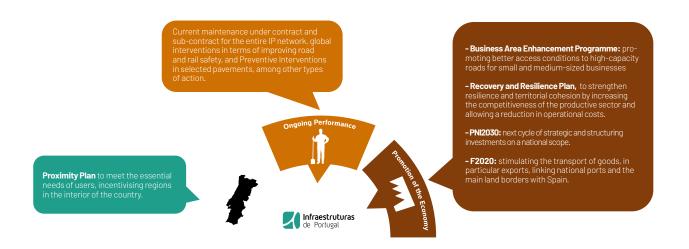


4. OUR STRATEGY

4.1 STRATEGIC PLAN

The Strategic Plan of the IP Group is based on the Mission, Vision and Values of the company, defining the strategy of action and the main objectives, oriented towards the rigorous management of its assets, with a view to the creation of value, focusing, in a consistent and balanced way, on the integrated development of the road-railway network, on the increase of revenues(core and non-core), on the capture of internal and external synergies (scale and know-how), and on the articulation of regional presence, always with a view to ensuring the sustainable management of the National road and rail infrastructures.

IP's action strategy, taking into account the external and internal planning instruments, is oriented towards the following **lines of action:**



For its preparation, a set of assumptions related to the analysis of the internal and external contexts of the IP was considered, identifying its main stakeholders.

In addition to the aforementioned, the analysis of the internal and external context is fundamental for a better understanding and consolidation of the organisation's strategy, objectives and procedures. This analysis has as its main vectors the identification of strengths, weaknesses, advantages/opportunities and threats, with a view to identifying issues that affect or increase the capacity to achieve the intended results.



4.2 CONTEXT ANALYSIS

4.2.1 EXTERNAL CONTEXT

Climate change and environmental degradation represent the major challenges of this century for Europe and the rest of the world, and require concerted global responses.

In this context Europe proposed in 2019 a growth strategy that aims at transforming the EU into a sustainable, decarbonised, modern, resource-efficient and competitive economy - the Green Deal.

The Green Deal thus continues to be one of the most important strategic documents and framework documents for European development and policies, which is based on a model of continuing economic growth, while reducing the resulting environmental damage, and which seeks to transform climate and environmental challenges into opportunities in all policy areas / sectors of activity, now reinforced by the European Climate Act, approved in 2021 and Fit for 55 in 2030 programme, the latter integrating a set of legislative proposals to achieve the goal of reducing CO2 emissions by at least 55% by the end of this decade (2030).

In line with the overall sustainable development model advocated for Europe, the policy for sustainable and decarbonised mobility encourages the choice of more sustainable mobility and transport options so that a carbon-neutral continent can be achieved by 2050.

In Portugal, with the same goal of decarbonising the economy, the Carbon Neutrality Roadmap 2050 was also approved, which aims for the national economy to be neutral in terms of its carbon balance by 2050.

Since transport is responsible for a quarter of the European Union's greenhouse gas emissions, transport policy continues to focus on the objective of recovering the railways' market share, both in the transport of passengers and goods, by maintaining the vast investment programme in railway infrastructures, on policies to encourage the separation of accounts between the infrastructure and the transport operation, with a view to opening up the market and in this way stimulating competition.

The Atlantic Corridor, as part of the trans-European transport network, aims to contribute to the strengthening of the Union's social, economic and territorial cohesion and to help create a single European transport area that is efficient and sustainable, delivers greater benefits to its users and supports inclusive growth. Thus, its development must demonstrate European added value through its contribution to the objectives of cohesion, efficiency, sustainability and increased benefits to users.

In this sense, the development of the trans-European transport network and the Atlantic Corridor in particular has been planned, developed and operated in a resource-efficient way through:

- The development, improvement and maintenance of existing transport infrastructure;
- The optimisation of infrastructure integration and interconnection;
- The deployment of new technologies and telematic applications, where such deployment is economically justified;
- The due consideration of possible synergies with other networks, in particular trans-European energy or telecommunication networks;
- The assessment of strategic environmental impact and other impacts in terms of climate change mitigation;
- The adoption of measures for planning and, if necessary, increasing infrastructure capacity and;
- The due consideration of the vulnerability of transport infrastructure to climate change and natural and man-made disasters.

If, in terms of railway infrastructure, the finalisation of the Ferrovia 2020 plan is fundamental to promote a more modern and efficient network, on the road infrastructure side the major focus continues to be the efficient maintenance and conservation of the existing network.

The successor National Investment Programme 2030 (PNI 2030), which will carry out the structuring investments of public promotion, to be carried out by 2030, intends to continue the commitment to the expansion of the railway network, the rehabilitation and modernisation of the infrastructure and the increase of both capacity and speeds of the existing network. In terms of roads, the 2030 PNI remains focused on the renovation and rehabilitation of the existing network, on the digitalisation/conectivity of the network and on the elimination of missing links, in addition to the implementation of various measures aligned with the unavoidable need to decarbonise the sector and increase the resilience of the infrastructures.

Nevertheless, with the approval of the Recovery and Resilience Plan (RRP), an investment plan in response to the Covid-19 pandemic and the associated problems in the economy, and with an implementation period until 2025, investment in road infrastructures will amount to 520 million euros, to be developed by the IP or by local authorities. This plan makes some of the investments recommended in PNI2030 operational, in the previous PETI (Strategic Transport and Infrastructure Plan) and in the PVAE (Business Areas Enhancement Programme), examples of which are the Évora East Bypass, the Arruda dos Vinhos Bypass or the IP8 between Santa Margarida do Sado and Beja, among other relevant ones, with all investments already under development.

Finally, the launch of the National Railway Plan (NRP) in April 2021 also presents an opportunity to guarantee the stability of the railway network of national and international interest and, consequently, its planning and respective medium/long-term interventions. According to the recommendations of the NRP, rail access will be guaranteed in all district capitals, promoting an adequate coverage of the territory and an easy connectivity, expecting, in the medium term, a modal transfer from road to rail, which guarantees a positive contribution to the objectives of decarbonisation of the economy and the transport system.

In this context, the IP has been developing its activity based on the following guidelines / external factors:

- The Ministry's guidelines for the modernisation and expansion of the railway infrastructure, duly framed in the 2014-2020 Community Support Framework, as financial leverage for the Ferrovia 2020 Investment Plan. In the road sector, besides the aforementioned RRP underway, with recourse to European funds, the implementation of the Strategic Plan for Transport and Infrastructure (PETI) and the Programme for the Valorisation of Business Areas (PVAE) is ensured by own funds, with occasional partnerships with municipalities.
- The Ministry's guidelines for the modernisation and expansion of road and rail infrastructures, framed within the next

Community Support Framework 2021-2027, as financial leverage for the National Investment Programme 2030.

 Instructions from the Directorate General for the Treasury and Finance (DGTF), and the principles and reference values included in the IP's Business Plan.

Other external factors influencing IP's activity include: the necessary adoption of the General Data Protection Regime; the response to the demands of the administrative authorities; the legal increase in the annual training period for employees; the national, European and international political contexts, and the worsening of the availability and quality of services contracted externally to the company.

So are the social, economic and regulatory assumptions, such as the State Budget Law and the respective Decree-Laws.

Finally, recognising the climate emergency in which the world finds itself and the pressing need to comply with the Paris Agreement on climate and the Sustainable Development Goals of the United Nations Agenda 2030, IP has been committing itself to some of the strategies to preserve the planet and combat climate change, namely through 3 main initiatives:

- Business Ambition for 1.5°C programme, launched by the United Nations Global Compact (2019).
- Lisbon City Corporate Mobility Plan, launched by Lisbon City Council and World Business Council for Sustainable Development (2019);
- Lisbon European Green Capital 2020 / Lisbon 2030 Climate Action, launched by the Lisbon City Council (2020).

As there is still a high level of uncertainty about the pandemic, and even if containment measures have been reduced or even legally eliminated, there is still a need to monitor and ensure conditions that allow for a rapid response to variations in the epidemiological situation.

Adding to the uncertainty brought about by the pandemic context, the unexpected war situation in Ukraine and its economic impact are events that will necessarily influence the company's activity.

On the other hand, recognising that there is currently a generalised favourable perception of remote-work, essentially in terms of conciliation, this is a matter that is under careful analysis, taking into account that it is a modality little established in Portugal, which gained great impulse in a very atypical context of a pandemic, which should now be carefully and reflectively evaluated, namely regarding its effects on less tangible dimensions, such as interpersonal relationships, team management and knowledge sharing, the impact on value chains, among others.

4.2.2 INTERNAL CONTEXT

The IP Group is a reference in terms of differentiated technical skills – engineering, command and control of railway circulation, inspection, asset management, concession management, among others, based on highly specialised, competent and committed teams.

The demographic issue (ageing and little renewal of employees) and the high dependence on external services in some activities, along with a limited supply on the national market, particularly in railways, are constraints on the development of the activity.

It is important to highlight, in this context, the fact that IP was authorised, in July 2020, to reinforce its staff by 100 employees. More recently, in November 2021, IP was authorised to hire 19 additional workers to support investment management tasks within the scope of the Recovery and Resilience Plan.

This reinforcement of human resources, together with the recruitment authorised in recent years to replace workers who leave the company of their own free will, or because they have reached retirement age, is fundamental to implement the investment programmes underway, but also to enable a better operational response in the infrastructure maintenance areas.

Within this general framework, the analysis of the internal context highlights some of IP's strengths, which are intended to be maintained and reinforced:

- Human-resources with in-depth knowledge and experience in the various fields of IP's activity;
- Alignment with quality benchmarks and good practices, namely ISO standards;
- Renewal of the organisation's Corporate Management System certification at the beginning of 2022, which attests to the continuous improvement and compliance with the requirements of the NP EN ISO 9001:2015 (Quality) and NP EN ISO 55001:2016 (Asset Management) standards;
- Highly specialised teams, competent and committed to the organisation;
- Concentration of human resources in the corporate areas, allowing the reinforcement of competences and the obtaining of added value;

- Capacity for adaptation and continuous training and knowledge sharing;
- Rigour and reliability of information structured into robust systems and modern information technologies and systems, as well as the systematisation of monitoring mechanisms for strategic road-rail plans;
- Continued modernisation of the management systems, with special focus on the development of the new application for planning network intervention needs, known as RADAR;
- Recruitment processes and integration of new employees, even in adverse contexts (market conditions, COVID pandemic);
- High adherence of employees to participatory governance processes;
- Evolved investment selection and prioritisation processes, validated by external entities, rationally oriented towards Global and Integrated Planning, with systematic monitoring, from the design stage to the implementation of these investments;
- Financing contracts that ensure the sustainability of the implementation of major investments in road and rail networks;
- High capacity to respond and implement contingency plans in emerging situations (e.g. pandemic COVID 19).

On the risk side, the following are highlighted:

- High dependence on external services in some activities alongside limited market supply (particularly in railways and information systems);
- Information, occasionally, is not integrated and dispersed, which justifies the need for improvements to the information systems in specific cases;
- A not very flexible salary policy that is strongly dependent on the guidelines issued for the business sector of the State, making it difficult to attract, retain and consolidate human capital within the company.

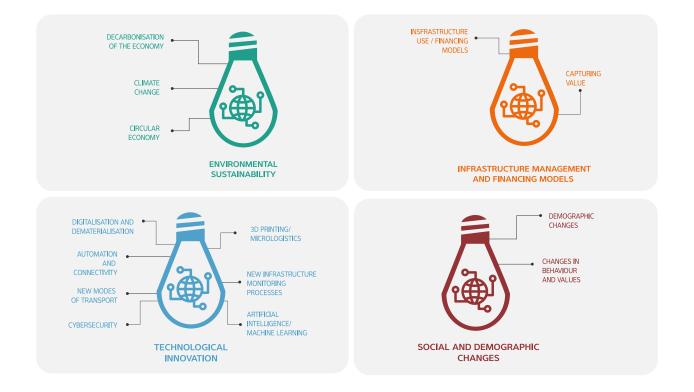
4.2.3 MACRO TRENDS OF THE MOBILITY AND TRANSPORT SYSTEM

In the global context of the future of mobility systems and transport infrastructures, it is imperative to achieve greater environmental sustainability through the dissemination of the sharing economy, the circular economy, new technologies, low carbon fuels and the resilience of infrastructures, namely to climate change.

We will also foresee the automation of transport itself, of construction methods and logistical operations, which together with increased use of sensors and connectivity and the use of artificial intelligence will mean major changes in the mobility system as we know it today.

All these trends, together with the expected social / behavioural and demographic changes, will bring great challenges, especially to the planning and management of the infrastructures themselves. It is paramount that Infraestruturas de Portugal, as a critical provider of mobility services, follows these trends and integrates innovation projects and experiences, in order to establish its role and that of its infrastructures in the future of national mobility, testing and foreseeing possible scenarios for its sustainability and profitability of assets, in addition to following and participating in legislative and regulatory changes, which will be essential to understand the operation and management of transport infrastructures and which may strongly condition its medium and long term planning and strategy.

The figure below summarises the main macro trends associated with the transport sector:





4.3 MANAGEMENT MODEL

The IP Group's management model is based on rigorous management of its assets, with a view to creating value for *stakeholders*, and is developed around the strategy and purpose of the organisation and the analysis of the internal and external contexts.

The model is based on the PDCA improvement cycle (*Plan, Do, Check* e *Act*) and on an enterprise architecture that integrates several reference models (PRM, BRM, DRM, ARM, IRM and SRM) and that support its implementation.

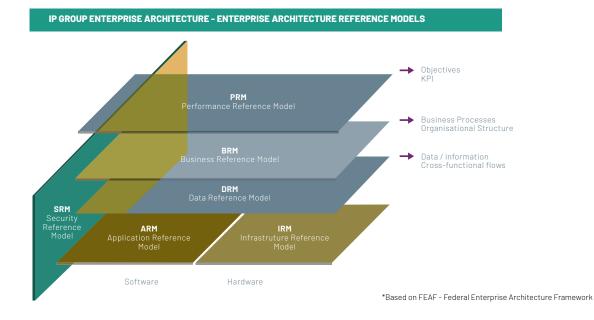
It is of vital importance that IP ensures rigorous management of its assets in order to maximise the value created for stakeholders. Such management allows the identification of medium and long-term improvement incentives supported by several planning mechanisms and by a robust project management methodology (transversal, operational and investment) involving several activity areas of the IP Group, with a permanent orientation towards the customer/user of the road/railway infrastructures.

IP'S VALUE CREATION MODEL

BUSINESS MODEL



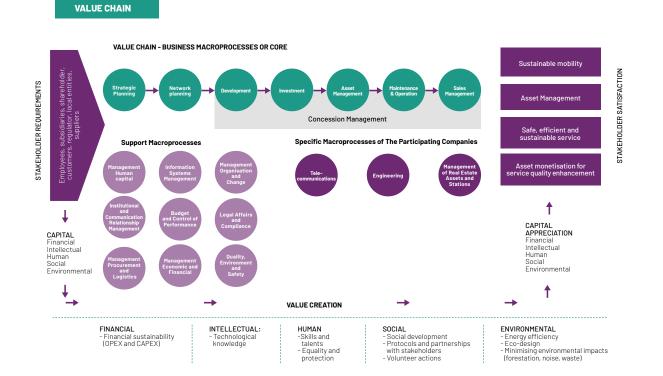
To support the business model, the business architecture of the IP Group was defined, which is based on 6 reference models that are interrelated in order to guarantee alignment and implementation of the strategy at the various levels of the organisation (performance, organisation and processes, IT applications, IT infrastructures, information/data and security).



4.4 IP GROUP VALUE CHAIN

The materialisation of the results intended for the short, medium and long term is supported in the performance of the activities of all the organisation's processes according to the Group's value chain which is made up of:

- IP's business or core macroprocesses (IP's business processes);
- Macroprocesses to support IP and its subsidiaries;
- · Specific macroprocesses of the participating companies.





The value chain supports the implementation of the Organisation's business model in the various phases of the PDCA (*Plan, Do, Check* e *Act*) improvement cycle and is based on:

- · The requirements and expectations of stakeholders;
- The means or capital required for the transformation and creation of value for the market (financial, intellectual, human, social and environmental) and;
- IP's strategic internal and external guidelines.

In addition, the PI has been consolidating an approach to improve process performance based on the principles of BPM - Business Process Management, which are in line with the creation of an internal dynamic that encourages the identification of critical activities and opportunities for improvement in benefit of an efficient performance in the "production" of outputs and, consequently, of the results sought by the Organisation (outcomes).

4.5 STAKEHOLDERS

The IP Group's response to the requirements and expectations of the stakeholders is ensured by the various processes in the value chain, as well as the various mechanisms and channels of communication and relationship available in the Organisation.

The table below shows the information on external stakeholders and what they expect from IP, with regard to the context in which the company's activity is carried out.

Stakeholders Group (External)	NETWORKS	STAKEHOLDERS	INTEREST (REQUIREMENTS/EXPECTATIONS) WHAT IS EXPECTED FROM THE IP?	REFERENCE/ Answer Documents	NATURE OF INTEREST
Shareholder	Road		Sustainable construction Sustainable Mobility	Concession Agreement	
	Railway		Efficient Management (Quality vs Cost)	Programme Contract	
	Telecommunica- tions	Portuguese State	Good Reputation		Obligation
			Public Service		
			Rationality and Criteria in Investment Selection; Reduction in accidents.		
Users		Private or collective users of the NRN	Good working order and condition Security Information Accessibility	Concession Agreement Operation and Maintenance Manual and Quality Control Plan	Expectation
	Road		Availability of the network according to the stipulated service levels Reduced costs		
		Concessionaires	Collaboration in the contractual relationship Monitoring of contractual obligations	Contratos	Obligation
	Railway	Railway operators	Fair tariffs	Network Directory	Obligation
	Railway services customers		Information Availability / Punctuality / Reliability Security Reduced costs	Access to the Network (Dec. Law 151/2014)	Expectation
	Telecommunica- tions	Users	Information Availability / Reliability Reduced costs	SLA	Expectation

Stakeholders Group (External)	NETWORKS	STAKEHOLDERS	INTEREST (REQUIREMENTS/EXPECTATIONS) WHAT IS EXPECTED FROM THE IP?	REFERENCE/ANSWER DOCUMENTS	NATURE OF INTEREST
State Regulator	Road	AMT IMT ANSR	Compliance with the concession contract	Concession Contract /QCP	Obligation
				National Road Plan (NRP - Law 222/98)	
				Road Statute (EERRN - Law 34/2015)	
				AMT, IMT and ANSR Statutes	
				National Road Safety Plan	
	Railway	AMT IMT	Compliance with the programme contract Compliance with Safety requirements	Contract Programme	Obligation
			compliance with safety requirements	Safety Authorisation (Commission Delegated Regulation (EU) 2018/762 of 8 March 2018	
	Telecommunica- tions	ANACOM	Compliance with legal and regulatory require- ments	Register	Obligation
	tions		Correct and timely reporting of information	Scope: GSM-R network and services; Public com- munications network.	
Local Entities	Road, Rail and Telecommunica-	Municipalities	Fair and transparent treatment.	Road Statute (EERRN - Law 34/2015)	Expectation / Obligation
	tions,	CCDR Adjacent	Accessibility	Public Railway Domain (Law 276/2003)	-
		Aujacent	momation	Agreements	
Suppliers	Road, Rail and Telecommunica-	Sub-concessionaires	Contractual compliance.	Contracts	Expectation / Obligation
	tions,	Operators of toll collection systems;	Fair and transparent treatment (CCP compliance)		
		Design and construction companies, service pro- viders;			
		Conservation and Mainte- nance;			
		Consultants;			
		Utility Suppliers			
Working conditions	Road, railway and telecommunica- tions	ACT (Authority for Working Conditions)	Compliance with legislation	Collective labour agree- ment	Expectation / Obligation
	tions			General law on work in public functions	
				Labour Code	
Media	Road, railway and telecommunica-	Media organisations	Fast, accurate and up-to-date information	Press Releases/Answers/	Expectation / Obligation
	tions			Information Site/Social Networks	obligation
Other	Road, Rail and Telecommunica- tions,	European Commission	Compliance with European policies Legality of contractual procedures	Contracts	Expectation / Obligation
		Court of Auditors Management Entities of	Compliance with the Recommendations of the Council for the Prevention of Corruption	Implementation Report on the Management Risk Provention Plan, including	
		Community Funds	Council for the Prevention of Corruption	Prevention Plan, including the Risk of Corruption and Related Infractions, of the	
		Inspectorate General of Finance		IP Group	
		Directorate General for Treasury and Finance			
		Technical Unit for Follow-up and Monitoring of the Public Enterprise Sector			



4.6 RISK MANAGEMENT

4.6.1 FRAMEWORK

The effective management of risks¹ and of opportunities translates into the pursuit of "good practices" in the management of the uncertainty that conditions the capacity to create value in the companies of the IP Group. Applied in a structured, integrated, transversal and continuous manner, it allows us to anticipate events with an impact on business objectives and to act effectively in controlling risks² and opportunities of a diverse nature related to the development of the activity. The results obtained are a fundamental contribution for the (re)alignment of the strategy considering the internal or external factors that threaten or enhance the performance of the organisation.

The risk management policy thus aims to monitor and control the risks arising from the context so as to ensure that they remain at levels compatible with the risk tolerance predefined by the administration. Within this scope, the threats that materialise in Regulation and Compliance, Financial, Operational, Technological, Reputational and Business risks assume particular relevance.

The effective and efficient management of risks requires the integration of this process in the organisational structure and, in this sense, the IP Group's governance model has as a reference the guidelines of the 3 "lines of defence" model to clarify the responsibilities and delimit the actions of those involved, as represented in the following figure:

- Operational Managers (1st line of defence): responsible for the development and implementation of internal policies, controls and procedures, which ensure that activities are in accordance with the defined goals and objectives;
- Risk Management, Compliance and Corporate Planning and Management Control (2nd line of defence): incorporates the risk management function, the Compliance function and an internal control system;
- Internal Audit (3rd line of defence): the Internal Audit Department is the Organic Unit responsible for ensuring the compliance, functioning and adequacy of the risk management, control and governance processes.

Within the IP Group, the Legal Affairs and Compliance Department is responsible for creating, implementing and driving the model to manage events with the potential to affect the full achievement of the companies' objectives.

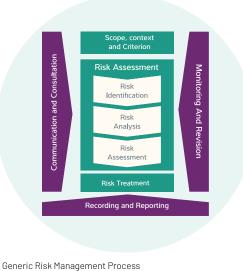


Risk: Effect of uncertainty on objectives - NP ISO 31000:2018 - Risk management - Guidelines. For the purpose of this document, the term "risk" refers to the "negative" deviation (threat) from what is expected.

²Including those of corruption, collusion, fraud and leakage of information, as well as the respective and necessary preventive and mitigating controls.

4.6.2 PROCESS TO MANAGE RISKS AND OPPORTUNITIES

The approach to risk³ and opportunity in the IP Group is corporate, integrated and transversal, i.e. it is regulated by control and reporting principles, methodologies and procedures defined centrally and in coordination with the various Organic Units / Subsidiary Companies, considering the specificity of each "business" area.



Generic Risk Management Process (Procedure GR.PR.006 - Risk Management)

The operationalisation of the process to address risks and⁴ opportunities⁵ which is based on the principles and methodology set out in the NP ISO 31000:2019 standard, is formalised in specific procedures that include the matrix of responsibilities of those involved (Executive Board of Directors, Legal Affairs and Compliance Department, Risk Owner, Opportunity Owner and Support Unit), the definition of the methodology to be applied and the respective characterisation of the activities in the different phases of the process.

The methodology applied to the treatment of risks and opportunities generally consists of recognising and assessing the risks and opportunities intrinsic to the Group's activity and, consequently, monitoring the controls foreseen in the action plans and communicating the results to the interested parties.

Within the scope of the dynamics of the process applied to risk and opportunity management, a methodical and periodic re-analysis of the context (internal and external) is ensured, as well as confirmation of the relevance and timeliness of the risks and opportunities identified in the pursuit of the mission, as well as in the Group's processes and main activities.

The risks⁶ identified are analysed weighing the probability of occurrence of the risk against its impact (criticality).

Considering the result obtained in the risk analysis, the response to be applied is evaluated on a scale of four levels, as illustrated in the following figure:

RISK LEVEL						
INTERVALS	INTERVALS SCALE		RISK RESPONSE			
[1;4]	Low	Accept	No action is identified to alter the likelihood or impact of the risk. The consequences of the risk, should it occur, are accepted on the basis of an informed decision, ⁽⁰⁾⁽²⁾			
[5;9]	Moderate	Mitigate/Share				
[10;6]	High		"Mitigate - Actions are defined to reduce the likelihood of the risk, its impact or both.			
[17; 25]	Very High	-	Share - Actions are determined to reduce the probability or impact of the risk by transferring or sharing it or part of it with third parties."			
Any interval	Any level of risk	Avoid	The activities giving rise to the risk are eliminated decision not to start or continue the activity carrying the risk).			

 $^{(\mathrm{l})}$ Except in cases where the risk has an impact of level 5 in any of the four areas considered.

⁽²⁾ Irrespective of the level of risk, the decision to accept a risk may still be taken by the EBD depending on the risk controls that are already in place and/or the external sources of risk.

³It is framed on the principles and methodology set out in NP ISO 31000:2019

⁴Procedure GR.PR.006 - Risk Management, latest version approved by the EBD of IP on 15/12/2022, applicable across all Organic Units and subsidiaries of the IP Group.

⁵Procedure GR.PR.039 - Management of Opportunities, approved by the EBD of IP on 20/05/2021, applicable across all Organic Units and affiliated companies of the IP Group.

⁶This stage is not applicable to opportunity management.



Following the risk assessment⁷, and whenever applicable, action plans are defined with the identification of controls for the treatment of risks and the forecast of expected residual risk after their implementation. The implementation of these controls is monitored and their effectiveness is evaluated in the annual review of risks and opportunities.

The outcome of the risk and opportunity management process is disclosed and communicated to stakeholders.

The IP Group's risk and opportunity management model provides for i) systematic review and monitoring of activities to ensure the necessary alignment of this management tool with the Group's business context and ii) communication/dissemination of the results obtained to interested parties (internal and external) for involvement in the process and dissemination of "risk-based thinking" in the organisation.

4.6.3 RESULTS 2022

Risk Management

In 2022, the activities implemented since 2015 were continued and strengthened:

- Updating of the IP Group Risk Map;
- Continuous monitoring of the implementation of the organisation's risk controls;
- Preparation and dissemination of the Execution Report of the Management Plan of Risks of Corruption and Related Infringements of the IP Group (available for consultation on the Infraestruturas de Portugal, S.A. website)⁸;
- In compliance with the amendment in the scope of the prevention plans for risks of corruption and related infractions, in October 2022 an interim evaluation was carried out of the High and Very High risks identified in the IP Group 2021-2022 Plan, with the following objectives:
 - Validation of the risk level, considering eventual changes in context with impact on the identified risks;

- Monitoring the implementation of controls contained in the Action Plans.

In the analysis of the relevant external and internal circumstances in the context of the IP Group's activity in 2022, the current macroeconomic scenario, still recovering from the effects of the pandemic in economic activity, to which the consequences of the war in Ukraine must be added, remains a determining factor in maintaining the risks affecting the execution of investment programmes in road-rail infrastructure that is highly dependent on the external market (service providers, mainly in railways and in information systems and technologies).

The disruption / discontinuity in the supply chain, the rise in raw material prices (due to scarcity and inflation) and the limitation of the external market (lack of skilled labour) to meet the company's requirements in time and quality in projects and works in an increasing trend of execution, anticipate the worsening of the risks of non-compliance with planned or ongoing investments.

Among the risks with the greatest impact on the Group's activity, we must also consider the effect of natural and environmental phenomena that have worsened as a result of climate change, which encourage the frequency of extreme events, with a very significant impact on the conditions of conservation and resilience of the infrastructures, requiring prompt intervention and solutions appropriate to the current challenges.

Cyber-attacks should also be of note, owing to the improper access to confidential information and sensitive data and also to its impact on the systems and equipment / infrastructures related to road and railway activities, with a possible effect on the operability of the core activity provided by the IP Group.

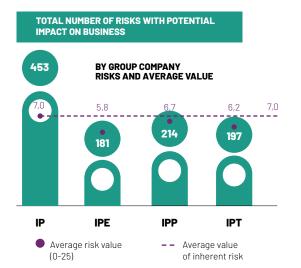
In terms of internal circumstances, the increase in actions foreseen in the road and railway infrastructure intervention plans has highlighted the lack of human resources, aggravated by the difficulty in attracting and keeping new employees, which, associated with the scarcity of human resources in the labour market, anticipates greater difficulty in fulfilling the plans without deviations to the programmed execution.

The need has been identified to continue investment in infrastructure and critical equipment to support the core service and in information systems and technol-

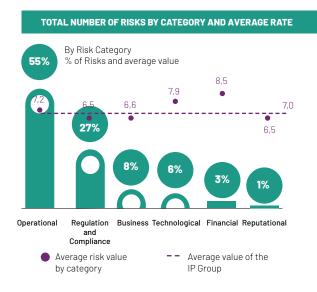
⁷Each of the four risk levels corresponds to a response - accept, treat (mitigate and/or share) or avoid. ⁸<u>https://www.infraestruturasdeportugal.pt/pt-pt/sobre-nos/governo-da-sociedade/outras-divulgacoes</u> ogies to strengthen the efficiency of processes and information security and to ensure the IP Group's compliance with legal and regulatory requirements.

Despite the decrease in the effect of the pandemic situation on the socio-economic context, and the easing or even elimination of containment/prevention measures, the instability associated to the risk of disruption of the company's activity is still significant, so the monitoring of the preventive measures implemented is maintained.

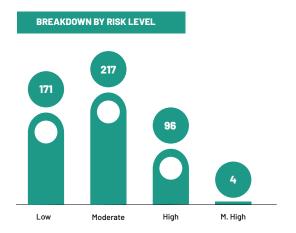
As a result of the analysis of the current context, it is confirmed that the IP Group is exposed to 488 risks, 5 of which are new threats.



Considering the typology of risks that characterise the activity, the predominance of "Operational" category risks in the global universe of the IP Group's risks is confirmed. The risks of the "Operational", "Technological" and "Financial" categories maintain a higher average level in relation to the average value of the risks of the IP Group (7.0).



From the analysis of the 488 risks identified, which considers the effect of the controls implemented in the control and mitigation of risks, it can be seen that the average current level of the IP Group is 7.0, that is, there is a concentration of moderate level risks, with the global distribution represented in the figure:



Given the risks identified, a set of controls was established to be implemented in 2022 for:

 i) Continue to contain/minimise the impact of the pandemic on the companies' activities, also through the application of the measures set out in the COVID-19 contingency plan transversal to the whole Group, and complementarily through actions aimed at the specificities of the areas most susceptible to this exposure (operation and maintenance area);

ii) Implementation of applications and procedures for greater efficiency in the performance of processes (e.g. planning and management of activities and also in contract management) and compliance with the Compliance of activities;

iii) Improvement in technological systems and infrastructure and,

iv) Reinforcement of human resources to meet the need to rejuvenate and strengthen the teams.

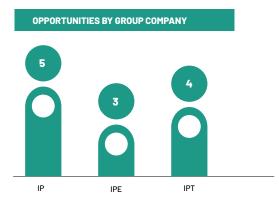
The monitoring of the implementation of these controls will be carried out during 2023, between the "Risk Management" body and the respective "Risk Owner", and the respective result will be reported to the interested parties.



Opportunity Management

There are currently 12 opportunities identified for treatment in the IP Group.

The opportunities being dealt with in the IP Group are those identified during the preparation of the Activity Plan and Budget of the respective companies⁹ and are distributed as follows:



The nature of these opportunities at IP derives particularly from the external context, namely the use of the incentives arising from PNI 2030 (National Investment Plan) in the implementation of investment and incentive to technological innovation, the availability of community funds and the continuity of the recruitment process.

In the subsidiaries, the opportunities are identified with the specific nature of the business. At IPT they are those that encourage the commercial process and consolidation in the technological market; for IPE they are oriented to the relationship with clients in the international market and to the improvement of synergies with IP.

For the treatment of these opportunities, 23 controls have been identified, whose implementation is monitored every six months by "Risk Management" in collaboration with the "Opportunity Owner" and the transversal management support body, internal to each company. The result is reported to the stakeholders.

For the IP Group, innovation is a driving force for improving the services provided, creating new solutions and products that increase efficiency

4.7

INNOVATION

and generate new business.

In this context, the dynamism and implementation of the IP Group's Innovation Plan continued in 2022.

At the end of 2022, the IP Group was participating in 12 Research, Development and Innovation (RDI) projects co-financed by various European programmes in the most diverse areas (e.g. connectivity and telecommunications, asset management, road safety, energy, environment and resilience). Six RDI projects were completed in 2022.



⁹The IP Património Activity and Budget Plan does not include the identification of opportunities.

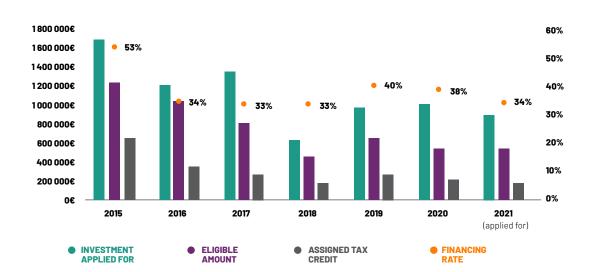
In 2022, these projects involved about 62 IP Group employees, which reflects IP's commitment to innovation. The IP Group's participation in these innovation projects has enabled the construction of an extensive network with around 170 partners.

In 2022, 2 applications were approved:

- NEXUS Mobilising Agenda funded through the RRP, which has the participation of IP and IP Telecom, and aims at the green and digital transition of the logistics chain associated with the Sines Port;
- PTQCI Project Portuguese Quantum Communication Infrastructure financed by the Digital Europe programme, with the participation of IP Telecom.

With regard to SIFIDE (national programme for funding Research and Development activities) the following activities in 2022 should be highlighted:

- Submission of 28 applications from the IP Group regarding RD activities carried out in 2021;
- Approval of 25 applications from the IP Group relating to R&D activities carried out in 2020, corresponding to a tax credit of 208,937 euros.



In 2022 IP's 50 RDI Challenges Programme was also continued, which aims to find solutions to the RDI needs of the IP Group that can be met by collaboration with the scientific, technological and business communities. In this context, in 2022, the following agreements were concluded:

- Collaboration Agreement with the Lusófona University for the experimental application of hot recycled asphalt mixtures with high incorporation rates of recovered mixtures (RA) with the use of rejuvenator;
- Collaboration Agreement with the University of Coimbra and Aeroprotechnik for the development and investigation of the possibility of inspection of the track and catenary infrastructures, using drones in the scope of the National Railway Network;

- Partnership Agreement with Universidade Lusófona de Humanidades e Tecnologias on the BE_READY(Resilient Road Pavements for Sustainability) project funded by EEA Grants;
- Collaboration Agreement with the Faculty of Sciences of the University of Porto for the analysis of the applicability of methodologies/devices, developed in the LifeLines project, in applied conservation.

Also noteworthy, in 2022, is IP's participation in two innovation demonstrators in the area of noise protection:

- INBRAIL Project, coordinated by Mota Engil, under which innovative acoustic barriers were installed in the Sintra Line;
- NextLap 2, an innovation acceleration programme promoted by Beta-i, Valorpneu and Genan, under which acoustic barriers made of concrete and rubber from used tyre were developed and installed on the Évora Line.



Two meetings of the IP Innovation Think Tank were organised in 2022, one on the topic of "How to decarbonise and reduce IP's carbon footprint?" and the other on the topic of "How to reduce road accidents through innovation?".

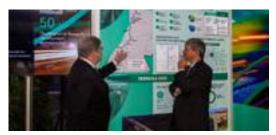
In November 2022 IP was present at the TRA – Transport Research Arena in Lisbon, the largest European research and technology conference on transport and mobility. Under the motto "Moving together – rethinking mobility worldwide", TRA Lisbon 2022 focused on the presentation of innovation solutions within this sector.

IP participated in various aspects, namely with the inclusion of technical papers, visits to critical infrastructures, intervention in the panel "Green Mobility and Decarbonisation" and presence in the exhibition area.

It is also important to highlight the participation in the PFP - Portuguese Railway Platform. Founded in 2015, PFP was recognised as one of the Competitiveness Clusters of the Portuguese economy, its motivation being to bring together all the national railway stakeholders for the promotion of Portugal as an innovative country in the railway industry.

In February 2022, the PFP General Assembly elected the governing bodies for the 2022-2023 biennium, with IP assuming the presidency of the Board through João Figueiredo, Manager of IP's Innovation Unit. In this scope we highlight:

- It was part of the Portuguese delegation that attended the 75th Hannover Messe, held from 30 May to 2 June, the world's largest industry fair, which this year chose Portugal as its partner country;
- Participation with a stand at Innotrans 2022, the world's largest trade fair dedicated to rail transport systems, which took place from 20 to 23 September in Berlin;



IP's exhibition area at TRA



PFP booth at Innotrans 2022

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5. BUSINESS AREAS

5.1 ASSET MANAGEMENT

The management of the assets that make up IP's rail and road networks is oriented towards optimising the life cycle of the assets and is conducted according to sustainability criteria, with a view to providing an infrastructure with high levels of safety and quality.

To achieve this goal, it is essential to have up-to-date information on the expectations of stakeholders, external or internal to the organisation, shareholders or customers, perceived by a notion of value that is expected to be obtained from the assets themselves, in terms of their availability or reliability.

Likewise, it is important to guarantee the processes that lead to the systematised knowledge of the infrastructures under IP management, the portfolio of assets and information as to their state, condition or performance.

Within this framework, IP has the basic mission of inspecting the infrastructure assets, ensuring that a proper diagnosis of their state of conservation is made. This knowledge of asset condition is the source for the development of risk planning, review and monitoring activities. The inspection of the assets that make up the infrastructures is a fundamental component for a more effective response with regard to safety, maintenance and operation of the infrastructures.

5.1.1 2022 INSPECTION CAMPAIGN

Road Pavements

The main pavement inspection campaigns are annual in nature and are fundamental to IP's mission, making it possible to obtain the necessary indicators for good conservation and maintenance management. In this context campaigns were carried out using Perfilómetro (measurement of geometric parameters) and SKM (measurement of transverse friction).

The campaign for Mechanical Inspection of the Pavements took place from May to September, having inspected 5,838 km of track. Similarly, the Adherence Campaign, with SKM, enabled the inspection of 5,265 km of track length. Through both campaigns, it is possible to guarantee compliance with the annual inspection roadmap under the terms laid out in the Control and Quality Plan of the IP Concession Contract.





Railway and Catenary

During 2022, three Track Geometry and Catenary Inspection Campaigns were carried out on the entire RFN in operation (general network campaigns). The inspections carried out in 2022 achieved 92.5% compliance with the initial plan.

The Main Inspection based on Track Applications (AV) consists of a detailed assessment of the general condition and condition of its constituent components. In 2022 there was a 12% increase in the volume of inspections compared to the previous year, with 4,478 inspections having been carried out, resulting in an execution rate of 108% of the initial plan.

Artwork

As far as Works of Art are concerned, 969 Main Inspections of Road Bridges were carried out in 2022, using internal resources, with the districts of Lisbon, Santarém, Portalegre, Aveiro and Castelo Branco standing out in terms of the number of Main Inspections carried out.

In the railway network, 409 Main Inspection reports were carried out internally, to which must be added 420 reports of works of art inspected by contracted entities. Of the 2022 cycle of railway inspections, the campaign of inspections carried out on the Northern and Southern lines stand out due to their size.







Artwork

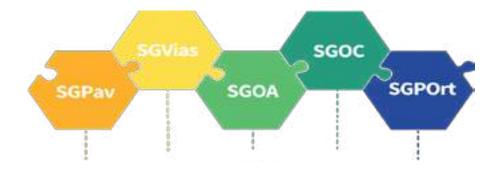
5.1.2 ASSET MANAGEMENT SYSTEM

Based on the inspection activity, asset management tools are developed to provide information on the impact of shortterm economic decisions, in terms of cost-performance-risk in the long term, through:

- (a) Methodologies to assess the condition of the assets, the level of use to which they are subject and the point in their useful life cycle;
- (b) Differentiated management models according to the level of service, or availability for the operation, to which their performance should correspond;
- (c) Identification of the effective intervention needs according to the required service levels and also the most appropriate interventions to execute, the moment of the asset useful life cycle and the respective impact on its performance;
- (d) Identification of the risks associated with decisions not to execute indicated interventions at the right time;
- (e) Planning, with a 20-year vision, analysing cost scenarios and assessing the corresponding risk and performance, as well as the resulting renovation liabilities.

The set of information on the condition of the Infrastructures is compiled and analysed to enable its rapid availability and analysis in a planning context, through dedicated application support. The results obtained by the current management systems in place in the company, lead to preventive actions in detriment of reactive interventions, characterized by greater risk, greater disruption in the networks as well as larger investments. In 2022, we continued to develop the Works of Art Management System (unified between the National Railway Network and the National Road Network), the Containment Works Management System, the Track Management System, aimed at the superstructure of the railway track, and the Portal Management System was also implemented. With the same intention, the catenary's register was structured and will give rise to the future management system dedicated to this railway speciality.

Once the inspection information (technical and detailed) has been compiled, it is processed and transformed into management and decision support information, materialised in the annual presentation of information on the State of the Infrastructure. Since 2019 this information is made available to society and the general public through the IP's institutional website, an action aligned with the values of clarity and transparency that guide the IP's actions.





5.2 CONSERVATION AND MAINTENANCE OF THE NETWORK

5.2.1 RAII WAY NETWORK

Safety, availability, reliability and sustainability are the cornerstones of railway infrastructure maintenance activity.

In order to ensure the pursuit of a strategy that embodies these references, IP has human resources and technologically advanced equipment that enables it to have a rigorous knowledge of the state of the infrastructure, to prioritise its investments in a capable manner and to support the different maintenance and rehabilitation actions imposed on the 2,527 km of network in operation under its management.

Based on experience acquired in different technical areas: Track and Geotechnics; Catenary and Traction Power; Signalling; Low Voltage; Civil Construction; Bridges and Tunnels, IP carries out maintenance and renewal of railway infrastructure following the best international practices and complying with the most demanding requirements and safety standards.

Railway maintenance develops the different activities in a continuous cycle that goes from inspection to execution, taking into account the characteristics of the infrastructure, the type of operation and the service objectives of each line.

With its specific and exclusive know-how, IP keeps its inspection and supervision functions internalised, while the execution activity is generally outsourced.



Railway infrastructure maintenance and rehabilitation interventions are supported by two management instruments:

Maintenance Contracts

Integrated into the operating budget, and developed through multi-annual contracts in the various specialities, they comprise three components:

- Systematic Preventive Maintenance (SPM), carried out according to a previously defined schedule;
- . Conditioned Preventive Maintenance (CPM), carried out at the express request of IP, as a result of the inspection and diagnosis of the infrastructure;
- Corrective Maintenance (CM), to repair anomalies.

In this scope, there are more than 23,000 maintenance actions triggered in 2022, essential to ensure the operability of the different assets.

In 2022 the amount associated with these interventions stood at 76.4 million euros, which represents a 7% increase compared to 2021.



Works Execution Team







Catenary works









METEOROLOGICAL STATIONS

Long Duration Infrastructures Investment

In addition to the investments associated with the Ferrovia 2020 Plan and the National Infrastructure Plan 2030 (PNI 2030), other investments are being made in the railway infrastructure with a view to ensuring safety conditions and improving the levels of reliability and quality of service provided to trade receivables (clients).

This investment, in the rehabilitation component, reached the value of 58.6 million euros in 2022, which represents an increase of 35% compared to 2021.



Traffic Control Centre

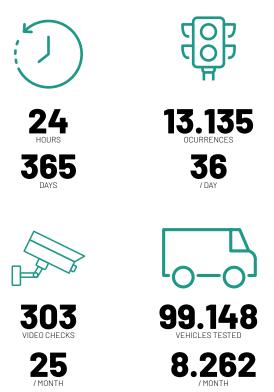
IP's Traffic Control Centre (TCC) ensures the coordination and management of the integrated road information system, in particular traffic, which supports the operation and exploitation of the national road network, with special focus on the metropolitan areas of Lisbon and Porto.

Focusing on the customer of the road infrastructure and with the main objective of improving the quality of service, with emphasis on traffic conditions and safety on the road network, the system includes not only traffic information in real time, but also accidents and various occurrences on the network. This entire information system is managed on a specific computer platform and the information is collected through the various road telematics equipment installed on the network, namely: Customer interaction is carried out through various means of communication which include:









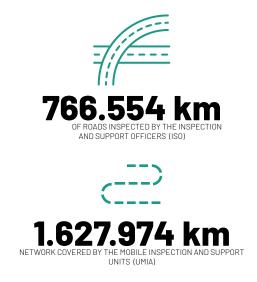
During 2022, the new facilities of the Traffic Control Centre (TCC) were inaugurated. This is a space that will enable the future promotion of technological advances appropriate to the needs of the activity, in the face of the new challenges of innovation and research that are required.



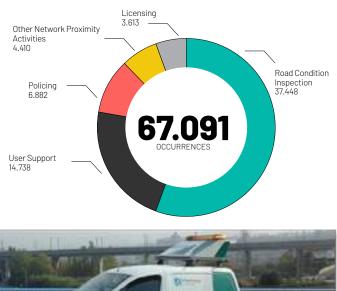
Network Surveillance

IP carries out Network Supervision activities that result in the operational need to patrol the roads on a regular basis according to a stratification of the network, evaluated by criteria such as Annual Average Daily Traffic (AADT) or Average Daily Traffic for the Semester (SADT), commercial activity (Licensing), existing resources and the need to comply with the network's service levels.

The Operation results in the patrolling of the network, by the UMIA (Mobile Inspection and Support Units), using road maps that describe the routes, consisting of sections of the road to be inspected and others as connecting routes, indicating the direction and situations to be assessed.

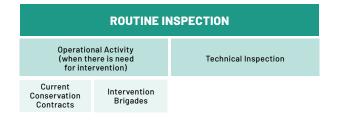


UMIA's main function is to ensure compliance with the company's legal and contractual obligations in the areas of surveillance, inspection, policing, licensing and defence of the state's public road domain. Through patrol action, they continuously and systematically control the roads and their equipment, collecting and reporting related information and, whenever necessary, they intervene by signalling all situations that endanger the circulation conditions and the immediate safety of users. From this activity in 2022, 67,091 occurrences resulted.



Current Conservation Management

Current Conservation Management consists of a systematic process of inspection and preventive or reactive intervention, with a view to ensuring the maintenance, repair and replacement of all road components, in adequate working order, so as to ensure conditions of traffic comfort and safety for users, thus preventing the degradation of the infrastructure and its service conditions.



Routine Inspections and Inventory Update

During 2022, services were provided to perform Routine Inspections and update the Inventory of Track Equipment and Works of Art covering 6 pilot districts, one from each Operational Centre, namely Braga, Porto, Castelo Branco, Leiria, Setúbal and Beia, Also during the year 2022, a procedure was launched for the Acquisition of Services for Routine Inspections and Inventory Update of Track Equipment and Works of Art 2022 - 14 Lots (remaining 12 Districts, North High Performance Network and Marão High Performance Network). These contracts complement the Routine Inspections carried out by IP's own means.

This activity aims at surveying and characterising the assets and assessing their state of conservation, on all routes. The survey is carried out in software applications developed by IP for mobile platforms IP.GISMobile, allowing the path to digitisation and standardisation to digitally represent objects or physical systems of road reality(Digital Twins).



Operational Activity

The operational activity is anchored in Current Conservation Contracts, in the Conventional Network and in Current Conservation and Operation Contracts, in the High Performance Network. These contracts have a multi-annual scope and their intervention is complemented with the Intervention Brigades (BIs).

In addition to these contracts, there are specific contracts for the management of vegetation, for the fulfilment of obligations relating to the defence of the forest against fires, specific contracts for the Corrective Conservation of Pavements and Activities carried out by Direct Administration.



• Current Conservation Contracts and Conservation and Operation Contracts

The current maintenance of the roads is ensured by contractual instruments, called Current Maintenance Contracts (CMC) and Maintenance and Operation Contracts (CCO), the latter also encompassing road operation activities.

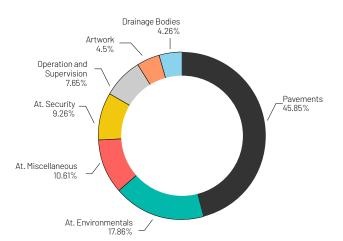
These contracts allow IP to carry out maintenance work on the road network under its direct jurisdiction, with a view to maintaining traffic comfort and safety conditions and avoiding infrastructure degradation.

During 2022 the 18 Current Maintenance Contracts for the period 2019-2022 ended and the 18 Current Maintenance contracts for the period 2021-2024 commenced.

These contracts, which have the **Conventional Network**, as their scope, include all routine maintenance activities, both curative and preventive, in order to offer network users better traffic comfort, more pleasant routes and improved road safety conditions.

The execution of these contracts in the year 2022 went according to plan, with an overall execution of 29.85 million euros.

The Paving works accounted for 46% of the total value. In activities of an environmental nature, work related to the defence of the forest against fires stands out, namely mowing and felling of vegetation, selective felling of vegetation and felling of trees, which reached the amount of 5.33 million euros in 2022.









Regarding the **High Performance Network**, which represents about 2.5% of the road network under direct management of the IP and about 4% of the inspection length, it is structured in three zones: High Performance North, High Performance Marão and High Performance South.

During the year 2022 five contracts for Current Maintenance and Network Operation/Operation were in execution, which totalled, in terms of execution, a value of 11.62 million euros.

• Intervention Brigades

The Intervention Brigades perform activities in a one-off action model, in the following situations:

Urgent Interventions

- Drainage Bodies Cleaning
- Signalling of damaged security guards
- Cleaning the road after adverse weather conditions
- Cleaning of oils on the track
- Cleaning of snow and ice removal
- Track clearance
- Covering pot holes



Preventive or Corrective Interventions

- Removal of advertising
- Pavement Cleaning
- Conservation and cleaning of drainage bodies and water lines in the road area
- Conservation of the vertical signalling
- Mowingm deforestation and spot
- vegetation controlPreventive treatment for snow and ice



Non-core interventions

- Preparation and assembly of signs
- Storage of materials
- Support for routine inspections
- Cleaning of surplus plots
- Support for pilgrims
- Support for interventions in the Technical Channel
- Maintenance work at IP facilities



Activity Within The Framework Of The Integrated Rural Fire Management System

In order to meet IP's legal obligations, namely Decree-Law No. 82/2021 of 13 October, in its current wording, which establishes the measures and actions to be developed within the scope of the Integrated Management System for Rural Fires, for the maintenance of the Combustible Management Lanes of the roads under IP jurisdiction, the company has several contracts specifically for carrying out this work.

In overall terms, the execution of this set of contracts in 2022, also including the environmental activities carried out under the Current Conservation Contracts (conventional network and high performance network), totalled around 8.82 million euros.

SNOW CLEARING CENTRE (SCC) AND OTHER WINTER ACTIVITIES

With a special role in ensuring safe circulation during the winter, IP has the Serra da Estrela Snow Clearing Centre, which was created in 1971, located at an altitude of 1650m, next to the EN339 road in Piornos. It is an advanced post where the resources are found to maintain the circulation and safety conditions of the national road network of the districts of Guarda and Castelo Branco in a network with a total of about 290 km, of which, about 128 km, in the central massif of Serra da Estrela.

Winter Activities are an important component of road safety interventions in the winter period due to the need to keep open to traffic the roads located in sensitive geographical areas subject to low temperatures, and susceptible to ice and snow. Due to the orographic and climatic conditions of the country, these occur mainly in the districts of Bragança, Coimbra, Guarda, Castelo Branco, Viana do Castelo, Vila Real and Viseu, and may also occur in Aveiro, Braga and Porto.







In 2022 around \in 93,000 was spent on the activity of spreading molten salts, through the current conservation contracts.

Also during 2022, the purchase of around 3,807 tons of rock salt and 8.4 tons of sodium chloride was contracted in order to guarantee the winter viability of the circulation in safety conditions on the roads that, due to their location, require treatment with fluxing salts.

To guarantee the storage of the rock salt in bulk, IP has silos with a capacity of 60 tons, with fully automatic dispensing, to ensure its storage.

REGULAR CONSERVATION MANAGEMENT

Periodic Conservation consists of carrying out highly complex interventions, promoted in accordance with a prioritisation based on technical criteria issued by the Management Systems. This prioritisation takes into account economic rationality and optimisation of human, operational and opportunity resources, with a view to rehabilitating road components without exceeding their initial characteristics, restoring a satisfactory level of service, and extending the useful life of an existing structure.

As a complement to these contracts, there is a programme of pavement interventions resulting from the assessment of rehabilitation needs, in accordance with a prioritisation strategy based on technical urgency grounds, based on the Quality Index (QI) of the roads and on traffic levels, in accordance with the Proximity Plan.

The overall execution of regular maintenance in 2022 was 50.8 million euros. The following are some of the main contracts awarded and/or concluded:

1. N109, KM 118+108, EDGAR CARDOSO BRIDGE OVER THE MONDEGO RIVER. TIE ROD SYSTEM REPLACEMENT

Replacement of the tie rods and structural reinforcement of the road and pedestrian bridge, increasing its useful life and the safety.



N109, KM 118+108, EDGAR CARDOSO BRIDGE OVER THE MONDEGO RIVER. TIE ROD SYSTEM REPLACEMENT

2. IC2/EN1 - IMPROVEMENT BETWEEN ASSEICEIRA (KM 65+200) AND FREIRES (KM 85+500)

Improvements to the stretch of the IC2/EN1 between the Asseiceira junction, in the Municipality of Rio Maior, and the urban area of Freires, in the Municipality of Alcobaça, with a total length of approximately 20.3 km, including the reformulation of five level intersections, replacing the current junctions with rotary intersections.



IC2/EN1 - IMPROVEMENT BETWEEN ASSEICEIRA (KM 65+200) AND FREIRES (KM 85+500)





IC15 - DUARTE PACHECO VIADUCT. SEISMIC STRENGTHENING AND COMPLEMENTARY REHABILITATION



EN10 - MARATECA (KM 59+125) / PEGÕES (KM 72+487) - IMPROVEMENT



WITH IP2 (BORNES)(KM 53+360)



EN347 - KM17+275 - BRIDGE OVER THE MONDEGO RIVER. REHABILITATION



IC2 - (A30) KM 1+540 - MATINHA VIADUCT - REHABILITATION OF ROAD WORKS

3. IC15 - DUARTE PACHECO VIADUCT. SEISMIC STRENGTHENING AND COMPLEMENTARY REHABILITATION

Implementation of the seismic reinforcement of the Duarte Pacheco Viaduct, local repair of the structure, general rehabilitation of the pilasters of P2 and P3, resurfacing of the wearing course and application of general protection by painting of the concrete surfaces and metallic elements.



4. EN10 - MARATECA (KM 59+125) / PEGÕES (KM 72+487) -IMPROVEMENT

Improvement of traffic conditions, safety and comfort of users, maintaining the good state of operation, conservation and safety of the National Road Network, located on the EN10 between km 59+125, Marateca, and Pegões km 72+487.



5. ER315 MIRANDELA (KM 34+000) AND JUNCTION WITH IP2 (BORNES) (KM 53+360)

Significant improvement in road traffic and safety conditions, by rehabilitating the pavement and road signs and safety equipment, restoring adequate levels of service.



6. EN347 - KM17+275 - BRIDGE OVER THE MONDEGO RIVER. REHABILITATION

Rehabilitation and reinforcement of the Bridge over the River Mondego, located at km 17+275 of the EN347, south of Montemor-o-Velho and north of Alfarelos, in the municipality of Soure, district of Coimbra.

7. IC2 - (A30) KM 1+540 - MATINHA VIADUCT -REHABILITATION OF ROAD WORKS

Rehabilitation / Replacement of support devices and expansion joints of the Matinha Viaduct, restoring road safety conditions and level of service required for the road,





8. IP3 - Km 63+000 to Km 63+650. Excavation Slope Stabilisation and Platform Rehabilitation

Stabilisation of the excavation embankment Slope located between km 's 63+000 and 63+650 (LD), of the IP3 in order to ensure traffic and road safety conditions on this stretch. The slope was developed along an imposing hillside, with approximately 50m of working heights and a length of about 600m.

9. RAINHA D. AMÉLIA BRIDGE - FOUNDATION PROTECTION AND REHABILITATION OF THE PIERS

Work to clean the surfaces of the pillars and abutments, seal the joints between the masonry stones of the pillars and abutments, with mortar based on natural hydraulic lime and aggregates, and protect the base of the pillars by additional plastering of the base of the pillars.



25th OF APRIL BRIDGE

The management of the 25th of April Bridge is regulated by specific legal diploma and IP develops its activity in close articulation with LUSOPONTE, which has management competencies related specifically to the highway. IP permanently carries out the inspection, maintenance and conservation of the Bridge and, regularly, studies, projects and consequent improvement works and major repairs or reformulation of the Bridge's characteristics, which include the monitoring and supervision of the works and the necessary technical assistance.

In addition to these actions, IP is also responsible for the control and articulation of the safety of road and rail operation in the 25th of April Bridge infrastructures, in an integrated management logic.

Also in relation to operational safety, we highlight the Safety Council of the 25 de Abril Bridge, a body created by Decree-Law No. 95/2008, of 6 June, which operates under the authority of the President of the IP Safety Council and has advisory functions.

Currently, in addition to IP's own representatives, the Security Council includes two representatives of the Institute of Mobility and Transport (IMT), a representative of the security services and forces, appointed by the Security Coordinating Office, a representative of the emergency services, appointed by the National Authority for Emergency and Civil Protection (ANEPC) and a representative of Lusoponte.



IP3 - Km 63+000 to Km 63+650. Excavation Slope Stabilisation and Platform Rehabilitation



RAINHA D. AMÉLIA BRIDGE - FOUNDATION PROTECTION AND REHABILITATION OF THE PIERS



25th of April Bridge

The year 2022 saw the continuation of the contract works to repair and conserve the 25 de Abril Bridge, scheduled for completion in October 2023. The total value of the work carried out in 2022 was around \leq 5 million euros, out of a planned overall investment of \leq 13.2 million euros.

DRONES | UNMANNED AERIAL VEHICLES (UAV)

The Road Network Department (RND) has started using Unmanned Aerial Vehicles (UAV) to support activities related to Operation and Maintenance, through a set of missions that have made it possible, in an economic, functional and more expeditious manner, to understand, assess and characterise the existing territorial reality, supporting construction, operation, maintenance and supervision activities of the road network in the areas under its jurisdiction and adjacent areas, using the capture of images and video records.

During the year 2022 the RND carried out about 30 missions. With the delivery of new equipment and specific software for image processing, the number of missions and data processing will be optimised.

5.3 INVESTMENT IN ROAD AND RAILWAY INFRASTRUCTURE

The Investment Plan is based on the following lines of action:

- The Ferrovia 2020 investment programme, which has a strong focus on the renewal and modernisation of the railway network;
- The Business Area Enhancement Programme (PVAE), which aims to strengthen the competitiveness of companies by improving road links between already consolidated business areas and the existing road network;
- The Recovery and Resilience Plan (RRP) which aims to strengthen resilience and territorial cohesion by increasing the competitiveness of the productive fabric and allowing a reduction in context costs;
- The National Investment Programme 2030 (PNI 2030), which aims to be the planning instrument for the next cycle of strategic and structuring investments of national scope, to meet the needs and challenges of the next decade and decades to come;







DRONES | UNMANNED AERIAL VEHICLES (UAV)



5.3.1 FERROVIA 2020

The Ferrovia 2020 Investment Programme, based on PETI3+, aims to modernise the National Railway Network, strengthen internal and international connectivity (on a national and Iberian scale), competitiveness, induce private investment and job creation.

The Ferrovia 2020 Investment Programme currently foresees a total investment of around 2.1 billion euros, to be completed by 2024-2025.

The financial execution in the year 2022 was 348 million euros, amounting in cumulative terms to 948 million euros, which represents about 45% of the total value of the planned investment.

The Ferrovia 2020 interventions are developed in four corridors, territorially differentiated: the Northern International Corridor, the Southern International Corridor, the North-South Corridor and Complementary Corridors:

Of the interventions in progress, already underway, the largest railway construction project in recent years, between Évora and Elvas, the interventions on the North Line between Espinho and Gaia, as well as the modernisation of the Beira Alta Line, the modernisation of the West Line and the electrification of the Algarve Line should be highlighted.

International Corridor South

It allows the enlargement of the *hinterland* port of Sines, Setúbal and Lisbon, ensuring the railway connection between the south of Portugal and Europe, through the Caia border, promoting railway interoperability and contributing to an efficient transport of goods.

This corridor will allow a direct connection between Sines and Elvas/Caia, reducing the journey time by around 3h30, increasing capacity to more than double the current one and improving safety conditions by eliminating level crossings and installing electronic signalling.

The four construction contracts for the new line between Évora North and the East Line, which should be finished by 2023, and the contract for the Modernisation of the South Line, in the Ermidas-Grândola North section, stand out. The intervention on the East Line between Elvas and the Spanish border (Caia) is concluded.



The financial execution of the Southern International Corridor was, in 2022, 158.3 million euros.

International Corridor North

It allows the consolidation of the connection between the metropolitan arch of Oporto and the coastal centre system, its ports (Leixões and Aveiro), airports and logistics platforms, to Spain and the rest of Europe, through the Vilar Formoso border.

This corridor will allow the daily capacity to be more than doubled, the circulation of electric trains in the whole Beira Baixa line, the improvement of tracks in some critical sections, the construction of the Beiras and Pampilhosa concordances and the improvement of safety conditions by eliminating level crossings and installing electronic signalling.

At the end of 2022 this corridor was mostly in the works phase, with the development of the modernisation works on the Beira Alta Line, with completion scheduled for 2023.

In this corridor, it is important to highlight the reopening to railway circulation of the Beira Baixa Line between Covilhã and Guarda, in May 2021, which represents the reopening of the railway connection between two important cities of the Beiras and Serra da Estrela regions.

The financial execution of the Northern International Corridor was, in 2022, 102.3 million euros.

North-South Corridor

Structural investment in the Minho and North lines that allows an improvement in the railway connection between the Atlantic Axis of Portugal and the rest of Europe, through the border of Valença.

On the Minho line, it is foreseen to reduce the travel time with the use of electric traction trains and the elimination of the load break in Nine, to increase the safety and reliability of the operation through the installation of a new signalling and telecommunications system, and to more than triple the current capacity.

In the North line, investments contemplate the renewal of the infrastructure life cycle, the reduction of the travelling time of long distance services, the increase of safety and operation reliability through the installation/modernisation of the signal-ling and telecommunications system, the increase of railway and road safety through the elimination of level crossings and the construction of gradients.

On the Minho Line, the Nine-Viana, Viana-Valença and Valadares-Gaia (North L.) sections are already concluded.

In 2022 the main contract underway was the requalification of the North Line, in the section between Espinho and Gaia, with completion planned for the end of 2023.

The financial execution of the North-South Corridor was 51.3 million euros in 2022.

Complementary Corridors

This batch of interventions includes the electrification of the Minho Line between Caíde and Marco de Canavezes-Régua and the Algarve Line between Tunes-Lagos and Vila Real de Santo António and Faro, as well as the modernisation and electrification of the West Line between Meleças and Caldas da Rainha. The modernisation of the Cascais Line is also integrated in the Complementary Corridors.

On the Douro Line, the contract works for the electrification of the Caíde-Marco de Canaveses section have already been concluded. On the Oeste line, two modernisation works are underway on the Meleças-Torres Vedras section and on the Torres Vedras-Caldas da Rainha section. On the Algarve line, the two electrification contracts for the Tunes-Lagos section and the Faro-Vila Real de Santo António section are underway. On the Cascais Line, the Track and Catenary work began in December 2022.

The financial execution of the Complementary Corridors was, in 2022, 34.9 million euros.

The map shows the location of the projects and their stage of implementation at the end of 2022.





5.3.2 NATIONAL INVESTMENT PROGRAMME 2030 (PNI 2030)

programa nacional 2030 de investimentos

The National Investment Programme 2030 defines the strategic investments for the country in this decade and is articulated with the strategic objectives defined for Portugal 2030.

It focuses on Mobility and Transport, key factors for the external competitiveness and internal cohesion of our country, and on Environment/Climate Action and Energy, areas intrinsically linked to mobility and the challenges of climate change, decarbonisation and energy transition.

The National Investment Programme (PNI2030) was presented by the Government on 22.10.2020.

It aims to be the planning instrument for the next cycle of strategic and structuring investments of national scope, to meet the needs and challenges of the next decade and decades to come.

The PNI 2030 embodies the country's strategy for a decade of convergence with the European Union, so as to enable Portugal to respond adequately to the global challenges that are foreseen for the next decade, based on three strategic objectives, namely:

- Cohesion, strengthening territorial cohesion, in particular by reinforcing the connectivity of territories and economic activity, enhancing natural capital;
- Competitiveness and Innovation, increasing and improving the infrastructural conditions of the national territory, capitalising on the national geographic Atlantic potential and reinforcing Portugal's insertion in Europe, particularly in the Iberian Peninsula;
- Sustainability and Climate Action, promoting the decarbonisation of the economy and energy transition, adapting territories to climate change and ensuring greater resilience of infrastructure.

The PNI 2030 therefore includes the main investments in infrastructure and equipment to be made between 2021 and 2030, in four thematic areas: Transport and Mobility, Environment, Energy and Irrigation. The **Transport and Mobility** axis includes investments in **railway infrastructure and road infrastructure**, areas of direct interest to IP, which together total a planned investment of 12,490 million euros.

Transports and Mobility	Number of Projects and Programmes	Investimento
Mobility and Public Transport	9	€M 5,825
Railway	16	€M 10,150
Road	8	€M 1,980
Airports	4	€M 1,257
Maritime - Ports	8	€M 2,088
Total	45	€M 21,660
Public capital expedinture		€M 17,694
Private investment		€M 3,966

Railway

Sixteen programmes and projects were identified, with a total value of 10,510 million euros, broken down as follows:

	Railway	Period	Investment
F1	New Porto - Lisboa Line	2021-2030	€M 4,500
F2	Programme to increase capacity in the rail network of metropolitan areas	2021-2028	€M 290
F3	Railway Safety, Renovation and Rehabilitation, Noise Reduction and Adaptation to Climate Change Programme	2021-2030	€M 450
F4	ERTMS/ETCS + GSM-R signalinh and implementation programme	2021-2030	€M 270
F5	Programme for Electrification and Strengthening of the National Railway	2021-2030	€M 740
F6	Telematics, stations and operation safety programme	2021-2030	€M 165
F7	Multimodal terminals improvement programme	2021-2030	€M 200
F8	Modernisation of railway links to Beja and Faro	2021-2025	€M 230
F9	Modernisation the Vouga Line	2021-2030	€M 100
F10	Connection of the Cascais Line to the Belt Line	2021-2030	€M 200
F11	New Porto - Valença - Vigo line (1st Phase)	2021-2030	€M 900
F12	International South Corridor (2nd Phase)	2021-2030	€M 150
F13	International North Corridor (2nd Phase)	2021-2030	€M 600
F14	New rolling material Urban trains	2021-2029	€M 680
F15	New rolling material Long distance trains	2021-2029	€M 650
F16	New rolling material Regional trains	2024-2030	€M 385

The guidelines, for the objectives to be achieved with the realisation of these projects, are the following:

- Increase capacity and reduce travel time along the Porto – Lisbon axis, where the greatest flow of passengers and goods is concentrated;
- Construction of a new double track high performance line (Lisbon - Oriente / Oporto-Campanhã) equipped with multipurpose track, with installation of Iberian gauge in a first phase;
- Promote cross-border connectivity, ensuring interoperability, in the extension of the Atlantic axis to the North and in the transversal International Corridors;
- Solving the main bottlenecks and consolidating the rail network in the Metropolitan Areas of Porto and Lisbon;
- To conclude the modernisation and electrification of the National Railway Network, with increases in capacity and speed wherever feasible and pertinent;
- Lay the foundations for the future expansion of the National Rail Network as a factor of territorial cohesion;
- Improving rail access to ports and airports;
- Rehabilitating assets, improving safety, reducing environmental impacts, including noise, and adapting the rail network for climate change;
- Dematerialise and digitalise logistics at terminals;
- Develop telematics and digital connectivity systems, both at passenger interfaces and logistics terminals;
- Renew and expand the fleet of rolling stock available for all categories of passenger services.

Road

Eight programmes and projects were identified, with a total value of 1,980 million euros, broken down as follows:

	Road	Period	Investment
R1	Prog. Road Safety, Renovation, Noise Reduction and Adaptation to Climate Change Programme	2021-2030	€M 530
R2	Missing Links building programme	2021-2030	€M 425
R3	Arco Ribeirinho Sul	2021-2026	€M 200
R4	Widening and capacity expansion programme	2021-2030	€M 268
R5	Completion of IP8 between Sines and Beja	2021-2028	€M 130
R6	Support to innovation and efficiency of the road network	2021-2030	€M 100
R7	Business Areas Enhancement Programme (2nd Phase)	2021-2030	€M 164
R8	Modernisation of Territorial and Cross-border Cohesion	2021-2025	€M 163

The guidelines, for the objectives to be achieved with the realisation of these projects, are the following:

- · Renew and rehabilitate the road network, promoting the digitalisation of infrastructures;
- · Complete missing links, promote territorial cohesion and cross-border connectivity;
- · Improve access to business areas;
- · Improving road access to airports;
- · Mitigate the negative externalities arising from motor vehicle use;
- Rehabilitating assets, improving safety, reducing environmental impacts, notably noise, and adapting the road network for climate change;
- Supporting innovation and efficiency of existing infrastructure

In 2022, the execution of PNI2030 focused essentially on the railway component, mainly on the development of studies and projects, in particular those related to the New Porto – Lisbon High-Speed Line, whose project was publicly presented on 29 September 2022.

Although execution in 2022 was mostly centred on studies and projects, some works have already started, of which the start of the Vouga Line Upgrade between Vila da Feira and Oliveira de Azeméis is worth highlighting.

The overall financial execution of the PNI 2030 Railway was, in 2022, 10.5 million euros.

In the road component, execution in 2022 focused essentially on studies and projects, with a significant part of the interventions planned under the PNI2030 road, including those related to the Connections to Business Areas – 2nd Phase, carried over to the Recovery and Resilience Plan, which is presented in the following section.



5.3.3 RECOVERY AND RESILIENCE PLAN (RRP)

The RRP aims to strengthen resilience and territorial cohesion, increase the competitiveness of the productive sector and contribute to the reduction of context costs in Portugal. This plan aims to implement a set of reforms and investments based on three major dimensions: Resilience, Climate Transition and Digital Transition.

The Recovery and Resilience Plan (RRP) was approved by the European Commission on 16.06.21 and is one of the financing instruments, of national application, with an execution period until 2026.

In order to strengthen the social, economic and territorial resilience of our country, 9 Components were considered that include a robust set of interventions in strategic areas, namely health, housing, social responses, culture, innovative business investment, qualifications and skills, infrastructure, forestry and water management.

IP supported the State in the development of a rigorous and mature process of identification, characterization and selection of investment projects that optimized the capitalization of available funds to leverage Component 7, called Infrastructures.

Component 7 aims at territorial cohesion and improvement of conditions to attract and retain investments in less populated territories, enhancing the increase of economic competitiveness by improving mobility and accessibility conditions.

The investments Missing Links and Increasing Network Capacity, Cross-Border Links and Business Areas (AAE) - Road Accessibilities contribute to these effects.

IP and the *Estrutura de Missão Recuperar Portugal* (EMRP) signed, on 15.09.2021, the financing contract for the investment in Missing Links and Network Capacity Increase, totalling 272,980,000.00 euros, Cross Border Connections, totalling 31,000,000.00 euros and Business Areas (AAE) – Road Accesses, totalling 90,800,000.00 euros.

The capitalisation of community funds for this programme is fundamental to ensure the improvement of the national road network, namely with the conclusion of missing links, the improvement of internal and cross-border cohesion and the promotion of accessibility to Business Location Areas.



The investments are developed with the following objectives:

- Missing Links and Increasing Network Capacity – to promote the elimination of urban crossings and the adequacy of road network capacity, reducing journey times, polluting gases and congestion, as well as strengthening accessibility to major corridors and multimodal interfaces, alleviating context costs for the business fabric and leveraging investments already made in related infrastructures;
- Cross-border connections leveraging development, enhancing cross-border mobility and reducing context costs;
- Business Areas (EAA) Road Accesses ensuring the efficient and economic entry and exit of goods, leveraging the investment already made in the Business Areas.

The Plan has made positive progress, with 25% of the investment financed in the works phase (under way or being contracted) and 75% in the design phase by the end of 2022. It should also be noted that to date all contracted milestones and targets have been met.

The financial execution of the RRP in 2022 was 17.0 million Euros, of which 14.8 million Euros related to the execution of the work EN14 Via Diagonal /Trofa Interface - 2nd Phase, which includes the investment i02 - Missing Links and Network Capacity Increase.

Also of note, in 2022, is the consignment of the following contracts:

- IC35. Penafiel (EN15) / Rans, in the amount of 5.5 million euros
- Connection to the Fontiscos Industrial Area and redesign of the Ermida junction (Santo Tirso), in the amount of 3.2 million euros;
- Variant of the EN248 (Arruda dos Vinhos), in the amount of 6.0 million euros.

5.3.4 BUSINESS AREA ENHANCEMENT PROGRAMME (PVAE)

The Government presented on 07.02.2017 the **Business Area Enhancement Programme**, aiming to strengthen the Competitiveness of Enterprises, Enhance Job Creation and Increase Exports. One of the aspects targeted by this Programme was to ensure better access conditions to high-capacity roads for the "engines" of the economy, made up of small and medium-sized companies. The investment is, for the most part, carried out with recourse to IP's budget, partially supported by each Municipality involved, namely, with regard to the expropriations necessary for its implementation and part of the work.



EN14 Via Diagonal /Trofa Interface - 2nd Phase



EN14 Via Diagonal /Trofa Interface - 2nd Phase



NORTH REGION

1. Connection of the Escariz Business Park to the A32 (S. M. Feira)

- 2. Connection to the Fontiscos Industrial Area (Sto. Tirso)
- 3. Connection of the Industrial Area of Cabeça de Porca (Felgueiras) to the A11
- 4. Connection of Formariz Business Park to the A3 (Sapardos Paredes de Coura junction)
- 5. Connection of Lanheses Business Park to ER305
- 6. Access road to Avepark Taipas Science and Technology Park (Gandra Industrial Area)
- 7. Improvement of Accessibility to the Business Location Areas of Southern Famalicão (Ribeirão and Lousado)

8. Improvement of the Accessibility to the Business Location Area of Lavagueiras (Castelo Paiva)

CENTRAL REGION

9. Accessibility to the industrial area of Riachos (Entroncamento/Torres Novas) 10. Access to Mundão Business Park (Viseu)

ALENTEJO REGION

11. Improved Accessibility to the Campo Maior Industrial Area 12. Connection of the Rio Maior Industrial Area to the EN114



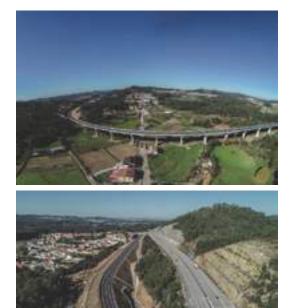
Within the scope of this Investment Programme, the following investments were concluded, by 2021:

- Improvement of the Connection between Lanheses Business Park and the ER305 (Viana do Castelo);
- Improvement of Accessibility to the Business Location Areas of Famalicão Sul (Ribeirão and Lousado);
- Access road to Avepark Taipas Science and Technology Park (Gandra Industrial Area - Guimarães) - Silvares junction;

In 2022 the Connection of the Escariz Business Park to the A32 (S. M. Feira) was concluded and opened to traffic in November.

The link between the Formariz Business Park and the A3 (Sapardos – Paredes de Coura junction) is nearing completion. The remaining investments foreseen in the PVAE, and identified above, will be carried out under the Recovery and Resilience Plan.

The financial execution of the PVAE in 2022 was 25.4 million euros.



5.3.5 MONDEGO MOBILITY SYSTEM (SMM)

The aim of the Mondego Mobility System (SMM) project is to create a public transport link between Coimbra and the neighbouring municipalities (Miranda do Corvo and Lousã) through a "Metrobus" system, which consists of implementing a BRT(Bus Rapid Transit) type service with electric traction in the old Lousã railway branch line and in the Coimbra Urban Area.

The total length of the route is 43 Km, connecting Serpins, Lousã and Miranda do Corvo to Coimbra, serving Coimbra B station and the Hospitals area.

This project aims to contribute to the reduction of CO2 and other GHG emissions and to strengthen mobility conditions in the Coimbra Region, through modal shift to public transport modes, creating better intermodality conditions with other means of transport and thus providing lower carbon emissions. With the new solution adopted for the Mondego Mobility System, it will be possible to cross the city of Coimbra and extend the service



to areas where there is significant demand, aiming to establish itself as the main articulation anchor between Coimbra's public transport system and suburban services.

The SMM represents a total planned investment of around 126 million euros, with the respective financial execution in 2022 amounting to 15.4 million euros.

5.3.6 OTHER RAILWAY INVESTMENTS

In addition to the investments associated with the Ferrovia 2020 Plan, other investments are made in the railway infrastructure with a view to ensuring safety conditions and improving the levels of reliability and quality of service provided to trade receivables (clients).

In 2022, the investment made in interventions to renew and rehabilitate the infrastructure, to adapt it to existing norms and regulations and to reinforce the service levels of the railway infrastructure totalled 43.2 million euros. Some of the interventions carried out in 2022 are presented below.

Improvement to Sermenha Bridge

Renovation work and anti-corrosion protection of the Sermenha Bridge at km 96.183 of the Douro Line, in the municipality of Mesão Frio. The aim is to renovate the century-old metal bridge by completely removing the old anti-corrosion coating and repainting it, replacing parts and installing railings on the central walkway, thus reinforcing the existing safety conditions.

The construction work involved an investment of 1.4 million euros.

Repair of the ceiling and roof of São Bento Station - Porto

Treatment of the roof structure and replacement of the coating of the atrium of São Bento Station, including the renovation of all wood, metal structures and tiles. The work also included the renovation of the lighting, the installation of an anti-pigeon system, as well as the treatment of the plaster, mouldings and panels, and the interior painting of the vestibule, which has been restored to its original colour. The intervention was monitored by the Directorate-General for Cultural Heritage – Northern Regional Directorate of Culture, as the building is classified as being of public interest.

The investment associated to the works was 402 thousand euros.

Embankment Slope stabilisation on the Douro Line

Stabilisation works on the embankment slope between km 11.900 and 11.950 of the Douro Line, on the right-hand side, in the municipality of Valongo.

The purpose of the intervention was to stabilise an embankment slope where there had been a fault that compro-





Ceiling and roof of São Bento Station - Porto



Embankment Slope stabilisation on the Douro Line

mised the stability of the track platform and the catenary post installed on the site. Given the steepness of the embankment, and the fact that there is a path at its base, the solution adopted included the construction of a gabion wall at the base of the embankment, and its reinforcement with the application of nailing associated with high resistance steel mesh and cables.

The construction work involved an investment of around 300 thousand euros.



Renewal of Santa Apolónia-Braço de Prata section - North Line

Complete track renewal, between km 1.100 and 4.090 of the North Line, in the Santa Apolónia - Braço de Prata section, in Lisbon, including complete replacement of the wooden sleepers by concrete sleepers, rail replacement and transformation of the short bar into a welded long bar, improvement of the track drainage system in all its extension and mechanical cleaning with ballast depuration, rebalancing and heavy mechanical attack.

This project, which had a total investment of 4 million Euros, allowed for the improvement of safety, quality, reliability and availability of the infrastructure, the improvement of comfort and convenience levels for passengers, the reduction of maintenance costs and the reduction of noise emission levels.

5.3.7 INVESTMENTS IN MANAGEMENT SUPPORT STRUCTURES

The value of investments in Management Support Structures (IEAG) was 7.3 thousand euros in 2022, of which 5.2 thousand euros in buildings and 2.1 thousand euros in the acquisition of machinery, equipment and road and railway material.

In 2022, we highlight the acquisition of pavement inspection equipment – Laser Profilometer, with an investment of 556 thousand euros.



IP, as the managing entity of the road and railway infrastructure, considers Safety of all those who use the National Road and Railway Network to be an essential value.

IP understands and deals with Safety, in an Integrated manner and guided by the same Policy, in road and railway areas, focusing on the workers, users and entities with which it relates within the scope of the design, maintenance and operation of the infrastructures it manages.



Renewal of Santa Apolónia-Braço de Prata section - North Line

The work done by everyone at IP and its predecessor companies has unequivocally contributed to the great progress made in reducing road and railway accidents in Portugal in recent decades.

Moreover, from the road point of view, these results were obtained in a context of a sharp increase in road traffic.

From the railway point of view, the results are associated with the set of Significant Accidents recorded throughout the National Railway Network, regardless of the associated responsibility, i.e., they are not accidents occurring solely within the scope of the IP's activity. For this reason, we conclude that around 81% of these accidents are due to factors external to the railway system, mainly due to third party intrusion into the railway space.



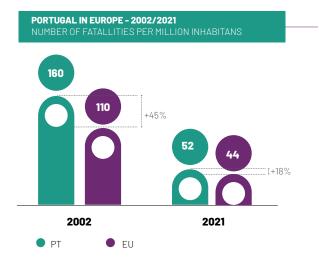
In the last decades, Portugal has been registering very significant reduction of road fatalities. While in 2002 the number of fatal victims per million inhabitants in Portugal was 45% above the European Union average, 20 years later that indicator has fallen significantly, although it is still 18% above the European Union average.

One of the factors that contributed the most to these results was the strong investment made in the last 20 years in transport infrastructures, namely in higher quality and safer roads, such as motorways, which allowed for an increase in the execution of the National Road Plan, which in 1995 was around 23%, and currently reaches almost 75%.

25 years ago, with a quarter of all road traffic, the National Road Network (NRN) under IP's jurisdiction registered around 1,100 fatalities (F), which represented 59% of the overall accident rate.

In the NRN, 169 fatalities were registered in 2022 representing about 36% nationally.

These investments, over the last 25 years, have had a significant economic and social benefit for society – they have saved over 16.9 thousand lives and over 71 billion euros in economic and social costs.



As already mentioned, the NRN under management of IP and its predecessors have contributed decisively to this reduction, particularly in the last 25 years: while Portugal has reduced the number of fatalities by 75%, the NRN under IP's management has reduced by 85%. Despite the reduction seen in recent decades, road fatality indicators have shown a slowdown in their annual evolution over the last 3 years.

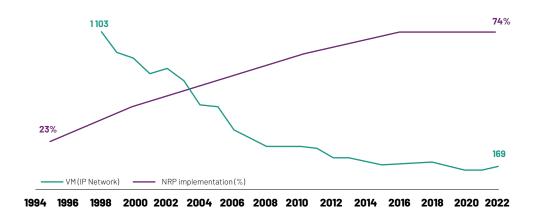
In 2022 there was an increase compared to the previous year in all indicators with the exception of the indicator "No. of Black Spots", which to date has not yet been published by ANSR. It should be noted that the results recorded in 2022 were not influenced by contingency measures adopted by the Portuguese government as part of the treatment of the COVID-19 pandemic, where in previous years (2020 and 2021) there were restrictions on circulation on Portuguese roads.

The Concession Contract established with the State determines that IP will pursue accident reduction goals, specifying three indicators: number of black spots, accident severity index within localities and number of fatal victims, which in case of non-compliance will give rise to penalties.

In the pursuit of the national plan to fight road fatalities and based on the guidelines of these legal documents, the goals of the road fatality indicators, the objectives established in the concession contract, the deficiencies detected in the road network in terms of safety and the funds available, IP prepares the annual Road Safety Plan (RSP), which includes preventive and corrective measures aimed at reducing fatalities and improving safety and traffic conditions on the road network under its management.

IP's road safety strategy is in line with the PENSE2020 proposal, as well as with those of the most advanced countries in road safety, such as Sweden, and has the ethical imperative that "nobody should die or be permanently disabled as a result of a road accident in Portugal".

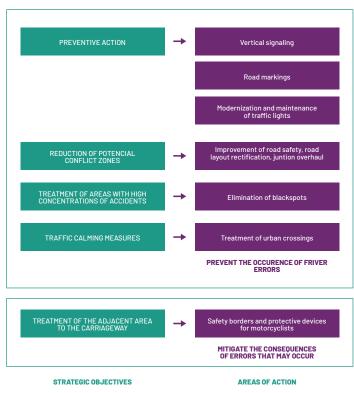
This approach is based on the concept of the tolerant road. Since it is recognised that users of the road transport system will always make mistakes and that these can lead to road accidents, the infrastructure must, on the one hand, prevent and anticipate driver errors and, on the other hand, minimise the error and the consequences that may occur.





BUSINESS AREAS PART |

In line with this approach, IP's Road Safety Plan (RSP) aims to prevent the occurrence of driver errors and mitigate the occurrence of these errors, taking on five strategic objectives, identified below.



A. Road Safety Indicators

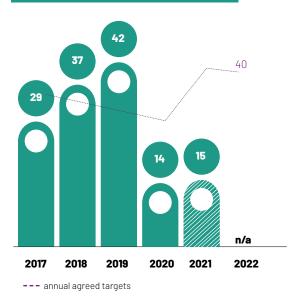
As previously mentioned, the Concession Contract (CC) established with the State defines accident reduction objectives by specifying three indicators: number of black spots, accident severity index within localities and number of fatalities.

The data for 2021 and 2022 should be considered provisional, since the National Road Safety Authority (ANSR) has not yet completed its process of validating the road accident data recorded in Portugal for that year. It should be noted that the targets assumed were reviewed and approved by the Institute of Mobility and Transport (IMT).

It is not possible to indicate in this report the number of **Black Spots** registered on the IP network in 2022 as ANSR has not yet made available any list of Black Spots in 2022 (provisional or definitive).

It only mentions that IP's target for 2022, on the road network under its management, is a maximum of 40 Black Spots.

BLACK SPOTS ON THE IP NETWORK - EVOLUTION



With regard to the most serious accidents, according to the provisional register of **Fatalities and Serious Injuries**, in 2022 on the IP network, there was an increase in the number of Fatalities (+18F), from 141 fatalities to 169 (+19.9%).

When compared to the target set for 2021, the value of the number of fatalities is up 6.3% (+10 F).

With regard to the number of serious injuries, there is an increase of 16 SI in 2022 when compared to the previous year, rising from 566 SI to 582 SI (+2.8%).

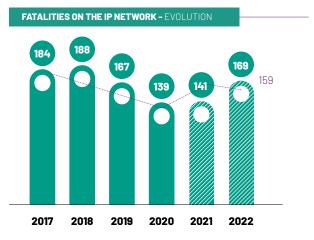
In 2022, according to provisional figures, the **Severity Indi-cator within Localities** recorded an increase of 3.4% compared to 2021, remaining, however, below the target set for 2022 at 0.9%.

B. Road Safety Inspections Carried Out

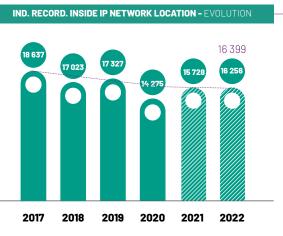
One of IP's fundamental activities, in terms of road safety, are the Road Safety Inspections carried out by teams of inspectors and with national coverage, which allow the identification of non-conformities and road safety problems related to the infrastructure and propose the most cost-effective corrective measures.

Since 2015, the inspection teams of the road safety unit have inspected and analysed 842 serious accidents (with recorded fatalities and/or serious injuries) that occurred on the IP network.

In the year 2022, 185 inspections of accident sites and 15 inspections of sites identified as black spots were carried out.



--- annual agreed targets



--- annual agreed targets

Type of inspections	2015	2016	2017	2018	2019	2020	2021	2022
For Networks (km)	96	61	103	45	114	25	44,4	
Black Spots(no.)	34	15	22	23	39	42	14	15
Accident Accumulation Zones (no.)	14		1	3	20	29	46	
Intervention monitoring (no.)	9			27	9	6		
Accident site inspections (no.)	66	40	41	83	71	126	153	185

5.4.2 RAILWAY SAFETY

The activity developed by IP within the scope of Railway Operation Safety is supported by the approval by IMT of the Safety Management System (Declaration of Approval of the Safety Management System No. 02/2019, in accordance with Decree-Law No. 270/2003, of 28 October, amended by Decree-Law No. 231/2007, of 14 June, republished by Decree-Law No. 151/2014 of 13 October and amended by Decree-Law No. 217/2015, of 7 October).

In the field of safety of railway operations, and in accordance with IP's mission as the entity managing a reliable and safe railway infrastructure, the following activities are of particular importance:

- Development of railway safety policies as a tool to improve the performance of infrastructure management activities, promoting a close relationship with the Group's internal clients and with entities outside IP;
- Management of indicators in the field of railway safety, promoting the analysis and follow-up of deviations, with the aim of acting on the causes and thus maintaining under control the adequate safety levels of the infrastructures and railway operations;
- Management of internal railway accident and incident investigations and implementation and control of measures to eliminate/mitigate causes and causal factors;
- Investigation of railway incidents, supporting their classification within the scope of Common Safety Indicators, decision on the need and advantage of initiating a formal investigation process for an accident/incident and identification of safety measures to be adopted;
- Elaboration of procedures and normative supporting and framing the functions and critical activities from the point of view of railway safety;
- Implementation of the process for the issue of train drivers' licences in European format, in alignment with Law 16/2011 of 3 May 2011, which approves the certification system for train drivers of locomotives and trains in the railway system, transposing Directive 2007/59/EC of the European Parliament and of the Council of 23 October 2007;

- Production of opinions of a regulatory, technical and normative nature and relating to railway safety (interventions by third parties in the vicinity of the railway and technical conditions for contracting procedure documents);
- Management of Special Road Permit processes;
- Application of the Common Safety Method for risk evaluation and assessment;
- Carrying out safety inspections and audits and identifying the respective mitigating measures, bearing in mind the goal of minimising incidents and accidents with an impact on railway safety;
- Management and monitoring of the Wagon Maintenance Management System (certification valid until 2024, subject to annual supervision);
- Management of the processes for Authorisation for Placing in Service, safeguarding the technical conditions and procedures inherent to the design, construction, placing in service, readaptation, renewal, operation and maintenance of the constituent elements of the railway system;
- Management of the rolling stock safety certification process (running on track open to operation, movement on tracks closed to traffic and checking of track machinery in a working environment) and production of technical and regulatory conditions for vehicle circulation, ensuring consistency in the processes and compatibility with the various components of the railway infrastructure;
- Management of the procedures associated to IP's Security Management System as a support to the Security Clearance renewal and maintenance process.



A. Railway Safety Indicators

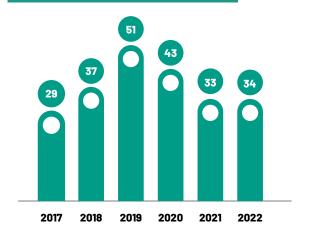
In 2022 there were 34 Significant Accidents (SA), 1 SA more than the previous year.

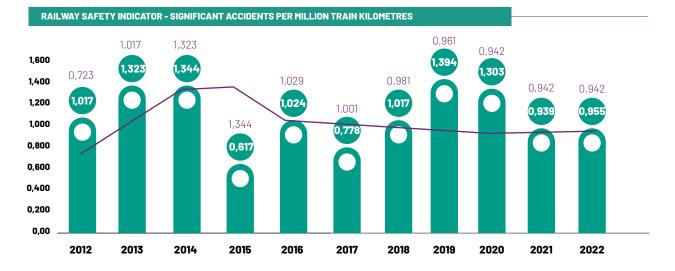
Compared to the 5-year SA average, there is a reduction of 12% (5-year average: 39 SA).

With regard to causes, and in line with what has been verified, the vast majority of SA, around 76%, are due to factors external to the railway system, whose control is difficult for IP, mostly due to intrusion in the railway area (20 accidents involving people and 6 accidents at level crossings), despite the existing systems and signalling.

The Significant Accidents index (number of significant accidents per million train kilometres) in 2022 was 0.955 AS/Mck, which is unfavourably below the target set for 2022 (0.942 AS/Mck) in the Programme Contract established between IP and the State.

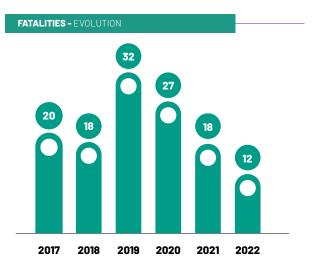






With regard to the consequences of Significant Accidents, it can be seen that of the 12 fatalities recorded:

- 83% (10) of victims are unauthorised persons trespassing on railway space, and
- 17% (2) are persons who did not respect the safety rules for crossing.





In "events that are not accidents", there was a consistent decrease in the values of Accident Precursors, particularly at the level of "track deformation", which shows the consolidation of the improvement in the infrastructure conditions.

Thus there is a slight increase of 6% compared to 2021. Comparing the figure recorded in 2022 with the average of the last 5 years, there is a reduction of 39%.

IP continues to have as one of its main objectives railway safety, namely through the promotion of a proactive personal attitude with a focus on railway safety issues and the adequacy of safe behaviour. The strengthening and implementation of good practices and the adoption of the necessary mechanisms to promote and identify new approaches and new partnerships that will contribute, in their share of responsibility, to an increasingly Safe Railway System will be maintained in 2023.

B. Railway Safety Inspections

One of IP's fundamental activities in terms of railway safety is Safety Inspections, which allow the identification of non-conformities and risk situations and propose the respective mitigating and improvement measures.

In the last 5 years the following extension of the railway network was covered with Rail Safety Inspections:

248	189	139	119	89	95
2017	2018	2019	2020	2021	2022

ACCIDENT PRECURSORS - EVOLUTION

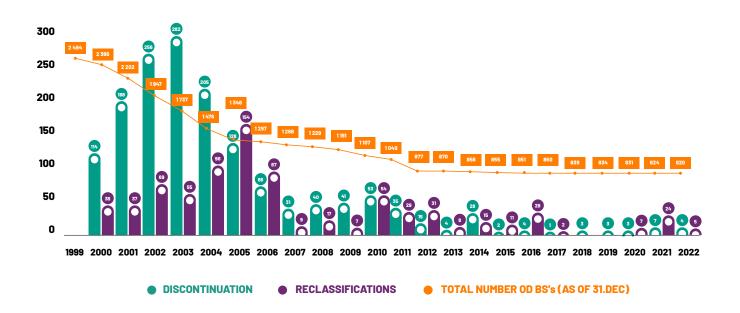
RAILWAY SAFETY INSPECTIONS - DEVELOPMENT

Type of Inspections	2014	2015	2016	2017	2018	2019	2020	2021	2022
Pedestrian(no/km)	25/119	19/104	12/65	15/74	20/105	21/109	10/54	22/148	23/123
Train(no/km)	6/877	12/1195	3/406	1/146	15/1216	11/693	2/39	3/284	4/348
Regulatory(no/km)	3/7	1/2	1/2	3/6	6/54	4/8	11/240	04/19	24/180

The activity developed in 2022 registered a positive evolution compared to 2021, essentially motivated by the performance of rolling stock inspections, which fall within the type of regulatory inspection.

C. Level crossings

In implementation of the 2022 Level Crossing (LC) Suppression and Reclassification Plan - obligation of the road and rail network managers under the terms of article 2 of Decree-Law No. 568/99, of 23rd December - 4 suppressions and 5 reclassifications were carried out, with the associated investment being included in the signalling contracts for the Vale de Santarém-Entroncamento and Ovar-Esmoriz sections of the North Line and the modernisation of the Ovar-Gaia section of the North Line. At the end of 2022, there were 820 Level Crossing in the universe of lines with railway operation (EIT50), of which 477 (58%) have active protection, achieved through human equipment or the existence of automatic signalling. The resulting average density of Level Crossings was 0.32 LC/km at the end of 2022. The following graph reflects the evolution in the number of Level Crossings and actions undertaken in recent years:



Within the scope of the Infrastructure Manager's responsibility, to guarantee the correct classification of the Level crossings, as foreseen in article 13 of the Level Crossings Regulation, published in annex to Decree-Law 568/99, the Inspection and Characterisation of 120 Level crossings was carried out, including an assessment of the use and associated risk factors.

Within the scope of risk mitigation in Level Crossings, the following studies and/or interventions were carried out:

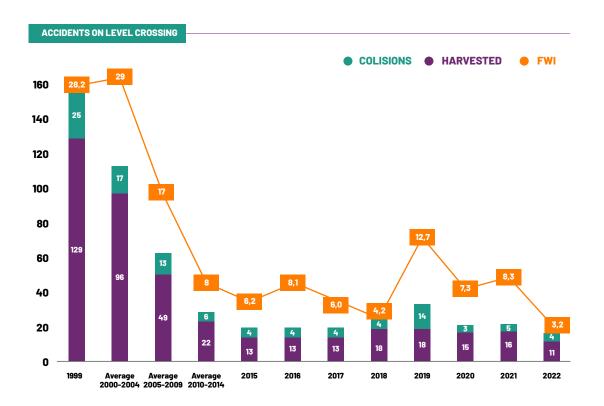
 Associated with the reconversion, for automated LC, of 4 North Line LC, in the electronic signalling contracts of the Vale de Santarém-Entroncamento and Ovar-Esmoriz sections, risk mitigation solutions were defined for these LC, through road intervention (reinforcement of signalling, plus, occasionally, improvement in the geometry of the immediate accesses). These solutions were then implemented in conjunction with the road manager;

- The interventions, for the separation of road and pedestrian traffic, have been defined in 5 automated Level Crossings;
- The analysis of risk, and consequent definition of solutions for its mitigation, has begun in the 74 Private LC of the RFN.

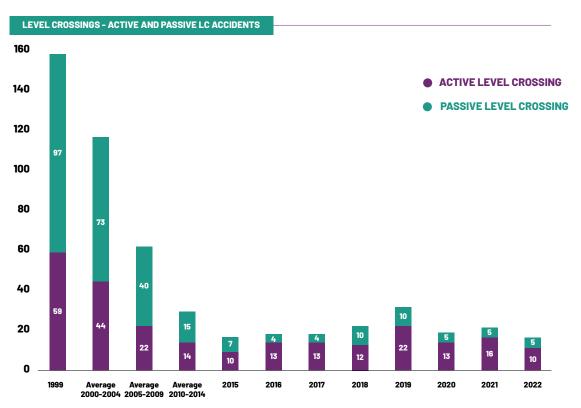
The definition of alternative level crossings to LC was also carried out on the lines and sections of line to be intervened, with a view to the consequent preparation of the respective projects.

In recent years, the accident rate at level crossings has evolved as follows:





Between 1999 and 2015, there was a decrease of more than 85% in the number of accidents and fatalities in LC, as a result of the policy of eliminating and improving safety conditions in LC at that time. Recent years show a stabilisation in the figures.



Of the accidents registered in the last five years, it can be observed that about two thirds occurred in LC with active protection, which shows, on the one hand, disrespect for the signposting in place and, on the other hand, that the effectiveness resulting from the introduction of measures to reinforce safety depends above all on the behaviour and co-responsibility of the users of the LC.

Considering this evidence, IP will continue – along with the actions in the field with interventions in the access roads to the Level Crossings – to invest in the communication and awareness campaign about the risks associated with the Level Crossing and good practices in crossing them, having promoted in 2022 another initiative of the campaign "Stop, Listen, Look", campaign, with dissemination on television and on national, regional and local radios, and amplified through digital channels and the network of billboards in railway stations.

It will also continue its involvement in institutional and training initiatives such as the *"International Day for Safety at Level Crossings"* which will be celebrated on 15 June 2023.

For the coming years, IP also maintains its commitment to continue with its action plan, aimed at reducing accidents in railroad crossings, with the objective, with the conclusion of the actions planned within the scope of the Ferrovia 2020 and Proximity programmes, of reducing accidents in LC by 40% more than in 2013, that is, no more than 16 accidents per year.

Also already under development are actions that are part of the level crossings accident reduction plan for the decade 2020-2030, which aims to reduce the number of accidents to less than 10.

5.4.3 EMERGENCY MANAGEMENT PLANNING

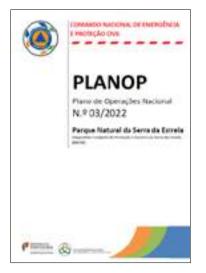
A. Activity developed in partnership with the National Authority for Emergency and Civil Protection (ANEPC)

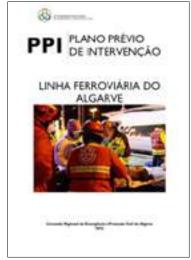
IP participates, on a regular basis, in the preparation of documentation associated with Emergency Management and Planning.

In 2022 we highlight work on the following documents:

- National Emergency Plan;
- Serra da Estrela National Operational Plan (PONSE);
- Elaboration / Revision of the District Plans of Emergency and Civil Protection of Braga, Aveiro, Guarda, Leiria and Faro;
- Preparation/Revision of the Municipal Emergency and Civil Protection Plans of Guimarães, Marinha Grande, Moura, Évora and Albufeira;
- Revision of the Prior Intervention Plan for the Algarve Railway Line.









B. Emergency Procedures - Railway and Road Infrastructure

As part of the development of emergency procedures within the scope of IP's activities, we highlight the main activities promoted and developed in 2022:

Railway Infrastructure

 Annex 10 of the Complementary Instruction for Technical Exploration (ICET) No. 296 - Specific Emergency Procedures Relating to Adverse Meteorological Conditions;

Road Infrastructure

- Review of the PEI Benfica and Venda Nova Tunnel;
- GR.PR.050 Management of Safety in Tunnels of the Trans-European Road Network;
- GR.MOD.215 Accident Analysis Report Incident;
- GR.MOD.214 Marão Tunnel Inspection Report;
- GR.MOD.213 Inspection Report on the Benfica and Venda Nova Tunnel;
- GR.MOD.214 Marão Tunnel Inspection Report;
- Buildings
 - Safety Plan (Self-Protection Measures) IP Engenharia

C. Exercises / Simulations

The Simulations Plan approved in 2022 showed an execution rate of 66.7% considering the planning defined in 2021.

- 4 railway accident exercises;
- 3 road accident exercises;
- 7 evacuation exercises.

In 2022, it is worth highlighting the number of exercises carried out in service facilities where IP employees with emergency management functions associated with fire safety are assigned.

IP participated in the "Earthquakes" exercise, a nationwide seismic risk awareness initiative promoted annually by the National Emergency and Civil Protection Authority (ANEPC), which took



place in November. This public exercise is part of the National Strategy for Preventive Civil Protection and aims to train citizens on how to act in the event of an earthquake.







Building Simulation (SCIE)

D. Inspections with external entities - IMT and LNEC

In accordance with the provisions laid down in Article 19 of Decree-Law No 75/2006, of 27 March 2006 - which sets out the minimum safety requirements for tunnels in the trans-European road network and the national road network (in its current wording), IMT and LNEC performed inspections in Grilo and Marão tunnels.





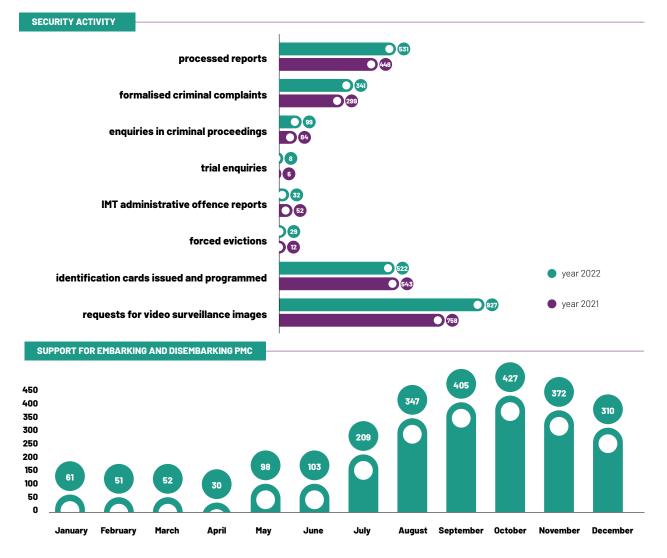


5.4.4 SECURITY

The action developed in the *Security* Area is based on that expressed in the IP's Organization Manual (GR.MN.001) and is carried out essentially by the Security Centre (video surveillance images, management of security guards, identification cards and access control) and by the Operation and Infrastructure Technicians (criminal complaints and respective subsequent acts and coercive evictions), in addition to the action of other employees, particularly at the reception and reception desks.

A considerable part of the work carried out is based on the Notices of Violation, which are assigned to the Public Railway Domain and which, after analysis, are treated or forwarded; as well as other communications of occurrences not assigned to the Public Railway Domain and which come from all the other Departments of the IP Group. In this context, a total of 531 Notices of Infraction were received and processed, with 341 criminal complaints and 32 reports to the IMT for administrative offences in 2022.

In the action developed by the Central Security Station and by the security guards at railway stations, we highlight a significant evolution in the support for the embarkation and disembarkation of people with limited mobility, which previously had little representation and which, during 2022, grew considerably. This service is made available by the CP and Fertagus operators, with the collaboration of IP security guards at the stations.



5.5 USE OF THE RAILWAY NETWORK

5.5.1 RAILWAY NETWORK UTILISATION (TRAIN KM)

The Network Directory is an annual document containing the characteristics of the National Railway Network (RFN), the general conditions of access and other services related to the railway activity provided by IP to railway operators. This document also discloses the charging principles and respective tariffs, presenting the methodology applied.

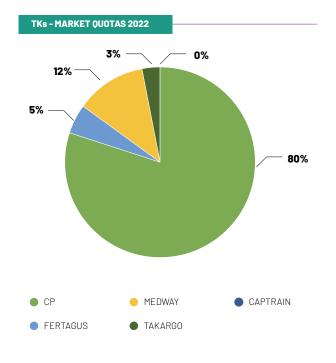
In 2022 a total of 35.3 million train kilometres (TK) were operated on the network by railway operators, of which 85% were passenger traffic and 15% freight.

unit: millions of CK Variação 22/21 ∆% 22/21 Infrastructure Use 2017 2018 2019 2020 2021 2022 31,0 30,1 30,6 27.4 29.4 29.9 0.5 Passengers 1.7% Goods 6,1 6,1 5,8 5,4 5,6 5,4 -0,2 -3,6% TOTAL 37,1 36.2 36,4 32.8 35,0 35.3 0,3 0.9%

Between 2021 and 2022 demand increased slightly by 1%, approximately 300,000 more train kilometres (tK). An analysis by segment shows an increase of 1.7% in the TK relating to passenger transport and a decrease of 3.6% in the transport of goods.

The railway operators operating in the RFN are CP and Fertagus for passenger transport and Medway, Takargo and Captrain for freight transport.

CP continues to be the operator that has the greatest impact on IP's activity, representing 80% of the market share.





5.5.2 RAILWAY INFRASTRUCTURE MANAGEMENT - CONTRACT PROGRAMME

In 2016 the State entered into a 5-year Programme Contract for the National Railway Network with IP, in compliance with Decree-Law No. 217/2015, of 7 October.

The purpose of the Agreement is to establish the State's obligations in financing the management of the infrastructure and IP's obligations to meet performance objectives, in the form of indicators and quality criteria, covering elements such as train performance, network capacity, asset management, activity volumes, safety levels and environmental protection. The Agreement also sets financial efficiency targets for IP in the form of revenue and expenditure indicators.

This Programme Contract ended on 31 December 2020 and has since been extended every six months for sixmonth periods. The last addendum concluded between IP and the Portuguese State is for the first semester of 2022, and no new addendum was concluded for the second semester of 2022.

Within this framework, the structure of the service level indicators is maintained, including indicators of a financial nature, which is indicated below:

1. Additional Margins which correspond to journey times added to the timetable planning to reflect the speed limitations imposed by the implementation of scheduled infrastructure interventions;

2. Railway punctuality, which corresponds to the aggregate indicator representing the annual punctuality observed throughout the railway network in operation, measured by the delay of trains on arrival;

3. Railway Customer Satisfaction, which is the result of satisfaction surveys of the Railway Operators and other users of the railway network in operation;

4. Network Availability, expresses the percentage of time that the infrastructure was open for operation;

5. Railway Asset Management, which aims to assess the state of conservation of the railway infrastructure;

6. Business volumes, which corresponds to the sum of the trains km performed on the national railway network in the year;

7. Safety Levels, determined by the ratio between the number of significant accidents and the total train kilometres, assessing railway safety in relation to actual train activity.

8. Environmental Protection, which translates as the percentage reduction in the number of people exposed to noise levels above the limits imposed by the General Noise Regulation, in relation to the total number of people exposed to these noise levels;

9. Railway Revenue, which evaluates IP's success in obtaining core income;

10. Other Income, which assesses the evolution of non-core revenue obtained from complementary activities associated with the operation of the railway infrastructure;

11. Maintenance Costs, which evaluates the evolution of Maintenance Expenses;

12. Expenses with Other External Supplies and Services, which evaluates the evolution of expenses with External Supplies and Services;

13. Personnel Expenditure, which assesses the evolution of personnel expenditure.

For each of the performance indicators, calculation formulas and performance targets to be achieved have been defined. For 2022 it was determined, within the scope of the extension of the Initial Program Contract, that the performance targets contracted for 2020 should be maintained.

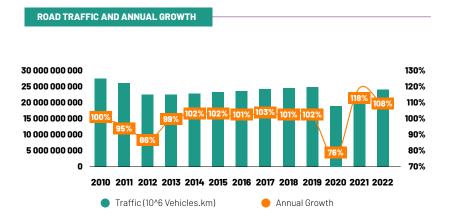
The results obtained in 2022, and the respective targets, are as follows:

Indicator	Goal 2022	Result 2022	Deviation 2022
Supplementary Margins	32	137	328,1%
Rail punctuality	≥ 90,00%	87,2%	-2,8 p.p.
Rail Customer Satisfaction	≥ 56,00%	65,00%	9,0 p.p.
Network availability	≥ 88,40%	76,2%	-12,2 p.p.
Railway Asset Management	≥ 61,30%	65,0%	3,7 p.p.
Volumes of Activity	≥ 37.366.349 TK	35.324.305 TK	-5,5%
Safety Levels	≤ 0,942	0,955	1,4%
Environmental Protection	3,00%	1,1%	-1,9 p.p.
Rail Income	100,00%	105,0%	5,0 p.p.
Other Income	5,60%	-12,7%	-18,3 p.p.
Maintenance Costs	1,00%	7,6%	6,6 p.p.
Expenditure with other ESP	0,00%	64,6%	64,6 p.p.
Personnel Costs	-3,00%	0,4%	3,4 p.p.

* The deviations marked in **green** are favourable relative to the target and those marked **red** are unfavourable relative to the defined target

5.5.3 MOVEMENT ON THE ROAD NETWORK (VEHICLE KM)

In 2022, traffic on the road network under concession to IP recorded an annual growth of 8%, reaching 23,965,219,594 vehicle km, which is justified by the tendency to return to normality in 2021 and 2022, after the severe limitations on traffic in 2020 due to the pandemic caused by COVID-19.





5.5.4 ROAD NETWORK SERVICE LEVELS

IP's concession contract with the Portuguese State, signed on 23 November 2007 and published on the same date through the Resolution of the Council of Ministers No 174-A/2007, meanwhile revised by Decree-Law No 110/2009 of 18 May, provides that the road sections of the national road network must comply with service levels in accordance with that

recommended in the NRP2000: Level B for the Fundamental Network and Level C for the Complementary Network.

In the following table we present the results of the level of compliance with the service levels for 2022, where we can see that the level of compliance was 99.5%.

		Compliance				No Compliance		
Туре	No Restrictions (km)	With Restrictions (km)	Total (km)	%	Value (km)	%	Total Extension (km)	
IP	506,3	93,7	599,9	100,0	0,0	0,0	599,9	
EDIP	256,9	2,2	259,2	100,0	0,0	0,0	259,2	
IC	953,9	49,0	1 0 0 3,0	100,0	0,0	0,0	1 003,0	
EDIC	1 059,8	72,3	1 132,1	100,0	0,0	0,0	1 132,1	
EN/ER	7 840,2	425,3	8 265,5	99,4	53,3	0,6	8 318,7	
TOTAL	10 617,1	642,5	11 259,6	99,5	53,3	0,5	11 312,9	

5.5.5 PARTNERSHIPS WITH OTHER ENTITIES

The diversity of the operational performance developed by IP recommends and determines the need to establish partnerships with external entities (municipalities, other public entities, promoters, etc.), with a view to complementarity, cost sharing, efficiency gains and adequate allocation of functions to the most suitable party.

These partnerships, formalised through Agreements, meet the definition of the Statute of the National Road Network (EERRN), approved by Law No. 34/2015, of 27 April.

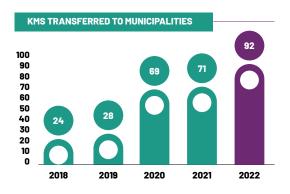
There are three types of Agreements defined under this Law:

- Dominial Mutation Agreements (AMD) for transfers of roads declassified by NRP 2000, roads replaced by bypasses;
- Management Agreement (AG) to be signed with municipalities or other public entities;
- Agreements with Third Parties (AT) to be concluded with third parties (Private Individuals and private companies).

With regard to Dominial Mutation Agreements, in 2022 approximately 92 km of declassified network were transferred to Municipalities, with a growing trend in recent years, as shown below:

The network to be transferred to the Municipalities were 3,619 km at the end of 2022.

The financial contribution associated with the transfer of roads in 2022, under Dominial Mutation Agreements, was 4.2 million euros.



5.6 PUBLIC PRIVATE PARTNERSHIPS

IP's activity includes routes currently managed under Public-Private Partnerships (PPP), namely Subconcessions.

In accordance with the terms of the Concession Contract established between the Grantor State and the former EP, Infraestruturas de Portugal (IP) is contractually responsible for making the payments incumbent upon the State and receives the amounts to be collected by the latter, as Grantor, under the State Concession contracts.

It is, however, the IMT, in accordance with Decree-Law No. 77/2014, of 14 May, the competent entity to represent the State Grantor in matters of road infrastructures.

5.6.1 RENEGOTIATION OF CONCESSION AND SUB-CONCESSION AGREEMENTS

The negotiation process relating to all the State Concession contracts was concluded during 2015, with the signing of nine contracts corresponding to the North, Silver Coast, Beira Litoral/Beira Alta, Greater Porto, Greater Lisbon, Northern Interior, Beira Interior, Algarve and Northern Coast concessions.

These nine contracts were sent for examination by the Court of Auditors (CA), and were returned with the indication that they are not subject to prior supervision, and are therefore in full effect.

As far as the negotiation process of the sub-concession contracts is concerned, the respective state of play is presented below.

ALGARVE LITORAL SUB-CONCESSION

The Algarve Litoral Amended Sub-concession Contract (CSA), signed on 23 October 2017, was submitted for prior inspection by the Court of Auditors, but in view of the CA's decision issued in December 2017, IP informed the Sub-concessionaire that it would have to be submitted, again, for prior inspection by the Court of Auditors. After examining the case the CA, through Judgement No. 29/2018, refused, on 20 June 2018, to grant the Visa.

The Court of Auditors, through judgment No. 13/2019 of May 28, upheld the initial position of refusal of approval of the Algarve Litoral Sub-concession Contract, and for this reason the Board of Directors decided to appeal to the Constitutional Court against such decision and resubmitted the Amended Sub-concession Contracts (Baixo Alentejo, Transmontana Motorway and Pinhal Interior sub-concessions) to prior supervision by the Court of Auditors.

In 2020 and after an initial decision not to admit the appeal, IP complained to the plenary, which, through judgment No. 58/2021, of 22 January, took the final and definitive decision not to admit the appeal.

It is IP's understanding that, once the means to appeal against the decision of the Court of Auditors have been exhausted, the definitive refusal of prior approval of the CSA is confirmed, under the terms of paragraph 4 of Article 45 of the Law on the Organisation and Process of the Court of Auditors, which is a condition for it to come into effect.

In this context, the Reformed Sub-concession Agreement, entered into on 20 April 2009 and amended by the reform instrument of 28 May 2010, definitively constitutes the contractual title governing the concession relationship established between the parties.

On 17 July 2019, the Sub-concessionaire (RAL) requested IP's acceptance for its declaration of termination of the sub-concession contract, under the terms of the applicable law, and the RAL, on 4 September 2019, in the face of disagreement on the part of the sub-concessionaire, triggered Arbitration proceedings against IP which are still ongoing. In the context of this same action, the RAL made a precautionary application, requesting an advance payment of 30,007,923.12 euros, plus a monthly amount until a final decision is taken, of at least 1,162,805.95 euros.

By decision of 9 March 2021, IP was ordered to pay 30,007,923.12 euros, plus a monthly amount until the final decision is rendered, of at least 1,162,805.95 euros, and 1,262,805.95 euros after 45 days of the said arbitration award. The amounts in question are being paid by IP on account of the remuneration due under the Reformed Sub-concession Contract.

From an operational point of view, it should be borne in mind that:

 the Sub-concessionaire suspended at 24h00 on 06 July 2018 all operation and maintenance activities carried out by it. In this context, IP, under the supervision powers



foreseen in the aforementioned sub-concession contract, promoted the necessary means to ensure the safety conditions of people and goods, without prejudice to the need to activate the contractually established mechanisms for situations of non-compliance with the Operation and Maintenance requirements conferred on the Sub-concessionaire;

- Subsequently, the sub-concessionaire resumed activities only on the object defined in the Amended Sub-concession Agreement (CSA), stating that the same has been in force since 27.12.17, refusing to make interventions on the roads which the aforementioned agreement establishes will come under the direct jurisdiction of IP. This situation has forced IP to intervene in this sub-concession network in emergency situations and to guarantee road safety conditions, given the sub-concessionaire's express failure to comply;
- With the Arbitration Court's interim decision of 09 March 2021, IP pays in April 2021 the amount of 30,007,923.12 euros, and starts paying monthly the amount of 1,162,805.95 euros until the month of July in view of the following;
- On 18 July 2021, following the decision of the Arbitration Court of 9 March 2021, referring to the precautionary request, the sub-concessionaire resumed operation and maintenance work on all sections included in the Reformed Sub-concession Contract, including those that would be excluded from the sub-concession due to the commencement of the Amended Sub-concession Contract. As of this date IP will pay the amount of 1,262,805.95 euros.

BAIXO TEJO AND WEST COAST SUB-CONCESSIONS

Following the refusal of the Court of Auditors' approval of the Algarve Litoral sub-concession contract, the sub-concessionaires of Baixo Tejo and Litoral Oeste considered that the negotiation process was unviable under the exact terms of the Memorandum of Understanding (MoU) established with the Negotiating Committee, which had not been extended.

This resulted in the expiry of the MoUs and reinvested the sub-concessionaires and IP in the rights and obligations they held on the date of signature of the MoU, i.e. the Reformed Sub-concession Contracts were resumed, including IP's payments under these contracts. It was the understanding of the two sub-concessionaires that negotiations should not be continued.

AEBT, the sub-concessionaire of Baixo Tejo has communicated this fact to IP, also stating that the (formal) permanence of ER377-2 in the Sub-concession, together with AEBT's inability to continue its construction and operation (due to the annulment of DIA), unbalances the Sub-concession Contract financially, depriving the project of absolutely essential revenue to pay for, among other things, the widenings and major repairs foreseen in the Work Plan.

Following this, IP, on 07.02.19 and reiterated on 11.06.19, under the terms of Decree-Law 111/2012, of 23 May, requested SEI to set up a negotiation commission, based on the objective need to contractually reflect the impossibility of constructing ER377-2, which was set up by order of the UTAP coordinator on 22 July 2019 and the CN's final report was submitted to the Government on 8 January 2021.

On June 4, 2021 and following the approval of the report of the negotiation commission (NC) by the Secretary of State for Finance and the Secretary of State for Infrastructures, an agreement was signed between IP - Infraestruturas de Portugal, S.A. (IP) and AEBT - Autoestradas do Baixo Tejo, S.A (AEBT) the Amendment Agreement and other contractual documentation agreed between the NC and AEBT, with IP having submitted it for prior review by the Court of Auditors (CA).

The CA, on 20 July 2021, took a preliminary refusal decision.

The Amended SCC enters into force on 29 July 2021, after AEBT adheres to IP's understanding that the CA's decision allows it to enter into force (see. paragraph 1, sub-paragraph c) of Clause Four of the Amendment Agreement).

Following the entry into force of the Amended SCC, an adjustment payment was made to the sub-concessionaire in 2021, calculated by the Negotiation Committee, amounting to 73.8 million euros (+ VAT).

Regarding SC Litoral Oeste the Reformed SCC is in force.

BAIXO ALENTEJO, PINHAL INTERIOR AND AE TRANSMONTANA SUB-CONCESSIONS

The Amended Subconcession Agreements (CSA) of Baixo Alentejo, Pinhal Interior and AE Transmontana are effective since 3 April 2017, 21 December 2017 and 24 May 2018, respectively.

DOURO INTERIOR SUB-CONCESSION

In the Douro Interior Sub-concession, the renegotiations are finished, with the respective final minutes having been signed on 15 February 2018, and the process of approval by the government is underway.

With the final decision not admitting the appeal to the Constitutional Court referred to above (Algarve Litoral sub-concession), the Government's final decision on the renegotiation of the Douro Interior is no longer limited or conditioned by the pending appeal to the Constitutional Court.

This is the reformed SCC in force.

5.6.2 COMPLETION OF THE SUB-CONCESSION NETWORK

The seven Sub-concession contracts, with the object of the contracts in force, total an extension of approximately 1,019 km, with about 911 km in service (work completed), as summarised in the table below.

Due to the inherent complications of the Algarve Litoral sub-concession contract, approximately 82 km of new / requalification work and 26 km of suspended work have yet to be completed.

In the case of the Baixo Tejo sub-concession, it should be noted that, as contractually foreseen, the widening to 2x3 lanes of the A33 sub-sections between the Penalva junction and the A12 junction (15.2 km) is underway and the widening to 2x4 lanes of the IC20 sub-sections between the A2 junction and the Casas Velhas junction (3.05 km) is in the design phase, which includes the execution of a new branch connecting the IC20/A2 towards Costa Caparica/Lisbon.

Presented below is the extent of the sub-concession network, according to the sub-concession contracts that are in force.

					(km
		In progress			
Sub-concession	In service (*)	New construction	Rehabilita- tion	Not Built	Total
Douro Interior	241			0	241
Transmontana AE (Amended Sub-concession Contract)	136			0	136
Baixo Alentejo (Amended Sub-concession Contract)	113			0	113
Baixo Tejo	60			0	60
Coastal Algarve	165		82	26	273
West coast	102			0	102
Pinhal Interior (Amended Sub-concession Contract)	93			0	93
TOTAL	911	82		26	1,019

(*) Includes hauls which are in service but not upgraded



5.6.3 CHARGES 2022

Payments made during 2022 for road concessions and sub-concessions were 1,182.8 million euros (VAT excluded), 150.0 million euros less than budgeted for the period.

In comparison with 2021 there is a reduction in payments of -68.9 million euros (-6%).

		unit: millions of euros (excluding					
Concessions and Sub-concessions	2021		2022				
		Real	Budget	% Execution			
Concessions Availability Infrastructure + Availability A+B	626,7	646,9	643,0	101%			
Algarve	42,7	46,2	46,3	100%			
Beira Interior	49,8	52,3	51,9	101%			
Beira Litoral and Alta	113,1	118,8	118,7	100%			
Costa de Prata	48,6	48,2	48,4	100%			
Greater Lisbon	26,3	28,4	28,4	100%			
Greater Porto	74,5	77,6	76,6	101%			
Northern Interior	68,9	69,2	68,1	102%			
North	149,8	157,1	156,4	100%			
Norte Litoral	53,0	49,1	48,2	102%			
Availability + Service Subconcessions	598,7	483,1	595,9	81%			
AE Transmontana	50,4	53,0	52,0	102%			
Baixo Alentejo	35,3	39,1	37,7	104%			
Baixo Tejo	151,5	53,0	52,3	101%			
Douro Interior	81,4	84,8	84,6	100%			
West coast	121,4	119,2	119,0	100%			
Pinhal Interior	119,0	118,8	117,9	101%			
Coastal Algarve	39,7	15,2	132,4	11%			
Contributions and Rebalances	8,2	1,8	11,1	16%			
Major Repairs	18,1	51,0	82,8	62%			
Total	1 2 5 1, 7	1 182,8	1332,8	89%			

The 101% execution in **Availability of Concessions** payments (+3.9 million euros) results from the following combination of factors:

- Inflation Rate (+5,9 million euros) The inflation rate considered in updating availability charges was 0.8% in budget, while the actual inflation rate was 2.8%.
- Loss Ratio (-3.4 million euros) This deviation should only be temporal, with premiums/ claims deductions expected to occur in 2023.
- Advances / Withholdings (+1.4 million euros) Not projected in the Budget, so this difference was reflected in the next payment on account, already materialised in 2023.

In **Sub-concessions** the execution was 81%, the deviation being -112.8 million euros, which is essentially due to the following factors:

• Algarve Litoral (-117.2 million euros)

The payments made were lower than the amount foreseen in the budget.

• Service (+4.9 million euros)

This is due to the evolution of the inflation rate, the estimate of which used in the preparation of the budget was lower than actual inflation, and to the increase in traffic, which was higher than that foreseen in the budget.

Availability, Adjustments and Deductions (-0.5 million euros)

It essentially results from deductions for availability shortfalls occurring in the year 2021;

The implementation rate for the Contributions and Rebalances item was 16%, with the deviation of -9.3 million euros being mainly due to the annual compensation payment to the Litoral Centro Concessionaire, which was only made in January 2023.

The amount paid for **Major Repairs** was 51.0 million euros, which represents 62% of the amount foreseen in the budget, but represents a significant increase compared to the amount paid for the same period in 2021.

5.7 TELECOMMUNICATIONS AND BUSINESS CLOUD



Within the scope of the IP Group, IP Telecom is responsible for ensuring the effective management of the telecommunications infrastructure, based on fibre optics and technical road channels, and ensuring the supply and provision of Systems and Information Technology and Communications services, based on innovative solutions with a focus on Cloud and Security technologies.

IP Telecom has assumed a strategic position in the corporate market and in the public administration sector, as a retail communications operator(Wholesale) of fibre optics and management of the technical road channel for national and international operators.

Although 2022 was another atypical year, due to the war in Ukraine and instability due to price increases, particularly in energy, IP Telecom proved to continue on a path of financial robustness and technical capabilities, due to the technological evolutions introduced in recent years in its portfolio, both in terms of telecommunications and in terms of Cloud solutions, ensuring a high commitment to the importance of guaranteeing the stability and security of critical communications.

For these reasons, and having guaranteed reinforcements in the resilience and capillarity of its High Speed Networks to support the 5G networks of the B2C operators in the national market, in 2022 some investments were initiated that allowed it to also begin to enlarge its customer base of national and international telecommunications operators and Datacenters that reinforced, and will reinforce, its presence in national territory in the next few years.

The year 2022 is also marked by the presentation of the new IPT Cloud brand, in April, which had a joint development work directly with some clients and partners, through a special Early Adopter programme. This brand represents the positioning of the latest technology services portfolio in IP Telecom and for the national market. This is a completely renewed infrastructure, using innovative hardware and software architectures in the Portuguese market, as well as increased management flexibility and scale.

It should also be noted that, following the mandate given by the Portuguese Government to Infraestruturas de Portugal and IP Telecom for the technical structuring and execution of the new Continental-Azores-Madeira Submarine Cable Ring project, on 13 December 2022 the first block of procedures was launched to the market for its effective execution.

Turnover in 2022 with Information and Communications Technology services, excluding intra-Group IP flows, was 10.0 million euros, which represents a 13% increase compared to the figure for 2021, which was 8.8 million euros.



5.8 ENGINEERING SERVICES



The mission of IP Engenharia (IPE) is to prepare transport engineering studies and projects, to manage, coordinate and supervise contracts in this area and to promote the international business of the IP Group.

IPE is thus a company that provides specialised railway engineering services, dedicated to the coordination, preparation and revision of studies and projects and to the management, coordination and supervision of works, essentially in the context of the investments under the responsibility of Infraestruturas de Portugal.

IP Engenharia maintained the objective of ensuring economic, social and environmental balance in 2022 in accordance with its guidelines for sustained growth. Currently, the focus of IP Engenharia's action is centred on the railway domain, its activity being supported by the integrated management of the available resources and skills, necessary for an agile, targeted response to the IP Group's core objectives and investments, within the scope of the coordination, preparation and review of studies and projects, technical engineering consultancy, management, coordination and consultancy in the management of inspections and contracts.

Therefore, the company's activity results from the investment planning and respective orders by the IP, with which a close articulation is permanently promoted, in order to maximise the production capacity of the available resources.

International Business Development

In 2022 the international market approach strategy of the IP Group was maintained, under the responsibility of IPE, focusing on the Group's good institutional relationship with the public entities that manage the road and rail infrastructure in Portuguese-speaking countries, based on the sharing of knowledge and experience through the provision of integrated technical assistance and training services. As part of the institutional development of the IP Group's international business with Portuguese-speaking countries, IP Engenharia concluded two technical assistance programmes for the Government of Mozambique during 2022 and was awarded two new technical assistance programmes, also for the Government of Mozambique, which are currently under development.

IP Engenharia's income from Engineering and Transport Services, excluding intra IP Group flows, was 295 thousand euros in 2022, which represents significant growth compared to the 83 thousand euros verified in 2021, as a result of the increased activity in the international market, namely with the provision of services in Mozambique.

5.9 REAL ESTATE AND COMMERCIAL PROPERTY MANAGEMENT



IP Património (IPP) is the company within the IP Group responsible for the management and profitability of real estate assets, with vast experience in the commercial exploitation of the network of transport stations and interfaces, ensuring their efficient use, monetarisation, regualification and preservation.

The commercial activity promoted by IP Património was strongly impacted since the beginning of the pandemic, dictated by the new coronavirus, SARS-CoV-2, but 2022 showed signs of recovery in results, which began to be registered since the last quarter of 2021, as a result of the relief of the Government measures to control the pandemic. However, the negative impact of the pandemic on IPP's turnover was, and still is, evident, but to a lesser extent, compounded by the economic and financial difficulties resulting from the war in Ukraine.

In this context, the car park business segment shows a much slower economic recovery than the other segments, with income still well below pre-pandemic levels. Note the non-adoption during 2022 of extraordinary and temporary measures of exemption or reduction of the financial compensations.

In this context, and as we had anticipated, with the measures adopted by the Company in 2020 and 2021 it was possible to halt the denunciation of commercial contracts, with denunciation remaining lower than would have been expected if these measures had not taken place. And this will also have contributed to the recovery in income over 2022 as recorded, with the exception, essentially, of the car park activity.

But in this still adverse context arising from the pandemic, and aggravated by the effects of the Ukraine War on the global economy, it is important to stress that the IPP has entered into about 430 sub-concession contracts, 90 of which are new, for a total of about 1,120 contracts in force at the end of 2022. The continued interest of the market in the requalification of the spaces under IPP management should be noted, resulting in a financial investment of around 19.7 thousand euros expected to be made by the sub-concessionaires during the term of the respective contracts. The procedures promoted in 2022 include:

- Partial Private Use Sub-Concession Contract for the Exploitation of Advertising through billboards in areas of public railway domain;
- Procedure for the preparation of a sub-concession contract for the private use of space in the Lisboa-Oriente railway station for the installation of a digital screen for advertising;
- Procedure for the presentation of proposals for the signing of a contract for the sub-concession of the private use of a space in the Régua Railway Station for the installation of a commercial and/or services establishment.
- Promotion by IP Património and Turismo de Portugal of the Ecopistas de Portugal Partner Network, with the aim of contributing to the enhancement of these sustainable mobility routes, through the sharing of good practices and the promotion of initiatives to attract and involve residents and tourists;
- Sub-concession contract for the installation of the "Railway Competence Centre" (RCC) in the Guifões Development (Guifões Park).

As a result of the commercial activity carried out during 2022, in the still adverse context of the COVID-19 pandemic, there was a positive evolution of Operating Income associated with this area of activity, which rose to 16.7 million euros, 30% up on 2021.



ANNUAL REPORT

PERFORMANCE

6.1 FINANCIAL CAPITAL

The results achieved in the IP Group in the year 2022 were, in summary, as follows:

- Net Consolidated Profit of 48.3 million euros, which represents an increase of 32.4 million euros compared to 2021.
- Operating profit of 236.7 million euros, which represents a decrease of 12.9 million euros compared to the same period of 2021.
- Operating Income reached 1,317.4 million euros, 70.7 million more than in 2021;
- Operating Expenses were 1,080.6 million euros, 83.6 million more than in 2021;
- The Financial Result, on 31 December 2021, amounted to -191.2 million euros 29.4 million less in comparison with the same period of the previous year.

6.1.1 OPERATING INCOME

Operating income for 2022 was 1,317.4 million euros, 6% higher than in 2021.

SALES AND SERVICES

Total revenues from Sales and Services Rendered were 1,171.5 million euros in 2022, a 6% increase on the 2021 result.

Road Service Contribution (RSC)

The Road Service Contribution (RSC), created by Law 55/2007 of 31 August, constitutes the consideration paid by users for the use of the road network and is levied on petrol, diesel and LPG subject to and not exempt from the tax on oil and energy products (ISP).

The unit values of the Road Service Contribution for 2022 remained unchanged from those set for 2021, being 87 euros / 1,000 litres for petrol, 111 euros / 1,000 litres for road diesel and 63 euros / 1,000 litres for LPG auto.

		amounts in thousa				
Operating Income	Real 2021	Real 2022	Variation 22/21	∆% 22/21		
Sales and services rendered	1 101 825	1 171 499	69 674	6%		
Road Service Contribution (RSC)	636 392	665 501	29 108	5%		
Tolis	264 225	294 646	30 420	12%		
Railway Services	78 234	88 468	10 233	13%		
Grantor State - LDI Revenue	36 036	34 903	-1 133	-3%		
Construction Contracts	56 370	50 947	-5 423	-10%		
Other Services Rendered	30 567	37 035	6 468	21%		
Operating subsidies	55 055	55 055	0	0%		
Other income and gains	89 739	90 802	1063	1%		
Expenses/ (Income) from subsidiaries and associates	0	9	9	n/a		
Total	1 246 619	1 317 366	70 747	6%		



Revenue from the RSC, which is the main revenue of the IP Group, recorded an increase of 29.1 million euros compared to 2021 (+5%).

The main justification for this positive variation is the relief, compared to 2021, of the restrictions associated with COV-ID-19 and the strong containment measures adopted, which had a significant impact on road traffic and consequently on the increase in fuel consumption.

On 30 December 2022, by virtue of Law 24-E/2022, the RSC was extinguished, with a simultaneous increase in the ISP rate corresponding to the amount of the RSC and the creation of the Road Service Consignment. Thus, as of 2023, the financing of IP that was ensured by this Contribution will be ensured through this Consignment.

Tolls

In 2022, toll income increased by 30.4 million euros compared to the previous year (+12%), reaching a total of 294.6 million euros.

The increase in toll revenue is essentially due to the increase in road traffic on the toll network, with the number of transactions in 2022 registering a 6% increase compared to 2021.

In comparison with the same period of the previous year, it is important to note the entry into force from 01/07/2021 of the new discounts regime, foreseen in articles 425 and 426 of the LOE and whose implementation was defined by the RCM no. 80/2021, of 28 June, and regulated by Ordinance no. 138-D/2021 of 30 June. The effect of this new regime, to be applied in the AE ex-SCUT (which represent 60% of IP revenue), results in a reduction of 50% in toll tariffs, calculating a potential loss of revenue of around 69 million euros in 2022.

Despite this new discount regime, the increase in traffic recorded in 2022, probably leveraged by the very effect of the reduction in price as a stimulus to circulation, exceeded the strong impact of the

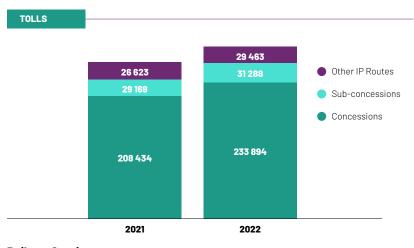


MONTHLY VARIATION IN FUEL CONSUMPTION IN 2022 COMPARED TO THE

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
Diesel
Gasoline

occurrence of the 3rd wave of COVID-19, which until the 1st half of 2021, forced the introduction of successive States of National Emergency, and which conditioned the circulation of people and goods and was reflected in the worsening of the loss of toll income.

The largest portion of toll income results from the use of the State Concessions network, in which IP holds the revenue from toll charges, which reached the amount of 233.9 million euros, representing 79% of total toll income.



Railway Services

Income from Railway Services, which includes the use of channels, the valuation of capacity requested but not used (suppressions by the operator), the use of service facilities, the provision of relief, additional services and ancillary services, reached a total of &88.5 million in 2022, up &10.2 million (13%) on the figure recorded in 2021.

The increase in 2022 is mainly due to income with **Additional Services**, which increased by 9.0 million, due to the re-invoicing to the Railway Operators of Traction Electricity, whose increase compared to 2021 is due to the strong increase in costs with energy in general, and electricity in particular, in 2022.



Income from the **Infrastructure Use Fee (TUI)** accounted for 68 million euros in 2022, an increase of 1.9 million (3%) compared to the same period in 2021.

Passenger service, which accounts for 89% of UF revenue, grew by 3.4% in 2022, while freight service decreased by 1.1%. The following table shows the evolution by segment.

	unit: thousands of eur			
AUXILIAR	2021	2022	Vari. (%)	
UI-Urban and Suburban	28 322	28 272	0%	
IU-Regional and Interregional	14 222	14 000	-2%	
IU-Long Distance and International	14 858	16 938	12%	
IU-Merchandise	7 334	7 268	-1%	
UI-Marches - Split by operator	1 275	1 362	6%	
UI-Special	27	86	69%	
	66 038	67 925	3%	

The evolution of activity in 2022 compared to 2021 is the result of a number of factors, of which we highlight the following:

- First full year, in 2022, of the use of new railway infrastructures concluded in the scope of the Ferrovia 2020 Investment Programme, namely the electrification of the Viana do Castelo / Valença section of the Minho Line and the entry into service of the Concordância das Beiras and the Covilhã/Guarda section of the Beira Baixa Line, which were made available in April and May 2021;
- Period of compulsory containment between 15 January and 30 April 2021, mostly in the passenger segment (lower number of movements);
- Closing of the Beira Alta Line, between Pampilhosa and Guarda, from 19 April 2022, as part of the works in progress as part of the Ferrovia 2020 Investment Programme;

- Strikes in CP and IP in June, July, August, November and December 2022;
- Adverse weather conditions at the end of 2022, which forced the interruption of railway traffic on several lines.

The most relevant **service** in terms of income from Service Facilities is the use of stations and platforms, which includes the use of areas allocated to waiting rooms, display of travel information and areas housing the technical equipment installed there. Besides the station and platform usage service, services are also provided for the availability of operational facilities in stations, the ceding of energy for operators' equipment in common station areas, among other services. Total income from Service Facilities reached 3.4 million euros in 2022, which translates into a slight increase of 56,000 euros compared to 2021

With regard to the provision of **Ancillary Service**, associated with telematics services, telecommunications, studies, the request for human resources for water and fuel supplies to trains, the commercial processing of goods and other services of minor expression, income in 2022 was 114,000 euros, 13,000 more than in 2021.

Grantor State

The amounts recorded under Grantor State (LDI Revenue) correspond to internal works debited to the long duration infrastructure investment activity, namely materials and labour for investment and the respective structure charges, under the terms of IFRIC12.

The calculated income was 34.9 million euros, which represents a decrease of 1.1 million (3%) compared to 2021.

Construction Contracts

The Construction Contracts represent IP's income from its construction activity



on the National Road Network as defined in its Road Concession Contract. This includes all of IP's construction activities, whether direct or sub-concession.

Capitalised financial costs correspond to IP's financial costs during the road construction phase and are composed of bank financial costs used to finance the acquisition of the State Concession Network.

The overall figure ascertained for this income was 50.9 million euros in 2022, 5.4 million (10%) less than in 2021.

This decrease, compared to 2021, results from the revision in 2021 of the costs with the construction of the sub-concession network. Except for this exceptional revision, there would be an increase due to greater execution of construction activities under the direct management of the IP.

Other Services Rendered

A. Management of Property and Commercial Areas

This income, amounting to 16.7 million euros, corresponds to the amounts arising from the rental of Spaces, Sub-concessions, Car Park Rental, Management of Developments and Advertising, with an increase of 30% in 2022 compared to 2021.

B. Telecommunications

This component includes the provision of telecommunications services to the market, rental, maintenance and other services associated with fibre optics; as well as technological solutions in application areas such as ERP, CRM, Service Management, Cyber Defence, Cyber Security, among others. The turnover of this segment reached 10 million euros in 2022, 1.2 million euros more than in 2021.

Construction Contracts	2021	2022	Var. (%)
Construction of New Infrastructure Contracts	28 457	40 289	42%
Construction Contracts Sub-concessioned Network - Estimates Rev.	16 953		
Capitalisation financial expenses	10 959	10 658	-3%
Total	56 370	50 947	-10%

amounts in thousands of euros

Other Services Rendered	Real 2021	Real 2022	Variation 22/21	∆% 22/21
Management of Property and Commercial Areas	12 857	16 718	3 862	30%
Telecommunications	8 848	10 009	1 161	13%
Engineering and Transport Services	83	295	212	255%
Merchandise Terminals	1 722	1833	111	6%
Licensing	544	655	112	21%
Service Areas	1 331	2 071	740	56%
Technical road channel	3 407	3 501	94	3%
Other	1 777	1 953	176	10%
Total	30 567	37 035	6 468	21%

C. Engineering and Transport Services

This segment includes the activities related with transport engineering services in multidisciplinary road and/or railway projects, and respective mobility solutions, at national and international level.

The turnover of this segment was 295 thousand euros in 2022, which reflects the strategic orientation of allocating IP Engenharia's resources to the Ferrovia 2020 Investment Programme, i.e. in the provision of intra-group services.

D. Railway Terminals

The operation of the Railway Terminals translated into revenue in 2022 of 1.8 million euros, 111 thousand euros more (+6%) than in the previous year. This positive variation results essentially from the price update, in 2022, and from an increase in the activities of higher added value.

E. Licensing

The changes introduced by the new legal regime of the Public Road Domain, namely with regard to its private use and the procedure for regularisation of accesses, had some impact on citizens and companies, which determined that the Assembly of the Republic decided, through the State Budget Law for 2017, to suspend the procedure for regularisation of accesses in the terms provided for in article 4, of Law No. 34/2015, as well as to suspend the procedures for application and collection of the fees provided for in Ordinance No. 57/2015. The consequence of this determination is the elimination of a significant part of the road licensing revenue.

Thus, the revenue related to licensing depends essentially on the annual fee collection processes of the FSS (Fuel Supply Stations), which begins with the reporting of litres sold in the previous year by the license holders.

The revenue from licensing in 2022 was 655 thousand euros, which represents an increase of 112 thousand compared to 2021 (+21%), which is the result of the update provided for in the law of the fees charged and the entry of new posts in the new legal regime.

F. Service Areas

Revenue with the Service Areas in 2022 was 2.1 million euros, 1.4 million euros more than in 2021 (+56%), which is essentially justified by a settlement made in 2021, relating to the annual rent of the Loulé Service Area. If this regularisation had not occurred, the value would be close to the same period of 2021.

G. Technical road channel

The turnover with the Road Technical Channel was, in 2022, 3.5 million euros, which represents an increase of 94 thousand euros (+3%) compared to the figure realised in 2021.

Operating Subsidies / Compensatory Allowances

 unit: thousands of euros

 Compensatory Allowances
 Real 2021
 Real 2022
 Variation 22/21
 Δ% 22/21

 Compensatory Allowances
 55 055
 55 055
 0
 0%

The income corresponding to the compensatory indemnities was, in 2022, 55.1 million euros, the same as in 2021.

The actual amount derives from the value set in the successive Addenda to the 2016 / 2020 Programme Contract, justified by the fact that the process to conclude a new Programme Contract for the provision of the public service of railway infrastructure management has not yet been concluded.

The last addendum concluded between IP and the Portuguese State is for the first semester of 2022, and no new addendum was concluded for the second semester of 2022.

In each of these Resolutions, the amount 27,527,528.98 euros + VAT was set for each semester, in a logic of application of twelfths in relation to what the 2016-2020 Programme Contract set for 2020.

The need to conclude these Addenda arose from the fact that it was not possible to conclude the negotiations of the new Programme Contract, which is expected to occur in 2023, for the period 2023-2027, depending on the Government's approval.



Other Income and Gains

	unit: thousands of euros			
Other income and gains	Real 2021	Real 2022	Variation 22/21	∆% 22/21
Investment Subsidies	61 452	66 349	4 896	8%
Income from Fees Subscription Concessions	8 854	8 854	0	0%
Gains on Sale of Tangible Assets	281	135	-146	-52%
Gain on Sale of Waste	1564	3 011	1 4 4 7	93%
Concessions of use and licences	3 381	1 997	-1 384	-41%
Accidents	1 479	1 618	140	9%
Other	12 728	8 838	-3 890	-31%
Total	89 739	90 802	1 063	1,2%

A. Investment Subsidies

Grants received from the Portuguese State and the European Union for the road component are recognised at their fair value when there is reasonable certainty that the conditions for receiving the grant will be met.

Non-repayable subsidies obtained for investment in tangible and intangible fixed assets are recognised as deferred income. Subsidies are subsequently credited to the statement of comprehensive income on a pro-rata basis of the depreciation/amortisation of the assets to which they are associated, and are recorded under the caption "Other income and gains".

The figure recorded in 2022 was 66.3 million euros, up 8% on the figure recorded in 2021.

B. Income from Concessions Signature Fees

The income with Concessions Signature Fees relates to the amount recognised in 2022 of the Fee attributed when the Greater Lisbon and Douro Litoral Concessions were signed.

C. Gains on Sale of Tangible Assets

In 2022 there was an income of 135 thousand euros from the sale of tangible fixed assets, 52% less than in 2021.

D. Gain on Sale of Waste

Gains from the sale of waste/used materials were 3 million euros, up 93% on 2021. This income is mostly due to the sale of ferrous waste.

E. Concessions for Use and Licences

Total income from Concessions of Use and Licences was 2 million euros in 2022, 1.4 million less than in 2021. This decrease is related to the alterations that occurred in the North and South Park of the Bobadela Railway Terminal.

F. Accidents

In 2022, compensation for damage to road assets totalled 1.6 million euros, 9% more than in the same period of 2021.

6.1.2 OPERATING EXPENSES

Operating expenses recorded during 2022 an increase of 83.6 million euros (+8.4%) compared to 2021, reaching the amount of 1080.6 million.

			unit: thousa	ands of euros
Operating Expenses	Real 2021	Real 2022	Variation 22/21	∆% 22/21
Cost of goods sold and materials consumed	259 301	280 709	21 408	8%
Variation in production inventories	127	0	-127	-100%
Conservation, Repair and Safety of the Road Network	120 384	126 583	6 199	5%
Conservation, Repairs and Safety of Railway Network	71 152	76 425	5 273	7%
Other ESF	124 362	161 051	36 688	30%
Personnel Costs	141 156	142 623	1467	1%
Impairments (losses/reversals)	440	-1 570	-2 010	-457%
Expenses/reversals of depreciation and amor- tisation	252 942	273 679	20 737	8%
Provisions (increase/decrease)	15 647	13 333	-2 314	-15%
Other costs and losses	11 482	7 798	-3 685	-32%
Total	996 995	1 080 631	83 636	8,4%

Cost of Goods Sold and Materials Consumed

			unit: thous	ands of euros
Cost of goods sold and materials consumed	Real 2021	Real 2022	Variation 22/21	∆% 22/21
New Road Infrastructure	28 457	40 289	11 831	42%
State Tolls Concessions	192 739	219 118	26 379	14%
Sub-concessioned Network - Estimates Rev.	16 953	0	-16 953	-100%
Consumption of Materials for Railway Maintenance	5 494	7 170	1677	31%
Consumption of Materials for Railway Investment	15 658	14 132	-1526	-10%
Total	259 301	280 709	21 408	8,3%

A. New Road Infrastructure

The values resulting from the construction of New Road Infrastructure are those related to construction activities under the direct management of IP, and are calculated based on the monthly works monitoring reports, and therefore reflect the physical evolution of the works in progress.

The execution in 2022 was 42% above the same period in 2021, which reflects a greater execution of the construction activities under the direct management of IP compared to the previous year.



The new contract signed with the sub-concession holder Baixo Tejo on 29 July 2021, which reflects the non-construction of some stretches foreseen in the initial contract, justified the need to review the estimated construction value of this sub-concession, which justifies the value of the item Sub-concession Network - Estimate Revision in 2021.

C. State Concessions Tolls

The amounts received by IP relative to tolls on State concessions (net of collection costs) are deducted from IP's investment in the acquisition of the rights over this same Concession network. The counterpart of this deduction is recorded in this item, which shows a deviation of +14% compared to the same period of 2021, a variation similar to that recorded in income from tolls on State Concessions, and which results from the increase in traffic on the toll network to levels higher than those recorded in 2019.

D. Consumption of Materials - Railway Maintenance and Investment OK

This heading records the consumption of various types of materials that are incorporated in the maintenance and investment in the National Railway Network (RFN). A reduction in material consumption in investment activities and an increase in material consumption in maintenance activities were verified in 2022.

Road Conservation, Repair and Safety

Total spending on road conservation, repair and safety was 126.6 million euros in 2022, up 6.2 million (5%) on 2021.

The **Periodic Maintenance of Roads** corresponds to the recognition of IP's increased responsibility for the costs necessary to maintain the level of service of roads and structures imposed on it by its Concession Agreement. Based on technical surveys of repair needs and the control of an average

	unit: thousands of euro			
Conservation, Repair and Safety of the Road Network	Real 2021	Real 2022	Variation 22/21	∆% 22/21
Regular Road Maintenance	55 665	55 665	0	0%
Road Safety	7 648	10 335	2 687	35%
Current Conservation of Infrastructure	56 186	59 515	3 330	6%
Road Telematics Maintenance	885	1 0 6 8	182	21%
Total	120 384	126 583	6 199	5%

unit: thousands of euros

quality index of the roads and structures, an annualised cost is calculated for programmed maintenance that enables the average quality index of the network to be maintained at the values at which it was received.

The value recorded in 2022 was 55.7 million euros, the same as the value recorded in 2021.

The **Road Safety** activities are supported by the Road Safety Plan which, besides autonomous interventions, also includes interventions within the scope of vertical and horizontal signage, traffic lights and the placement of new safety barriers, among others. The expenditure verified in 2022 was 10.3 million euros, 2.7 million euros more than in 2021.

Current Conservation corresponds to the expenditure of the year aimed at ensuring the maintenance, repair and replacement, in adequate conditions of functionality, of all road components, in order to ensure conditions of comfort and safety of circulation for users, thus avoiding the degradation of the infrastructure and its service conditions.

In overall terms, expenditure on current conservation on the Road Network (Conventional Network and High-Performance Network), including current conservation contracts (with operation on the High-Performance Network), specific contracts for vegetation management, for compliance with obligations relating to the defence of the forest against fires, specific contracts for the corrective conservation of pavements and activities developed by direct administration, reached the value of 59.5 million euros in 2022, which represents an increase of 6% compared to 2021.

The financial execution of the **Road Telematics Maintenance** activities was 1.1 million euros in 2022, which represents a 21% growth compared to the same period in 2021.

Railway Maintenance, Repair and Safety

In order to ensure the maintenance of the National Railway Network (RFN), complying with the service levels, IP has several maintenance service provision contracts. Most of these contracts are multi-annual and include Systematic Preventive Maintenance (SPM), Conditioned Preventive Maintenance (CPM) and Corrective Maintenance (CM).

Total expenditure in 2022 was 76.4 million euros, representing a 7% increase compared to 2021.

unit: thousands of euros					
Conservation, Repairs and Safety of Railway Network	Real 2021	Real 2022	Variation 22/21	∆% 22/21	
Carriageway	32 760	33 785	1024	3%	
Signalling	11 409	13 024	1 615	14%	
Telecommunications	4 313	4 267	-46	-1%	
Catenary	5 342	5 508	166	3%	
Low Voltage	1 969	2 322	353	18%	
Substations	698	778	80	11%	
Building and Construction	3 550	5 946	2 396	67%	
Artwork	415	345	-70	-17%	
Level crossings	723	509	-215	-30%	
Recovery of materials	387	700	313	81%	
Emergency train	1 4 5 4	1 591	137	9%	
Lifts and escalators	832	861	29	4%	
Deforestation	5 520	5 960	440	8%	
Other	1 779	829	-950	-53%	
Total	71 152	76 425	5 273	7%	

The main variations occur in the following specialities:

A. Track

The increase in 2022, in the specialty of track, is related to the performance of autonomous actions of heavy mechanical attack having been planned and carried out in 2022 1 million euros more than in 2021.

B. Signalling

The increase in the Signage specialty in 2022 compared to 2021, of 1.6 million euros (+14%) is essentially due to:

- Replacement, during 2022, of ten SSI Technical Terminals in places where no signalling modernisation intervention was foreseen in the short term and with more than two decades of operation, thus making it possible to solve an obsolescence problem pending for some time, enabling the useful life of the SSI signalling system to be extended (approximately 1 million euros);
- Full operation of the maintenance of phase 1A in the Nine-Viana section, of the Investment Programme for Promoting the Efficiency of Signalling and Telecommunications Systems (Lot A), which entered into service at the end of 2021 (+0.2 million euros);
- Execution of several autonomous actions not foreseen to be executed under the maintenance contracts, for a total of +0.3 million euros compared to 2021.

C. Building and Construction

The increase in Civil Construction, of about 2.4 million euros compared to 2021, is essentially due to the value achieved in autonomous actions, which had a real value in 2022 of about +1.6 million euros than 2021, with the completion of some high-value actions, of which we highlight:

- "North Line Paraimo Stop Conservation and painting of the pedestrian overpass (+ 410 thousand euros);
- "North Line Replacement of fencing in the railway channel - Several locations, left and right side, between pk 236+000 and pk 299+000" (+400 thousand euros);
- "North Line Quintans Stop Conservation of the pedestrian overpass" (+345 thousand euros);
- "North Line and Belt Line Demolition of Houses and Roofs (asbestos cement) 2022" (+333 thousand euros).

In terms of "Civil Construction Maintenance" Contracts, there was an increase of 0.8 million euros compared to 2021. This deviation was essentially due to the delay, in 2021, in the entry into force of the new global contract, "Civil Construction Maintenance 2021/2025", which was scheduled to start in December 2020, but only started in January 2022.

Other External Supplies and Services

Other External Supplies and Services reached the amount of 161.1 million euros in 2022, which is 36.7 million more than in 2021 (+30%).



			unit: thousa	ands of euros
Other Supplies and Services	Real 2021	Real 2022	Variation 22/21	∆% 22/21
0&M EP Sub-concessions	42 360	53 125	10 764	25%
Toll Collection Charges	18 904	17 896	-1008	-5%
RSC Collection Charges	12 728	13 310	582	5%
Electricity	14 887	34 613	19 726	132%
Fees, Consultancy and Other Specialised Labour	3 800	4 640	840	22%
Car Fleet	3 418	3 685	267	8%
Surveillance	7 598	7 646	47	1%
IT	4 679	4 962	283	6%
Cleaning	6 392	8 029	1637	26%
Travel and accommodation	365	473	107	29%
Communications	208	175	-33	-16%
Remaining ESS	9 022	12 498	3 475	39%
Total	124 362	161 051	36 688	30%

Note: the item Electric Energy does not include the consumption of electric vehicles, which is considered in the Car Fleet item.

The increase of 36.7 million euros in 2022 is essentially due to the following items:

A. 0&M Sub-concessions EP

This item represents the accounting recognition of operation and maintenance costs incurred by sub-concessionaires in the scope of the sub-concession contracts in force. The amount recorded in 2022 increased by 10.8 million euros compared to the same period in 2021.

B. Electricity

The electricity charges increased by 19.7 million euros in 2022 compared to 2021, which is directly justified by the escalation in energy prices in general, and electricity prices in particular, motivated by the international geopolitical crisis.

C. Cleaning

The Cleaning expenses increased by 1.6 million euros in 2022, which derives from the new contract signed in September 2021 having prices much higher than the previous one, which reflects the current market prices, strongly influenced by the increase in the national minimum wage.

This new contract came into effect for the whole of 2022, which compares with only four months in 2021, justifying the increase in expenditure in 2022 compared with 2021.

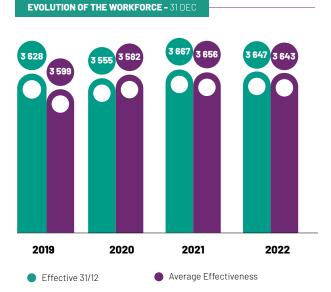
Personnel Expenditure

The IP Group's personnel expenses were, in 2022, 142.6 million euros, or 1.1 million higher than in 2021 (+1%).

	unit: thousands of euros			
Personnel Expenditure	Real 2021	Real 2022	Variation 22/21	∆% 22/21
Personnel Expenditure	116 197	117 321	1 125	1%
Wage Expenses	24 959	25 217	258	1%
Compensation	0	85	85	n/a
Total	141 156	142 623	1467	1%

The increase in personnel costs is essentially due to the wage progressions provided for in the Collective Labour Regulation Instrument, in force in the IP Group, since there was a slight reduction in the average headcount, which fell from 3,656 employees in 2021 to 3,643 employees in 2022.

The evolution of the headcount for the period 2019 / 2022 is presented below.



Impairments (Losses / Reversals)

In the year 2022 the movements in impairments (losses/ reversals) were \in -1.570 million, which represents an improvement of \in 2.0 million than in 2021. The 2022 result arises from the accounting of 86 thousand euros in impairments and 1,656 thousand euros in reversals. Detailed information regarding this item is presented in the Notes to the Financial Statements.

Expenses / Reversals of Depreciation and Amortisation

The recorded amount of depreciation and amortisation expenses amounted to 273.7 million euros in 2022, 20.7 million more than in 2021. Detailed information regarding this item is presented in the Notes to the Financial Statements.

Provisions (Increases/Reductions)

The total amount of expenses with increases / reductions in provisions was, in 2022, 13.3 million euros, 2.3 million euros less than in 2021. Detailed information regarding this item is presented in the Notes to the Financial Statements.

Other Expenses and Losses

The Other Expenses and Losses recorded a value of 7.8 million euros in 2022, which represented a decrease of 3.7 million euros compared to 2021. Detailed information regarding this item is presented in the Notes to the Financial Statements.



6.1.3 INVESTMENT

The amount of investment made up to the end of 2022 was 473.1 million euros, which represents a 70% growth compared to 2021.

This is the value of investment associated with the interventions developed in the road and railway infrastructure under the direct management of IP, i.e. in the development of interventions to expand, modernise and upgrade the network. It also includes the equipment necessary for the development of IP's activity, as the company responsible for managing the road and railway infrastructure. It does not include the charges assumed with the Public Private Partnerships.

unit: millions of euros ariation 22/21 Real 2021 Real 2022 ∆% 22/21 Investments Ferrovia 2020 195,8 347.6 151,8 78% PNI2030 1.7 10,5 8,8 501% 43,4 58,6 35% Other Railway Investments 15,2 175,7 73% 241.0 416.8 **Railway Investments** Road Investments PETI3+ 8.9 3,9 -5.0 -56% **PVAE** Investments 19,7 29% 25,4 5,8 Road Investment RRP 17.0 17.0 n/a PNI2030 - Road 0,1 0,1 0,1 65% Other Road investments (*) 1,7 2,5 0,8 43% Road Investments 30.4 49.0 18.6 61% Management Support Investments 6,4 7,3 0,9 15% Total 277,8 473,1 195,3 70%

(*) The value of Other Road Investments does not include the Provisions for legal proceedings of Expropriations and the reversal of provisions for legal proceedings for Contract Works (-8.7 M€)

Of note is the increase in investment under the Ferrovia 2020 Investment Plan, which reached 347.6 million euros (+78% than in 2021), a growth trend that was already anticipated last year and which should continue in 2023.

The item "Other Railway Investments" includes the Mondego Mobility System, with an execution cost of 15.4 million euros in 2022.

In road investments, the PVAE stands out, with an execution of 25.4 million euros in 2022, and the beginning of the financial execution of the RRP, with a record of 17.0 million euros in 2022.

Complementary information on each of the investments is presented in Point 5.3.

6.1.4 FINANCING THE INVESTMENT PLAN FERROVIA 2020 AND PNI2020

The implementation of the Ferrovia 2020 Investment Plan relies on a financial package made up of EU funds from the Connecting Europe Facility (CEF) programme, both in the General Envelope (30% to 50% contribution) and in the Cohesion Envelope (85% contribution) and from the Portugal 2020 programme (85% contribution), complemented by a National counterpart.

During 2022, regarding the approval of new Community Financing associated with investment projects, the most relevant events that occurred, within the scope of the 2014-2020 and 2021-2027 programming periods, correspond to the CEF and COMPETE2020 Programmes, with the following applications having been approved:

- MFF 2014-2020: S&T Signalling and Telecommunications: Beira Alta Line (CIN), Évora-Caia, Sines-Ermidas-Grândola (CIS) and Contumil-Ermesinde (CNS)
- MFF 2021-2027: Sines/Elvas Railway Connection (Spain): Évora-Évora North

With regard to the execution of EU funds allocated to IP for the development of road and railway infrastructures, a total amount of 149.2 million euros was received in 2022.

Finally, a table is presented with the set of active applications in 2022:

	- 1	1				unit: euro
Programme Period	Modality	Programme	Application Designation	Application Status	Total Cost of Investment	Reimbursement EU
MFF 2014-2020	CEF-GERAL	Railway	Sines/Elvas Railway Connection (Spain): Section Évora-Caia and Technical Station at km 118	Approved (active)	286 142 571	115 994 394
MFF 2014-2020	CEF-COESION	Railway	Sines/Elvas Railway Connection (Spain): Évora-Caia Section (2nd Phase)	Approved (active)	73 059 035	55 839 020
MFF 2014-2020	CEF-COESION	Railway	Beira Alta (Pampilhosa-Vilar Formoso): PE+ Work	Approved (active)	547 741 250	375 860 046
MFF 2014-2020	CEF-COESION	Railway	Sines/Elvas Railway Connection (Spain): Sines-Ermidas-Grândola	Approved (active)	44 139 899	33 736 125
MFF 2014-2020	CEF-GERAL	Railway	LAV Lisbon-Madrid studies	Approved (active)	7 932 847	3 966 424
MFF 2014-2020	CEF-GERAL	Railway	LAV Porto-Lisbon (1st stage) studies	Approved (active)	35 464 132	17 732 066
MFF 2021-2027	CEF-GERAL	Railway	Sines/Elvas Railway Connection (Spain): Évora-Évora North	Approved (active)	34 814 731	17 407 266
MFF 2014-2020	COMPETE 2020	Railway	Minho Line - Modernisation of the Nine/Valença Fronteira section (2nd Phase)	Approved (active)	81 958 678	67 858 668
MFF 2014-2020	COMPETE 2020	Railway	North Line - Modernisation of the Ovar-Gaia section (2nd phase)	Approved (active)	112 231 824	118 738 327
MFF 2014-2020	COMPETE 2020	Railway	North Line - Modernisation of the Alfarelos-Pampilhosa section (2nd phase)	Approved (active)	91 917 148	45 446 516
MFF 2014-2020	COMPETE 2020	Railway	Algarve Line - Electrification	Approved (active)	104 880 638	48 714 673
MFF 2014-2020	COMPETE 2020	Railway	North Line - Modernisation of the Santana Cartaxo-Entroncamento section (2nd phase)	Approved (active)	55 442 443	43 937 690
MFF 2014-2020	COMPETE 2020	Railway	Beira Baixa Line - Castelo Branco/Covilhã/Guarda Section (2nd Phase)	Approved (active)	82 311 595	60 571 950
MFF 2014-2020	COMPETE 2020	Railway	S&T - Signalling and Telecommunications on the Beira Alta Line (CIN), Évora-Caia, Sines-Ermidas-Grândola (CIS) and Contumil-Ermesinde (CNS)	Approved (active)	88 398 940	53 700 246
MFF 2014-2020	COMPETE 2020	Railway	Douro Line - Modernisation of the Caíde-Marco de Canaveses-Régua Section	Approved (active)	72 382 140	49 179 171
MFF 2014-2020	COMPETE 2020	Railway	West Line - Modernisation of the Meleças-Caldas da Rainha section	Approved (active)	112 417 167	43 520 443
MFF 2014-2020	POSEUR	Railway	Modernisation of the Cascais Line	Approved (active)	119 117 913	37 257 477
MFF 2014-2020	POSEUR	SMM	Mondego Mobility System - Implementation of a Metrobus System	Approved (active)	155 221 716	48 100 707
Total					2 105 574 666 €	1237 561 209 €



6.1.5 EQUITY STRUCTURE

At the end of 2022 Total Assets amounted to 28,920.3 million euros, which is mainly composed of Intangible Assets, mainly related to the right resulting from the Road Concession Agreement.

As at 31 December 2022, Equity totalled 11,487.2 million euros (40% of Assets) and Total Liabilities amounted to 17,433.1 million (60% of Assets).

unit: millions of euros Variation 22/21 **Equity Structure** 2020 2021 2022 ∆% 22/21 Asset 27 305,7 27 938,7 28 920,3 981,6 4% Non-current 21 215.6 21482.7 21800,8 318.1 1% 7 119.4 Current 6.090.1 6456.0 663.5 10% 8 528,4 10 156,9 11 487,2 1330,3 13% Equity capital Liabilities 18 777,3 17 781,8 17 433,1 -348,7 -2% -363,2 Non-current 14 740,9 14 159,7 13 796,5 -3% 4 036,4 3 622,1 3 636,6 14,5 0% Current

Assets at 31-12-2022 increased by 981.6 million euros compared to 31-12-2021, of which 318.1 million euros of Non-Current Assets and 663.5 million euros of Current Assets.

In Non Current Assets the increase is essentially due to the Intangible Assets item (+284.9 million euros).

In Current Assets the increase is mainly due to the item Grantor State - Account receivable (+338.3 million euros), and the item State and other public entities (+203.3 million euros).

With regard to Liabilities, there was a decrease of 348.7 million euros, of which less 363.2 million euros constitute the variation in Non-Current Liabilities.

In Non-Current Liabilities, the significant decrease in the item Other Accounts Payable (-157.3 million euros) contributed to this, essentially due to the reduction in the item "Creditors for Accrued Expenses - Sub-concessions", which records the IP Group's liability towards the sub-concessionaires for the construction, operation and maintenance services already carried out by them and not yet invoiced.

A significant contribution to the reduction in Current Liabilities was made by the decrease in Current Tax Liabilities (-13.8 million euros).

During 2022 capital increases totalled 1,281,975.000 euros, so that share capital at the end of the year amounted to 11,152,155.000 euros.

6.1.6 RESULTS BY DOMAIN AND MISSION

FRAMEWORK

IP has the obligation to provide the public service of managing the infrastructure that is part of the National Railway Network (RFN), under the terms in which it was delegated through Decree-Law 104/97, of 29 April, kept in force by article 20, para. 1 of Decree-Law 91/2015, as established in article 13 of the Basic Law of the Land Transport System, approved by Law 10/90, of 17 March.

They are included in the public service obligations of managing the infrastructure that is part of the RFN:

- · The management of railway infrastructure capacity;
- The command and control of traffic circulation;
- · The maintenance of the railway infrastructure;
- The promotion, coordination, development and control of all activities related to railway infrastructure.

Decree Law No 217/2015, of 7 October 2015, transposed into national law Directive 2012/34/EU, of the European Par-

liament and of the Council, of 21 November, establishing a single European railway area.

This Decree-Law defines, among others, the conditions for the provision of railway transport services by rail and for the management of the railway infrastructure, as well as the content and mandatory nature of the preparation and publication, by the infrastructure manager, of the Network Directory.

For the development of its activity in the railway domain, IP was structured by differentiating two segments:

- Investment Management: carried out directly on behalf of the State, it comprises the construction, installation and renovation of railway infrastructure, assuming rights and responsibilities over the public railway domain, namely the study, planning and development of investments in long duration railway infrastructures (LDI).
- Infrastructure Management: provision of the public service of infrastructure management of the national railway network, including functions such as conservation and maintenance of the infrastructure, capacity management, management of regulation and safety systems, as well as command and control of traffic (core activities).

This segment also includes Other Complementary Activities related to the monetization of other resources not directly allocated to the railway infrastructure (non-core activities).

METHODOLOGY

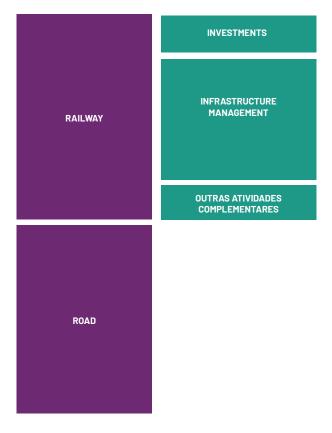
As the railway infrastructure manager, it is IP's responsibility to ensure, in a transparent and non-discriminatory manner, access to the infrastructure for all railway operators.

One of the mechanisms established in the legal provisions to guarantee this impartiality is the obligation to publish the Network Directory by the infrastructure manager, where the latter informs the market of the conditions of access, services offered and respective tariffs to be charged.

In addition to this responsibility of the manager, the demonstration of compliance of the model of calculation of directly attributable costs with the Implementing Regulation (EU) 2015/909, of 12 June.

It is fundamentally based on the breakdown of expenditure by railway and road, and, as far as rail is concerned, to distinguish between investment, infrastructure management and other complementary activities, as shown in the figure.

In a **first stage** the Total IP Costs are separated by Railway and Road segments, using an allocation key for the costs that cannot be directly imputed.



In the **second phase**, IP's total railway expenditure is separated into the missions of Investment, Railway Infrastructure Management and Other Complementary Activities.

The distribution of expenses between missions is based on a mission distribution key prepared for the purpose and which applies to all the company bodies, regardless of the nature of the expenses.

In the scope of the Railway Domain, costs directly imputed to the Maintenance and Conservation of the Railway Infrastructure, as well as costs related to Substations, Train Aid, Traction Power, AMT, Mutually Agreed Termination Indemnities and Transport Concessions, Recovery of Materials, Waste Management and Works for Third Parties do not apply this key, and are accounted for in the respective cost centres as belonging to Infrastructure Management missions or Other Ancillary Activities, respectively.

The values of investment materials in the respective cost centres are added to the Investment mission expenses resulting from the application of the distribution keys.



RESULTS

In this context, the following table shows the breakdown of the Operating Result by Area and Mission, based on the Separate Accounts of IP.

					values in euros
		Railway			
Description	Investment	Infrastructure Management	Other Complemen- tary Activities	Road	Total
Sales and Services Rendered	32 198 986	88 467 591	3 219 696	1 014 550 139	1 138 436 412
Operating Subsidies (Compensatory Indemnities)	0	55 055 058	0	0	55 055 058
Cost of goods sold and materials consumed	-14 140 834	-6 424 230	-612 407	-259 407 644	-280 585 116
Conservation, Repair and Safety of the Road Network	0	0	0	-126 582 628	-126 582 628
Conservation, Repairs and Safety Railway Network	0	-79 444 133	-700 484	0	-80 144 618
Other External Supplies and Services	-3 160 428	-52 304 034	-3 273 491	-94 084 444	-152 822 398
Personnel Costs	-13 420 460	-80 551 319	-4 882 736	-33 384 582	-132 239 098
Depreciation and Amortisation for the Year	-915 656	-3 013 245	-107 540	-267 536 675	-271 573 115
Provisions (increases/reductions)	0	0	-3 004 157	-10 372 253	-13 376 410
Impairments (losses/reversals)	0	0	873 116	0	873 116
Other Expenses	-561 607	-1 352 618	-1 134 322	-4 353 032	-7 401 579
Other income	0	0	18 095 295	83 087 190	101 182 484
Gains / Losses in Associates	0	0	3 181 924	895 069	4 076 992
Operating Results:	0	-79 566 930	11 654 891	302 811 139	234 899 101

6.1.7 FINANCIAL MANAGEMENT AND DEBT

Financial Management

IP Group

In 2022, the centralisation of the financial management of the IP Group's companies in the sphere of IP's Finance and Markets Department was maintained.

The main objective of this framework is the integrated management of the Group's financial resources with a view to optimising flows between subsidiary companies and the parent company. It is a sufficient condition that each subsidiary company manages the financial resources that guarantee its activity, but it is a necessary condition that they are maximized in order to contribute to the economic and financial sustainability of the IP Group.

The centralisation of financial management is also intended to standardise practices and procedures both in terms of cash management and in terms of the production of management information to support decision-making.

The processes associated with financial management are developed in accordance with the legal framework in force that imposes on companies in the public business sector (Decree Law No. 133/2013), which imposes the obligation to apply the principle of the State Treasury Unity (Article 28) and restrictions on contracting financing operations (Article 29).

The IP Group ended the year 2022 with total cash and cash equivalents of 247.1 million euros, broken down as follows:

			unit: mil	lions of euro:
c	ash Resourc	es		
Company	202	2	20	21
Infraestruturas de Portugal	234,7	95%	162,4	95%
IP Engenharia	3,3	1%	2,6	2%
IP Património	3,4	1%	3,4	2%
IP Telecom	5,7	2%	2,9	2%
TOTAL	247,1	100%	171,4	100%

At the end of 2022, the liquid assets include 170.9 million euros in Special Certificates of Short-term Debt (CEDIC) with the IGCP.

The table below shows the IP Group's financial flows in 2022, and the significant weight of IP should be highlighted:

	unit: millions of euros			
	IP Group Weight			
Payments	2 651,7	99%		
Receivables	1 4 4 5, 5	98%		

IP

As of 2012, with the reclassification of IP (ex-REFER and ex-EP) in the universe of reclassified public entities (RPE), the Budgetary Framework Law (BFL) determined the obligation to add to the financial management of IP, the perspective of public accounts, which was materialised by the integration, as of that year, of IP in the State Budget with equivalence to Autonomous Funds and Services (AFS), which implied compliance with specific legislation and the redesign and redefinition of financial, control and budget management processes.

The State Budget for 2022, approved by Law No. 12/2022, of 27 June, included overall funding needs for IP amounting to 1,646 million euros.

IP implemented its budget by applying Law No. 8/2012 (Law of Commitments and Late Payments) and related legislation, complying with the obligation to commit any and all expenditure prior to its implementation, within the limits of the appropriations allocated to the various budget lines included in the State Budget 2022.

Compared to the IP's Budget proposal for 2022 submitted to the General Directorate of the Budget, the approved version showed a reduction of around 1,192 million euros, to which around 116 million euros of captives were added, which significantly affected IP's activity. Additionally, IP faced difficulties in the timely allocation of sufficient funds available, a circumstance that is not unrelated to the duodecimal regime of budget execution that was in force until June. The combined effect of these facts has naturally conditioned the capacity for timely payment of expenditure.

On the revenue side, there was an overvaluation of 148 million euros, which resulted in an additional and indirect adjustment to the expenditure budget in the same order of magnitude with an impact on expenditure execution levels.

On the other hand, the formalisation process of the new Railway Framework Contract to be signed with the Portuguese State was not concluded, which also contributed to aggravating difficulties, increasing the need for the company to resort to specific authorisation requests to anticipate available funds, capital increases and expenditure deactivation.

It was in this context that IP managed its activity, seeking to minimise budget execution risks, and the main revenue and expenditure components that supported financial management in 2022 are presented below:

	unit: millions of e			
REVENUE	2022	2021		
Share Capital Increase	1282,0	1 612,7		
Road Service Contribution *	650,8	619,8		
Tolls*	340,8	313,9		
Community Funds and RRP Funds	204,8	80,4		
Network Directory	132,5	78,4		
Compensatory Allowances	33,9	67,7		
Dividends	2,9	0,4		
Other	57,0	61,7		
TOTAL	2 704,7	2 835,0		

* Deducted from collection costs

	unit: millio	ons of euros
EXPENDITURE	2022	2021
PPP Roads	1444,8	1 537,3
Other investments ***	505,8	246,2
Railway and roas Maintenance	200,4	167,5
Staff	129,4	129,6
Taxes	48,6	26,3
EIB Loans and Eurobonds Repayments	129,3	629,3
Financial Charges ****	78,2	98,5
Other	95,9	79,0
TOTAL	2 632,4	2 913,6

*** Includes Ferrovia 2020, SMM, PENI2030, PETI3+ Road, RRP, PVAE **** Excludes interest relating to State Loans

The year 2022 reflected an improvement in the company's revenues compared with the previous year, as a consequence of the lifting of the restrictions applied in the context of the COVID19 pandemic. This performance was felt above all at the level of collection of the RSC, toll collection and sales and provision of services, highlighting under this item the receipt of overdue debt from railway operators. With regard to expenditure, there is a significant increase in the value associated with railway investment compared to 2021, highlighting the projects in the scope of Ferrovia 2020.

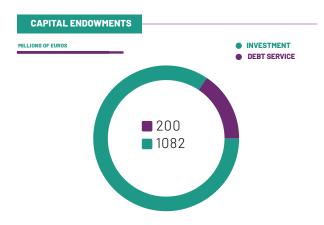


Share Capital Increase Operations

During 2022 there were operations to increase IP's share capital, which totalled 1,282 million euros. As at 31 December 2022, the company's share capital amounted to 11,152.2 million euros

		unit: euro
DATE		IP
Share Capital at 31-12-202	21	9 870 180 000
	1st Qtr. 2022	485 920 000
	2nd Qtr. 2022	256 570 000
Increases:	3rd Qtr. 2022	209 160 000
	4th Qtr. 2022	330 325 000
T0TAL 2022		1 281 975 000
Share Capital at 31-12-2022		11 152 155 000

These operations aimed at covering the following financing needs, where debt service excludes borrowings from the Portuguese State:



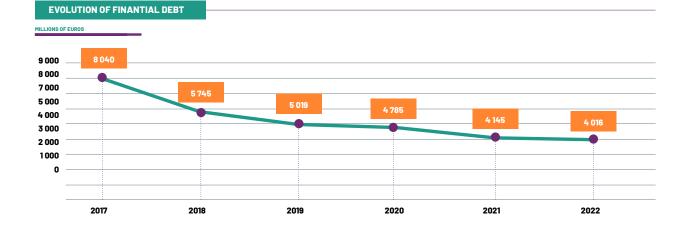
Of the capital endowment allocated to investment, 69% was allocated to payments for State Concessions and Sub-concessions (PPP) and the remaining 31% to railway investments. The capital allocation allocated to expenditure on State Concessions and Sub-concessions represents 52% of the total amount spent in the year.

Financial Debt Structure

Under the terms of Orders from the Minister of Finance No. 262/2022/MF of September 29, 2022 and from the Secretary of State for the Treasury No. 304/2022- SET of September 23, 2022, the deferral of the payment of the debt service on the loans amounting to 2,216 million euros, granted by the Directorate General of Treasury and Finance (DGTF) to IP, maturing on May 31, 2022, to November 30, 2022, without additional costs, was authorised.

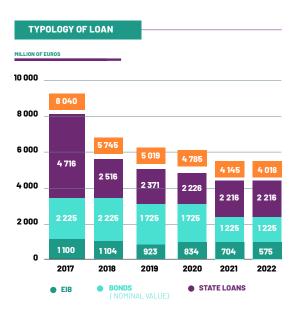
Under the Order of the Minister of Finance No. 77/2023/ MF of 10 April 2023, the Directorate General of Treasury and Finance (DGTF), granted IP a new moratorium on the payment of the debt service of the State loans allocated to the road component, which matured on 30 November 2022, extending until 30 November 2023. This deferral is not subject to the payment of interest.

At the end of 2022, IP's financial debt stood at 4,016 million euros, which means a decrease of 129 million euros compared to 4,145 million euros in December 2021, as shown in the graph below:



The amortisation of 129.3 million euros relating to loans contracted with the EIB contributed to the debt reduction mentioned above.

The following table details the total debt by type of loan:



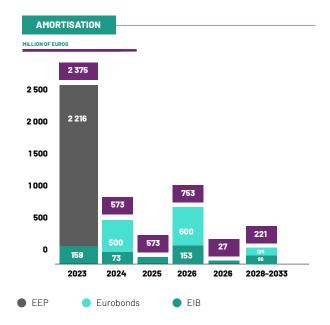
The weight of the financial debt guaranteed by the Portuguese State is 42% of the total debt. These include all EIB loans and two bond issues totalling 1.1 billion euros.

The loans granted by the State between 2011 and 2013, maturing in 2016, 2017 and 2020, have an interest grace period of around 12 months and a repayment plan varying between 8 and 12 equal and successive capital instalments. The interest rate regime contracted for these loans is fixed rate.

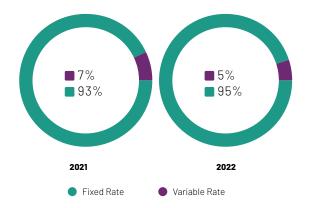
EIB loans have an amortisation schedule with equal or different but successive instalments of principal, allowing for smoothing of the debt repayment profile.

The bonds were contracted at a fixed rate and their reimbursement is made in a single instalment of capital on maturity (bullet). The repayment of these loans will take place in 2024, 2026 and 2030, which will imply their (re)financing in those years.

As can be seen in the graph below, the amortisations planned for 2023 total 2,375 million euros, and include the repayment of State loans amounting to 2,216 million euros and the amortisation of 159 million euros relating to EIB loans.



At the end of 2021 and 2022, the debt portfolio by interest rate regime was distributed as follows:



As at 31 December 2022, IP did not hold any financial risk management instrument. Given the composition of the portfolio, considers that the level of interest rate risk to which the company is exposed remains low.

The risk rating assigned by Moody's Investors Service to IP is Baa2 with Outlook Stable, in line with the rating of the Portuguese Republic, as a result of the following factors:

- IP plays a critical role in the management of the railway and road networks in Portugal;
- Effective supervision by the Government with the corollary of IP's inclusion in the budgetary consolidation perimeter of the State;



- Expectation that the State will continue to provide timely financial support where necessary;
- Maintenance of a high level of indebtedness and insufficient capacity to generate cash flow.

Analysis of Financial Results

For the analysis of the financial results, the Global Financial Result is considered, starting from the financial results in the Statement of Comprehensive Income and ignoring the accounting movements (credits) reflected in the Statement of Financial Position related to i) the debit of interest to the Grantor (in the case of railways) and ii) the capitalization of interest related to the PPP (in the case of motorways). This view gives the true perspective of the performance of the company's debt management activity.

The table below details the financial performance as of 31 December 2022.

Financial Result Real 2022 Real 2021 Change 2022/2021 Financial Result of Activity Investment -59,7 0,5 -59,2 Financial gains 0,0 0 0,0 Financial losses -59,2 -59,7 0,5 Financial Result of Infrastructure Management Activity -0,5 -21,4 20,9 0,0 0,0 0,0 Financial dains Financial losses -0,6 -21,4 20,8 **Financial Result High Performance** -195,1 -184,8 10,3 0,0 0,0 0.0 Financial gains Financial losses - Sub-concessions -174,4 -184,4 10,0 Financial losses - State Concessions -10.4 -10.7 0,3 Financial Result Road Network Management -5,9 -4,1 -1,8 Financial gains 0,0 0,0 0,0 -5,9 -4,1 -1,8 Financial losses **Overall Financial Result** -250,4 -280,3 29,9 Amount imputed - Grantor State 59,2 59,7 -0,5 Financial Result (Statement of Comprehensive Income) -191,2 -220,6 29,4 **RF Global direct management** -76,0 -95,9 19,9

unit: millions of euros



As at 31 December 2022, the Global Financial Result amounted to -250.4 million euros, an improvement of 29.8 million euros compared to the previous year. This positive deviation results mainly from the following factors:

- 20.8 million euro reduction in the financial losses allocated to the Railway Infrastructure Management segment, due to the decrease in the debt stock;
- 10 million euro reduction in the financial losses associated with the High-Performance segment, particularly in the sub-concessions, due to the reduction in both interest rates and the debt to sub-concessionaires;
- increase in financial losses in the Road Network Management segment by 1.8 million euros resulting from costs associated with new bank guarantees provided during the year in the context of the litigation process with the AT concerning VAT.

If the component associated with sub-concessions is removed from the Overall Financial Result, since it is a matter of charges with the financial updating of the debt to sub-concessionaires for work/services provided (and which will be invoiced in the future, according to the terms stipulated in the respective sub-concession contracts) and therefore not embodied in financing contracts signed by the former EP, that aggregate would total -76 million euros against -95.9 million euros in December 2021, reflecting a recovery of 19.8 million euros.

6.2 HUMAN CAPITAL

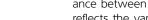
The following table presents a comparative summary, between 2022 and 2021, of the main indicators relative to the Human Capital and Training of the IP Group (data at 31 December 2022 and 2021, respectively):

	Unit	Contract Type	Gender	2021	2022
		туре			
Employment					
Total number of employees	N.º			3 667	3 647
Freedow on the Orender			F	24,2	24,0
Employees by Gender	%		М	75,8	76,0
		Short term		1,0	1,0
Employees by Type of Contract	%	Without fixe	ed contract	99,0	99,0
			F	22,9	25,7
"Employees by Type of Contract		Short term	М	77,1	74,3
by gender)"	%	Without	F	24,2	24,0
		fixed contract	М	75,8	76,0
			F	36,4	36,3
Employees by Management Position	%		м	63,6	63,7
Evolution of the Average Age	years			50,9	51,2
Evolution of the Seniority Level	years			23,4	23,6
Evolution of the Higher Education Index	%			37,4	37,5
Training					
			F	25 993	17 691
Total Hours	Н		м	188 000	93 791
Absenteeism Rate	%			4,92	5,58
Total Employees in Union	No.			1706	1689
Entries	No.			235	125
Outputs	No.			123	145

6.2.1 EMPLOYMENT

Evolution of the Workforce

On 31 December 2022, the IP Group had 3,647 employees under its charge, which translates into a reduction of 20 employees (-0.5%) compared to December 2021. This evolution, besides reflecting the net balance between admissions and cessations of employment contracts, also reflects the variation in the IP Group's staff whose employment contract with the company is suspended.



	Unid.	2021	2022
Total number of employees	No.	3 667	3 647

The table below shows the distribution of staff by type of contract and by functional groups $^{10}\!\!.$

Characterization		EBD Mandate	Leaders	Senior Technicians	Technical Assistants, Intermediate Level Technicians and Administrative Staff	Operational Assistants, Workers and Auxiliary Personnel	TOTAL
	F	4	82	463	256	75	880
Total Number of Employees	М	4	144	599	1 093	935	2 775
	Total	8	226	1062	1 3 4 9	1 010	3 655
	F		82	455	255	75	867
Permanent Contract	М		143	573	1 0 9 3	935	2 744
	Total		225	1028	1 348	1 010	3 611
	F			1			1
Fixed-term contract	М			1			1
	Total			2			2
	F			7	1		8
Contract for an uncertain term	М			25			25
	Total			32	1		33
	F	4					4
Other type of contract		4	1				5
	Total	8	1				9

Inputs and Outputs

In 2022 there were 145 exits from the IP Group, of which 51 occurred on the employee's initiative. As for the group "Other Reasons", there were 66 retirements, which reflect the ageing of the workforce.

	2022								
Mobility	< 30	< 30 years 8 Between 30 and 50 years old		> 50 years		Total			
riobility	F	M	F	м	F	м		-1	
Return			3			1	4	105	
Admission	11	39	15	53		3	121	125	
Exits by Mutual Agreement									
Exits on the initiative of the employee	3	11	8	27	1	1	51	1/5	
Exits by Expiry of Contract								145	
Exits for Other Reasons		2	6	4	22	60	94		
Total Outgoing	3	13	14	31	23	61	145		
Total Inputs	11	39	18	53		4	125		

¹⁰ Includes members of the Executive Board of Directors/Board of Directors.

The company's strategy involves stabilising its staff, pursuing a constant objective of renewal and rejuvenation, through the replacement of employees who leave their contract, with occasional reinforcements in critical areas, in which the operational areas of maintenance, inspection and supervision of infrastructures, and of design and engineering and other areas of investment support stand out. In the short/medium term there is an additional need to reinforce the areas associated to the fulfilment of commitments related to infrastructure investment plans and monitoring of the respective projects.



Turnover

Turnover makes it possible to measure the relationship between the entries and exits of workers in a company:

Turnover rate by gender	F	м
(Entries + Exits / 2)/ Final staffing by Gender	3,94%	3,63%

By analysing the information on turnover, the Coverage Rate between entries and exits stands out, falling from 191% in 2021 to 86% in 2022, reflecting the decrease in the number of entries made: from 235 in 2021 to 125 in 2022.

Turnover rates	2021	2022
Staff Turnover Index Final Effective / (Initial Effective + Entries + Exits)	0,94	0,93
Coverage Rate (Entries/ Exits x 100)	191,06%	86,21%
Total Mobility Rate (Entries + Exits) / Final staffing x 100	9,76%	7,40%

Age and seniority structure

The average age of the IP Group's employees rose from 50.9 to 51.2 years of age. The pace of admissions of younger staff, as opposed to the cessation of older workers, slowed down in 2022, making it possible to counteract the normal ageing that occurs with the passing of a year, but did not make it possible to rejuvenate the headcount.

The table below shows the age distribution of the various functional groups in the Group's workforce.

There continues to be a predominance of employees aged over 50 (around 57%), although it should be noted that, at the level of senior technicians, the most representative age bracket is the intermediate one.

It can also be seen that the under-30 age group maintains a negligible weight (around 3.8%), even considering the hiring of new workers over the last few years, which also reflects the need to recruit workers with some professional experience.

Age Structure		EBD Mandate	Leaders	Senior Technicians	Technical Assistants, Intermediate Level Technicians and Administrative Staff	Operational Assistants, Workers and Auxiliary Personnel	TOTAL
	F	4	82	463	256	75	880
Total Number of Employees	М	4	144	599	1093	935	2 775
	Total	8	226	1062	1349	1 010	3 655
	F			25	5	5	35
< 30 years	М		1	34	13	57	105
	Total	0	1	59	18	62	140
	F	1	38	271	83	10	403
Between 30 and 50 years old	М		57	307	341	334	1 0 3 9
	Total	1	95	578	424	344	1442
	F	3	44	167	168	60	442
> 50 years	М	4	86	258	739	544	1 631
	Total	7	130	425	907	604	2 073

Internal Recruitment and Mobility

In line with previous years, 2022 was marked by intense external recruitment activity, resulting in 121 admissions throughout the year, aimed at replacing people whose contracts had been terminated for reasons unrelated to the company.

From the total of 145 exits, explained by various reasons, of which retirement is the most significant (66), there were 51 terminations on the employee's initiative.

In fact, the year 2022 represents a turning point in terms of the ability to attract external candidates and retain employees, which was already being perceived hesitantly in 2020, and with greater expression since 2021.

The explanation for this situation is multifactorial, lying in both internal and external factors. The external ones, as is generally known, are characterised by a generalised lack of manpower in the country, which currently has an average unemployment rate of 6%, and the groups linked to the construction area and that of young people with higher qualifications, which are our main source of recruitment, are the most critical from an employer's point of view.

The internal factors relate to budgetary constraints which, upstream of the recruitment process, limit the offer of competitive remuneration and career prospects and which, after admission, increasingly impact on the capacity to retain young people admitted.

There is also an increase in the number of resignations of workers with several years of service in the company, in order to obtain better career/wage prospects.

Thus, the high number of departures coupled with the recruitment difficulties described resulted in the negative balance of replacement departures.

We reiterate the critical nature of the needs in the core areas, where the decapitalisation of know-how is felt and where ageing is more present, resulting in permanent exits due to retirement.

In this context, the launch of tender processes continued, making it possible to respond to some of the company's needs and to promote internal mobility, simultaneously allowing the career development of employees based on the evaluation of their profile and skills in order to guarantee an adequate selection.

It should also be noted that 25 processes of change of category were carried out, expressing upward professional mobility, 15 of which were integrations into the Senior Technical Category.

In the area of railway circulation, which is undergoing permanent reorganisation as a result of the ongoing investment processes in modernisation and automation, it was necessary to put into operation around 10 alterations of workplace, operated by closing down jobs in railway stations, with the consequent placement of employees in jobs in other stations, more critical to the operation of railway circulation, thus fulfilling the objective of responding to the needs of the stations.

As far as geographical and career mobility processes are concerned, we report 16 reallocations between different departments and 13 without change of department. In keeping with the requests of employees, which are met whenever possible, 30 cases of request to change place of work were reported, mostly with the aim of moving closer home. We also note 82 reallocations related to physical change of job position due to service needs, in addition to the above-mentioned closures.

Throughout 2022, 23 professional internships were carried out in different areas of the IP group. This incentive, through which young graduates can gain experience and learn new skills for a one-year period, has also been negatively influenced by market conditions. The response of the target public to the vacancies was considerably reduced compared to previous years.

Within the scope of the authorised recruitments, it was possible to integrate 15 trainees from the above-mentioned Professional Internship programme into the company's staff.

In 2023, we have the continuity of the recruitment process aimed at replacing people who leave, for reasons unrelated to the company, during the year.

6.2.2 SOCIAL DIALOGUE

The importance of social matters in the company is reflected by the existence of an area dedicated to them in the Human Capital Department:

- To promote articulation between the Company and organisations representing workers employed by the Company, with a view to reaching consensus between the parties, not only through collective bargaining but also through meetings with the said organisations whenever necessary;
- To develop actions regarding social benefits and the conditions of the social facilities made available to employees. With regard to this last point, we would like to highlight the importance of these installations in the context of the geographical dispersion of the jobs that make up the company, essentially in relation to stations and other railway structures.

Also within its scope of action is the support of activities and actions that favour the social climate and the relationship of the company with its workers.



Labour relations

Notwithstanding what was referred to in the previous point, the IP Group is still characterised by the coexistence of different labour regimes, which influence the conditions of organisation and provision of work, as well as the integration and evolution in different careers and professional categories.

Briefly, three regimes subsist in IP:

- Collective Labour Agreement (CLA) includes the IP Group's employees with individual labour contracts who adhere to the CLA, and corresponds to the vast majority of situations (about 90.1% of the workforce).
- General Labour Law for Civil Service includes employees with a contract of origin to the "civil service", from the now defunct "Junta Autónoma de Estradas" (JAE), which preceded the EP company (accounting for 9.7% of the workforce);
- Others includes the IP Group's employees with individual work contracts who did not join the CLA, workers assigned from other companies and public interest assignments (with a weight of about 0.2% of the staff);

	2021	2022
Number of employees with collective bargaining agreements	3 280	3 286
% Number of employees with collective bargaining agreements	89,4%	90,1%

It is according to these three realities that the Company organises, manages and classifies work provision, complying with the frameworks due to each situation.

It should be noted that since 2020 workers with a public contract, namely the Transitional Staff (QPT), had the possibility to opt for the application of the Career System annexed to the CLA, and the meal subsidy resulting from this IRCT is also applied to them, due to the alteration of article 17, No. 2, of Decree-law No. 91/2015, of 29-5, which created IP, operated by article 395 of Law No. 2/2020, of 31 March. On 31 December 2022, of these employees 95.2% exercised this option.

It is also recalled that, in 2019, the signing of the new Collective Labour Agreement (CLA), between the 4 companies of the IP Group and 22 subscribing trade union organisations, allowed a labour regime of reference for all employees with individual employment contracts (IEC), including a Career System. The CLA compliance rate in the IP Group for employees with individual employment contracts, which reached 99.9%.

Thus, 99.3% of workers (QPT and IEC) are already under the same Career System.

Syndication

IP maintains a relatively high rate of union membership, and the organisations representing workers employed by the Company play a very active role in mediating issues between their members and the Company.

Communication channels have been created between the Company and the Workers' Representative Organisations (WRO), through which the necessary matters and information are shared, all of which are subject to appropriate treatment. In addition to the regular meetings with the WRO, meetings may also be held to discuss specific issues if the topics under discussion warrant it.

Through the unionisation rate it is possible to measure the relevance that the unions have in the life of the company, mainly in the railway area. In December 2022, a total of 1,689 employees were unionised, which represents 46.3% of the IP Group's workforce and reflects a slight decrease compared to the previous year, when the unionisation rate was 46.5%.

	No.	%
Trade union members	1 689	46,3%
Non-unionised	1 958	53,7%

PERFORMANCE PART

Social Peace

Despite the high percentage of unionised employees and the high number of trade union organisations representing them, IP maintains a good relationship with all WRO - Trade Unions and Workers' Commissions (of IP and IPT).

Despite the preponderance of dialogue and the predisposition towards social peace, sixteen strikes were declared in 2022 by various unions representing workers at the service of the IP Group Companies, without significant impact on the normal functioning of the same.

In 2023, IP will continue to work to build a solid Social Peace, continuing the objective of in-depth social dialogue between the company and the WRO, always in search of platforms of understanding that lead to consensual solutions that generate added value for workers and the Company, with an impact on well-being and productivity.

Social Benefits

During 2022, IP updated and maintained the social benefits plan that has been in force in the company in recent years, and which aims to provide its workers with a set of complementary supports to their remuneration, in important social areas such as health, education, culture and sport.

Within the scope of the conditions of the social facilities, analysis and intervention continued in the facilities that accompany the railway network and identical activity in the facilities associated with the road network, with the intention of continuing this work in 2023.

HEALTH

It is important to mention that IP is a company with a notable dispersion of its workers, with a benefit such as health insurance playing a relevant role, as it allows easy access to health care anywhere in the country.

- Health Insurance Health insurance provides access to a comprehensive health care network, covering 90% of expenses. Consultations carried out outside the network also benefit from a 50% co-payment. The insurance provides for the possibility of including family members of the employee, in which case the premium is paid by the employee;
- Personal Accident Insurance Covers any type of professional and extra professional risks of permanent disability or death.

EDUCATION AREA

In this context, the company supports its employees in their children's pre-school phase, given the relative scarcity of supply in the public network in this area, and encourages and fosters the achievement of good grades throughout secondary and higher education, aware that good school performance may translate into better academic and professional prospects:

- Nursery IP has its own nursery infrastructure ("O Ninho"), preferably geared towards employees' children, but which also accepts enrolments from outside, as a way of enhancing the capacity to serve the community; in 2022 it welcomed, on average, 57 children;
- Pre-school allowance Awarded monthly to employees' children or equivalent, aged 4 months to 6 years, who attend nurseries, day-cares or nannies recognised by social security. The value per child of these subsidies varies between 30 euros and 90 euros, according to the level of remuneration received by the employee and in 2022 it was possible to support around 219 children;
- Scholarship Attributed to the children of employees who obtain an average equal to or higher than 14 out of 20 between the 10th year of schooling and the end of higher education. In 2022, 498 merit grading scholarships were awarded, by reference to the 2021/2022 academic year.

As a complement to this social support for schooling, IP grants student train passes to the children of workers who need them. In 2022, 41 student train passes were awarded, to which must be added 48 beneficiaries of two weekly journeys on long-distance trains.

CULTURE AND LEISURE

In this domain, the company regularly promotes initiatives that bring its employees (or their children) closer together, maintaining the group spirit (Christmas party), and also providing easier access to useful services (without incurring costs for the company) and that may translate into ways of conciliating personal and family life and increase the perception of well-being.

- Christmas Party In 2022, the usual organisation of the Christmas show for employees' children (up to 12 years old) was fully resumed, also giving gifts for up to that age group.
- Discounts and Partnerships Protocols established with various entities in the most distinct sectors, such as fuel, telecommunications, hotels, banking products, gyms, pharmacies, theatres, among others, at no cost to the company, and which allow access to products and services with discounts and/or facilities. For 2023, the goal re-



mains to increase the number and quality of partnerships so as to provide all employees with the greatest possible number of advantages in a wide range of areas.

TRAVEL CONCESSIONS

Under the terms of the law, workers employed by IP who come from the railways maintained their right to travel free of charge on the railways. This measure is extremely relevant in the context of professional activity, as it requires frequent travel along the entire railway network.

Since it is not possible to extend this measure to other workers, as it is limited by law, the company provides duty travel for the remaining workers, whenever necessary.

Initiatives to Support Associations and Entities of a social, cultural and sporting nature

IP supports some specific activities of a social, cultural and sports nature, carried out by entities with direct links to the company and its employees.

In the case of sports clubs, in 2022 support was given to Clube Ferroviário de Portugal, Grupo Desportivo dos Ferroviários de Campanhã and FERROFER, for the development of sporting activities.

Associação dos Lares Ferroviários, was given support to help with maintenance costs for the equipment owned by this association, namely in terms of air conditioning.

As in previous years, a subsidy was attributed to IP's Casa de Pessoal in order to pursue its activities within the scope of the personal, cultural and social development of its associated workers, in areas as varied as sports, social and recreational initiatives, medical services and social support for children and youths.

6.2.3 DIVERSITY AND OPPORTUNITIES

Equality between men and women

Historically, the railway sector has always been marked by the high percentage of the male population in its workforce. This is mainly due to the nature of the activity developed in its operational and "field" areas, where most of the ex-REFER employees were concentrated, marked by high physical demand and exposure to risk conditions.

On the roadway, meanwhile, the imbalance between male and female ration was smaller: around 55% male population, compared to 45% female population, at the end of 2014.

As a result, seven years after the merger, IP has a gender distribution of 76% (men) / 24% (women), with a higher degree of gender parity in managerial positions: more than a third of managers are women.

	2021		2022	
	No.	%	No.	%
Leaders				
F	83	36,4%	82	36,3%
М	145	63,6%	144	63,7%
	228		226	
All employees (not including EBD)				
F	887	24,2%	876	24,0%
М	2 780	75,8%	2 771	76,0%
	3 667		3 647	

Additionally, it can be seen that there are no significant deviations with regard to the differences in Basic Salaries between Men and Women, except in the careers of Operational Assistants, Operatives and Auxiliary Staff, justified by the fact that the female population is predominantly concentrated in the category of Level Crossing Guard, the category with the lowest salary structure.

Salary Range by Position/Career and Gender		2021		2022		
		Average Salary	Salary Range	Average Salary	Salary Range	
		3 115 €	0.00	3 162 €	0.07	
Leaders	М	3 376 €	0,92	3 405 €	0,93	
		2 198 €		2 214 €		
Senior Technicians	М	2 337 €	0,94	2 357 €	0,94	
Technical Assistants, Intermediate Level Techni- cians and Administrative Staff		1203€		1232€	0.00	
		1 311 €	0,92	1346€	0,92	
Operational Assistants, Workers and Auxiliary Personnel		686€		735 €		
		888 €	0,77	916 €	0,80	

It should be noted that non-discrimination in terms of salary is reinforced by the fact that exactly the same rules provided for in the professional career system annexed to the CLA are applied to almost all of the IP Group's employees, namely in terms of promotion and salary progression.

Parenting Issues

The balance between working time and family time is made explicit through indicators such as those linked to parenthood, namely return to work rates and retention rates of workers who have taken parental leave in a given period:

	Unit	Gender	2021	2022
	NL 0	F	13	17
a) Number of employees entitled to parental leave during the year	N.º	м	40	51
b) No. of employees who returned to work after parental leave, still	N.º	F	9	9
during the year		м	34	43
c) No. of employees who returned to work after parental leave (taken during the same year) and continue working 12 months after return- ing to work		F	7	8
		м	43	30
d) Rate of return to work of employees after parental leave (d)= b / a		F	69	53
		м	85	84
e) Retention rate 12 months after parental leave (e) = c (n) / b (n-1)		F	100	89
		М	100	88

Non Nationals / People with Disabilities

The maps below allow us to quantify the foreign employees at the service of the IP Group, as well as the employees with disabilities.

Non National Collaborators	2021	2022
From European Union countries	6	6
From Portuguese-speaking countries	9	10
Other nationalities	2	2
Uther nationalities	2	2

	2021	2022
Employees with disabilities	84	85



Conciliation Work / Family

Throughout most of 2022 the IP Group's certification in NP 4552:2016 - Management System for Reconciling Work, Family and Personal Life, obtained in 2021, remained in force.

We note the suspension of this certification for a period of six months, starting on 18 October. The reasons of force majeure that justified the decision were related to the limited availability of internal resources that could cope, in the last quarter of the year, with the demanding and rigorous process of maintaining certification which would imply, for example, the launch and processing of questionnaires at a national level and the monitoring of Internal and External Audits, without prejudice to the IP Group maintaining the measures and good practices in this area.

In the scope of the measures identified and foreseen in the Conciliation Management System, we highlight the implementation of the commonly called "Remote work" or flexible working arrangements.

On 1st October the Remote work Policy in the IP Group came into force, supported by a specific regulation and which allows employees, as long as it does not conflict with the normal performance of their duties, to telework up to two days per week.

At present around 965 workers have joined the remote work regime.

IP has a culture of reconciling work, family and personal life that is expressed in various practices, which remain available and of which we highlight those listed below.

- Internal mobility that allows employees to be closer to their area of residence (DCH in articulation with the other departments) – occasional transfer of employees to locations close to their homes, with the workstation being relocated to the location where the respective team is based;
- Existence of a company nursery/day-care facility on the premises of the head office;
- Programmes to support pre-school attendance, merit-based grants, organisation of activities for children;
- Provision of commercial protocols in the areas of education, health and sports, leisure and utilities, with discounts for IP group employees;
- Access to cultural and leisure events (in return for external partnerships);
- Facilitated access to health care (health insurance and other protocols);
- Supplementary sick pay;

- The creation of concrete (and non-mandatory) measures to increase positive and shared parenting: IP has a culture of work-family reconciliation that is expressed in various practices, some of which we highlight below:
 - a) "+ Pai" measure- attribution of a bonus of two days for each period of 30 consecutive days taken by the father within the scope of the initial parental leave, in addition to the mandatory 15 days he is entitled to take, up to a maximum of four bonus days.
 - b) Brochure "Rights and Duties" systematisation and dissemination to the IP public of legal information (Labour Code) on rights and duties regarding parenthood;
 - c) "Congratulations Parents" Card This is a paper card, sent to the employee's home, congratulating the family on the birth of their baby;
 - d) Welcoming of new employees following parental leave - raise the awareness of and bind the direct manager of the returning employee to prepare their return to work;
- Internal training relating to well-being and health at work;
- · Working time adaptability measures:
 - a) Flexible Timetables;
 - b) Monthly leave of absence of up to half of the normal work period for equivalent time credits;
 - c) Remote work.
- Provision of a set of services at the Company's headquarters, where almost a quarter of the IP Group's workers are concentrated, facilitating daily routines, among others:
 - a) Canteen and bar;
 - b) Improved accessibility (dedicated buses for access to railway stations and shopping areas);
 - c) Gym;
 - d) Miscellaneous services (laundry/ironing services, cobbler, manicure, sale of vegetables/biological products, bakery, pharmacy, etc.);
 - e) General Practitioner (available twice weekly for occasional ailments or prescriptions, after assessment consultation with usual medication history).

For 2023, we highlight the goal of resuming the Certification IP Group in NP 4552:2016.

6.2.4 PROMOTING WORKERS' HEALTH AND WELL-BEING

Ensuring the protection and promotion of the health and well-being of all workers through healthy working environments is part of the company's occupational health policy. In this context, we would like to highlight the measures with the greatest relevance for our workers, which were materialised in 2022 with the use of the Workers' Assistance Programme (PAT) for Psychological Support (each case consisting of 3 sessions), which is accessible, voluntary and free of charge for any worker with difficulties in dealing with issues of a psychological and emotional nature, and which registered a high level of awareness and satisfaction with the programme on the part of the workers.

Still within this scope, and assuming a preponderant role in prevention, as in previous years and still with significant records of infection of COVID-19, vaccination against seasonal influenza was made available to the workers, which took place between October and December 2022, with the objective of contributing towards reinforcing protection against this disease.

It should be noted that it is a relevant measure for most workers who answered the questionnaire on Safety and Health Culture 2022, as they expressed their satisfaction regarding the importance of this protection and prevention measure made available by the Company.

The vaccination process also considered the registration of vaccines on the VACINAS platform (under the terms of DGS Standard 006/2021) having been carried out by the service provider, freeing workers from that communication with the respective Health Centres.

Taking advantage of the new communication methodologies brought by the COVID-19 pandemic, in order to bring us closer to the organisational culture and in view of teleworking, we highlight the organisation of Webinars, whose themes of health and well-being are of common interest and suitable for all workers, which we highlight below:

- Nutrition Hypertension and Diabetes
- Sun Care
- · Sleep Quality Night Work- Diabetes
- The importance of vaccination / Musculoskeletal disorders
- First Aid

6.2.5 SAFETY AND WORKING CONDITIONS

With a view to promoting safety in the work context, we highlight the main activities promoted and developed in 2022:

 Drafting/reviewing of 9 Risk Analysis Sheets, that define the set of preventive and protective measures to be implemented in order to guarantee the safe execution of the work.



- Preparation of periodic safety information, for the operational teams, aimed at developing technical skills and adopting safe behaviours. The information is intended to be displayed on the noticeboards that are distributed in about 95 operational teams' premises. Between 2017 and 2022, 75 leaflets were made available.
- Annual consultation with workers on health and safety at work, which resulted in the following conclusions (obtained from 886 questionnaires answered):
 - Employee participation The vast majority of employees say that they report situations that could constitute a safety risk.
 - Communication, motivation and promotion of safety and health - 20% of the results indicate that management and staff do not discuss safety aspects. It is more common for employees to talk about safety with their peers than with their hierarchy. About 80% of the employees consider that there is a safety culture in IP and are proud of the company, and 47% of the employees usually receive feedback when reporting unsafe acts
 - Safety Procedures Around 42% of employees consider that safety procedures and rules are audited effectively







- Management Commitment Safety is perceived as part of the management priorities and employees have confidence in their management with regard to safety. 20% of Employees say that hierarchy is not seen in the workplace and does not talk about safety
- Personal Protective Equipment (PPE), Protective Clothing (PC) and Collective Protective Equipment (CPE) – Most employees consider the use of PPE important for the performance of their tasks, and 26% consider it necessary to include/change the requirements of some of the equipment/clothing foreseen in the catalogue
- Accidents at work Around 67% consider that the company learns from its history of accidents and near-accidents, with 60% reporting unsafe acts
- Organisation of training courses on safety and working conditions, with the aim of providing the IP Group's employees with the technical skills necessary to carry out their activity in safety (94 courses held; 1,063 trainees).
- Check of safety conditions in the scheduling of works in the Daily Work Order (DWO) on the railway track and its proximity, in order to ensure the correct scheduling of safety measures to carry out the works (978 DWO checked; DWO rate correctly scheduled higher than 95%).
- Visits to internal teams in order to promote the implementation of safety measures, raise awareness for the adoption of safe behaviour, promote the participation of employees and jointly identify possible opportunities for improvement (111 visits made).

- Checks on Personal Fall Protection Equipment, with the objective of verifying their conformity for use, in accordance with the provisions of Decree-law No. 50/2005, of 25 February (728 PPE checked).
- **Analysis of statistical data on accidents** at work, with the aim of identifying the main causes, injuries and seriousness associated with accidents at work, in order to establish priorities for action in prevention and promotion of safety in the workplace.

Workplace accidents - Main indicators 2022

TABLE 1 - WORK-RELATED ACCIDENTS IN THE PERIOD 2016-2022 - IP GROUP

Indicators	2016	2017	2018	2019	2020	2021	2022
Frequency Rate (IWO)	18,71	16,63	16,9	15	12,2	9,8	11,5
Incidence Rate (IWO)	31,66	28,67	28,94	25,5	20,7	16,7	19,2
Severity Index (IWO)	464,24	137,63	295,69	172,6	133,6	220,4	319.2[1]
Severity Index ([2])	464,24	137,63	1491,19	172,6	3849,9	220,4	319,2
Average number of employees	3759	3698	3663	3610	3582	3656	3644
Number of accidents at the workplace	119	106	106	92	74	61	70
Number of serious accidents	0	0	0	3	0	0	1
No. of fatal accidents	0	0	1	0	3	0	0
Number of days lost at the workplace	2952	877	1855	1055	816	1367	1939
Total no. of hours worked	6 358 828	6 372 215	6 273 518	6 113 047	6 112 046	6 204 889	6074554

[2] IWO Severity Rate = No. of days lost due to accidents occurring in the year*1,000,000/ No. of hours worked. This figure covers 7500 days for each fatal accident in accordance with the Resolution of the 6th International Conference of Labour Statistics

TABLE 2 - OVERALL FIGURES OF LABOUR ACCIDENTS IN THE IP GROUP - 2022

	Grupo IP	IP	IP Engenharia	IP Património	IP Telecom
Accidents - Total	87	81	2	2	2
On site	70	68	0	0	2
Leaving to sick leave	47	46	0	0	1
No sick leave	23	22	0	0	1
Fatalities	0	0	0	0	0
In Itinere	17	13	2	2	0
Total days lost	2611	2562	15	19	15
On site	1939	1924	0	0	15
In Itinere	672	638	15	19	0
Average number of employees	3644	3415	36	111	82
Hours worked	6,074,554	5,687,678	59,463	184,039	139,984
Indices					
IF	11,5	12	0	0	14,3
Ш	19,2	19,9	0	0	24,4
IG	319,2	338,2	0	0	107,2

¹WO Severity Rate = No. of days lost due to accidents occurring in the year*1,000,000/ No. of hours worked. This figure covers 7500 days for each fatal accident in accordance with the Resolution of the 6th International Conference of Labour Statistics



TABLE 3 - COMPARISON WITH NATIONAL FIGURES¹¹ IN THE IP GROUP, IP, SUBSIDIARIES AND ORGANIC UNITS WITH THE HIGHEST NUMBER OF WORK-RELATED ACCIDENTS.

IP GROUP, IP, PARTICIPATED COMPANIES AND OU WITH THE HIGHEST NUMBER OF ACCIDENTS AT WORK (EXCLUDING COMMUTING)	Incidence Rate	Sectors GEP Reference	ll of Sectors Reference GEP
IP GROUP	19,2	Total Nacional	32,4
IP	19,9	Total Nacional	32,4
IP Engenharia	0	Setor F - Construção	86,2
IP Património	0	Setor F - Construção	86,2
IP Telecom	24,4	Setor F - Construção	86,2
DRF	27,2	Setor F - Construção	86,2
DCF	27,8	Setor H – Transportes e Armazenagem	37,7
DRR	20,7	Setor F - Construção	86,2

During 2022, 87 work accidents were registered in the IP Group, of which 70 in the workplace and 17 on commute. The 70 accidents at work led to 1939 days of absence. Of the total number of accidents at work, 2 accidents at work were registered in each company in which IP has a stake, namely IP Património, IP Engenharia and IP Telecom (93% of the accidents occurred in IP).

In the year under review there were no fatal accidents.

A serious work accident resulting from a fall from a height was recorded at IP.

Making a comparative analysis of the accident data for 2022, compared to 2021, there were 9 more accidents in the workplace which gave rise to 572 more days of absence. It is assumed that this increase is related to the decrease in the average number of remote work employees compared to 2021.

Analysing the labour accident rate values for 2022, with the national reference values, by economic activity, published by the Ministry of Solidarity and Social Security, translated by the Incidence Index by reference sector, it can be concluded that the IP Group, IP, IP Affiliates and IP Organic Units registered lower values than the national values, with the exception of the General Secretariat (SGR). It should be noted, however, that this rate results from the occurrence of only 2 accidents, which gave rise to a total of 25 days of absence;

The main causes of accidents recorded were "bad positioning", "fall on a slope" and "collision with objects". As for the consequences of accidents at work, 69% led to superficial injuries and sprains and 79% led to injuries in the lower and upper limbs It was found that in the IP Group, the professional categories that registered the highest incidence in terms of work accidents were: "Infrastructure Operators", "Infrastructure Managers" and "Traffic Operators".

It should also be noted that 66% of the total number of accidents involved employees aged between 50 and 70, which also represents the highest percentage of employees in the IP Group.

6.3 INTELLECTUAL CAPITAL

6.3.1 TRAINING AND MANAGEMENT

The IP Academy continues to pursue its strategy of developing a culture of learning, sharing and dissemination of knowledge, in particular technical knowledge specific to road and railway activity and innovation along with the reinforcement of the internal culture of Safety.

In an atypical year, always with three attitudes in mind – flexibility, adaptation and resilience, we gave a total of **111,482 hours** of training to our employees with the following distribution by professional categories and areas of knowledge:

"Source: Accident at work 2019. Published by the Office of Strategy and Planning on 6 August 2021

Professional Categories by Gender	Amount of Training
F	17 691,1
Technical Support for Exploration and Infrastructure	960,0
Technical and Operational Support	70,5
Technical Assistant	0,5
Circulation	226,6
Trainees	35,5
Infrastructures	805,0
IT Personnel	35,0
Top Board	24,0
Management Support	1 420,2
Senior Technician	14 113,7
м	93 791,3
Technical Support for Exploration and Infrastructure	6 879,3
Technical and Operational Support	1876,8
GIL Careers	2,0
Circulation	20 215,7
Consultant	23,5
Trainees	21,0
Infrastructures	38 314,7
Other Careers	207,0
Middle Frame	6,5
Top Board	7,0
Management Support	1 302,8
Technical Assistant	15,0
Technical Expert	16,0
Senior Technician	24 904,1
Grand Total	111 482,3

ANNUAL REPORT 2022

Training in the areas of Leadership and Personal Development

We highlight the 3rd edition of the Strategic Leadership Programme, which this year involved 29 Departmental Managers from 19 IP Group Directorates and Companies and represented 4,350 hours of training.

In the area of Personal Development, we continued to promote the alignment of employees' skills with the skills recommended in the Company's DMS, "Via Excelência", with 4,988 hours of training for 264 employees.

For the qualification of our internal trainers, we carried out 3,596 hours of training for 54 trainers and employees linked to the management and organisation of training. From a ped-agogical point of view, we promote the basic skills to carry out distance training and make use of differentiated and innovative resources.

Advanced / Postgraduate Training

We provide advanced / post-graduate training in critical areas for the development of the activity, such as Engineering, Digitalisation, Telecommunications and Legal, for 21 people, totalling 13,937 hours. We highlight the training in Robot Process Automation for 2 employees, which is already resulting in the internal development of 3 robots to automate tasks and improve organisational efficiency and also a Post-Graduation in Digital Education to support the construction of e-learning training.

The Academy's investment with Advanced / Postgraduate Training is 57,200 euros.

This year we also undertook or supported 11 initiatives for training at the initiative of employees, totalling 25,535 euros for advanced training in the areas of management and engineering.

Onboarding - "Somos IP 2022" Programme

In recent years, IP has made a very significant effort to renew its human capital structure, and the effective integration of new employees is critical. Along with training for the exercise of duties, which is done through the initial training programmes or specific training required, the programme for welcoming new employees - We are IP 2022 - promoted corporate integration and integration into the work teams, reinforcing monitoring and mentoring practices by the hierarchies and the task force created for this purpose with elements from the ACD, DCH and DDO.

Among all the initiatives we took on 95 new employees.



Rail System Safety

With the aim of strengthening the safety culture in IP, along with the training carried out), the development of the Safety Competence Management System - SGCS, in response to Delegated Regulation 2018/762 of 8 March 2018 and Directive (EU) 2016/798 of the European Parliament and of the Council, stands out.

IP's Safety Competence Management System (SGCS-IP) aims to ensure that employees who carry out activities considered critical and relevant in terms of safety of the railway system have the appropriate skills to perform their duties, thus being able to contribute effectively to the achievement of the safety objectives that IP sets itself. This system is part of the IP Security Management System (SGS-IP). In this context, critical function dossiers were prepared, which establish, among others, the functional framework and responsibilities of the function holders, the skills profile, the training requirements for qualification and maintenance of qualification, as well as the follow-up and monitoring of employees' performance in the exercise of their functions.

The Academy has a permanent participation in the working group responsible for the Safety Competence Management System.

Railway safety certifications

The qualification procedures for the exercise of functions within the scope of IET 77, IFTE and Owner of the Works were also formalised through specific Technical Instructions, GR.IT.003, GR.IT.004 and GR.IT.005.

The qualification verification was carried out through specific tests under the responsibility of IP, a total of 2000 participants among internal employees and external workers belonging to contractors and service providers working on the railway IE and lacking the necessary skills and qualifications to do so.

Technical Training for Operatives

In the areas of Maintenance and Operations and Safety, we provided 6,5678 hours of training to around 5,560 trainees from various company departments. In both areas we highlight the response to initial, recycling and complementary training needs.

Digitisation of Training

Since 2020, the Academy is committed to developing its internal competencies, initially by introducing the concept of digital resources in the training culture and therefore in the company culture. In 2022 we took the first steps in the internal design and construction of distance learning courses.

This project brought the opportunity to explore teaching methodologies and develop pedagogical activities in the digital area, which definitely enriched the pedagogical knowledge of the Academy and the trainers involved.

6.3.2 HUMAN CAPITAL DEVELOPMENT

In 2022, the Performance Management System – PMS was further developed, consolidating itself as a fundamental instrument for monitoring performance, in terms of compliance with collective and individual objectives and the development of personal and technical skills, in which the assessment of merit assumed greater relevance as a factor in the development of the professional career, particularly with regard to the Senior Technical career.

	2021	2022
Percentage of employees receiving regular perfor- mance and career development reviews	100%	100%

Talent Management and Employee Recognition Programme

Continuing the investment in leadership training started in 2019, which is fundamental to improve the capacity building of the "bosses" in the management and development of their teams, the training and development programme in Strategic Leadership aimed at Departmental Managers was concluded in 2022. As part of this training programme, around thirty young IP technical staff participated in Mentoring and Coaching actions ensured by the directors themselves in 2022.

In addition, a professional development programme was continued in 2022, aimed at around thirty of the company's younger senior technicians, with potential and contributions signalled by their hierarchies and who are considered worthy of recognition and investment through personal and professional development plans. This type of programme will be redesigned and its coverage extended in 2023, seeking to improve the attraction, development and retention of young IP technical staff.

6.4 SOCIAL CAPITAL AND RELATIONSHIPS

The IP Group is committed to sustainability policies, in their social, economic, cultural and environmental dimensions, and to the best practices of Social Responsibility, not only in its business areas, but also in its external relations.

The objectives and commitments that govern the Company's sustainable performance in society, taking into account the public interest inherent to our activity, are set out in the IP Group's Social Responsibility Policy Statement of 15 July 2016.

The IP Group's action is aimed at both internal and external audiences and is structured along the lines of: Quality of Life, Environment, Mobility and Safety, and is based on a set of innovative partnerships and initiatives.

6.4.1 IP SOLIDARITY PROGRAMME (QUALITY OF LIFE AXIS)

In 2022, this axis integrated support for various social initiatives, namely:

GivingTuesday solidarity movement

On 29 November the 4th edition of the GivingTuesday Solidarity Movement began, under the motto **"Me, You, Him, Us, You Them"**, in which IP participated for the 4th time, publicising the campaign and supporting the causes of the Banco do Bebé and the AFID Diferença Foundation, national institutions that support more vulnerable families.



SP #JUNTOSMUDAMOSCHUNDO

IP Solidarity - Campaign | This Christmas "Me, You, Him, Us, You, Them" we support the *Banco do Bebé* and the AFID Diferença Foundation

The Christmas Campaign was aimed at supporting the causes of the Banco do Bebé and the AFID Diferença Foundation, with the objective of contributing to the sponsorship of a family from the Banco do Bebé home support project and to "reNASCER" the Venteira Nursery of the AFID Diferença Foundation. The employees of the IP Group joined together and made a donation to these charitable causes.





6.4.2 PARTNERSHIPS (QUALITY OF LIFE, ENVIRONMENT, SAFETY AND MOBILITY)

6.4.2.1 QUALITY OF LIFE / INNOVATION

World Creativity and Innovation Day





World Creativity and Innovation Day is celebrated annually on 21 April, with the aim of raising awareness about the role of creativity and innovation in problem solving. IP assumes itself as a strategic partner, with the mission of proactively contributing to the development of RDI activities that may be conceived and carried out in Portugal, having produced a film for presentation to stakeholders.

IP takes part in 'Global Mobility 2022: Driving Portugal to the World'

The conference took place on 5 and 6 September at the Centro Cultural de Belém, and the panels covered topics such as 'Artificial Intelligence and Big Data in the Automotive Industry', the 'Importance of R&D for the Automotive Industry' and also 'Infrastructures: A Barrier to the Autonomous and Connected Vehicle", panel in which IP was invited to participate.

"Engineers for a Day" Programme

IP joined the 6th Edition of the female oriented "Engineers For A Day" Programme on 11 October in a session that also celebrated "Shaping The Digital Future: International Day of the Girl Child", at the Romeu Correia Municipal Forum, in Almada, in partnership with the INCoDe.2030 Programme and the support of the City Council of Almada and Huawei Technologies Portugal, with the presence of several partner organisations, including IP. This Programme is promoted by the Portuguese Charter for Diversity, assuming the commitments laid down in the Company's Gender Equality and Social Responsibility Policies. The edition will run throughout the 2022/2023 school year, among girls attending middle school and high school.

IP as a signatory to the Charter participated:

"Hands on ICT! Engineering and Technology Laboratories"

IP associated itself for the 4th year to the "Girls in ICT Day", on 27 April in the Department of Computer Engineering of the Faculty of Science and Technology of the University of Coimbra, with the project "Drones in the Construction, Operation, Maintenance and Supervision of the Road Network" with the presentation by RND. On 28 April IP participated in the Casal Vistoso Municipal Sports Complex, of Lisbon City Hall, with the project "TCC- Simulator of occurrences in the Marão Tunnel", by RND and DAT.





It also **supported**, the dissemination of:

- European Month of Diversity | Webinars
- European Month for Diversity | Students visit work on the IC1 (EN120) of IP: on 10 May, IP, through DCI in conjunction with the DRR, received and organised a visit by 12th grade students from the Science area of Externato Marista de Lisboa, to the work on the "IC1 (EN120) - Rehabilitation of the Works of Art", between Alcácer and Grândola, in an action which promoted the inclusion of these young people in a day at work, in one of the areas which they may choose as a profession in the future - Engineering.

SGI Portugal Seminars

IP, as a member of SGI Portugal and in articulation with various public partner entities organised:

- Seminar on "Mental Health and Well-Being at Work", with ISPA

 University Institute of Psychological, Social and Life Sciences, on 8 July, in the Armando de Castro Auditorium at ISPA.
- Seminar "Impact of Social Responsibility on the Sustainability of Companies", with the Administração dos Portos de Sines e do Algarve, Águas de Portugal, Emel, Gebalis and Metropolitano de Lisboa, on 3 November, at the Alto dos Moinhos do Metropolitano de Lisboa Auditorium.



Earth Hour 2022

On 26 March IP joined the biggest global movement against climate change – Earth Hour, promoted by the World Wide Fund for Nature, switching off the decorative lights on the 25 de Abril Bridge in Lisbon, as well as the lights on the Freixo Bridge and the stations of Coimbra, Coimbra-B, Pampilhosa, Guarda, Figueira da Foz, Ermesinde and Famalicão, promoting this global cause as a socially responsible company.

Do it for the Planet Movement | IP participates in action in the Azores and meets with the Regional Government

The "Do it for the Planet" Movement promoted an environmental and social action on Terceira Island, in the Azores, with the participation of IP and the "Mar à Deriva – Adrift Sea" Association, distinguished respectively as "Corporate Changer" and "Big Changer" in 2021. This exchange aimed to share and promote good practices for waste recycling and the shift towards a more circular economy.

The programme, the responsibility of IP (DCI and DEA), included meetings with the Government of the Autonomous Region of the Azores and Angra do Heroísmo Municipal Council, and a visit to the Municipal Company for Environmental Management and Enhancement.

"Quartel Electrão" campaign

In 2022, IP once again promoted the "Quartel Electrão" campaign in favour of the Bombeiros Voluntários de Lagos, in the district of Faro, and the Bombeiros Voluntários de Figueiró dos Vinhos, in the district of Leiria, enabling the attribution of a Light Fire Fighting Vehicle to these corporations, through the collection of electrical and electronic waste at the IP Electrão points.



Eco Sustainable Rail Project

The Eco Sustainable Rail Project aimed to find an alternative to wooden sleepers, valorising mixed plastics, which are usually not valorised in recycling processes, in the development of eco sustainable railway sleepers.



Ecopistas with a new Logo on its 20th Anniversary

At the institutional level, the IP is part of the Network of Focal Points of the "National Strategy for Active Cycling Mobility 2020-2030" (ENMAC), as per Council of Ministers Resolution No. 131/2019, together with the Institute of Mobility and Transport, which it oversees, the Directorate-General for Education, the National Road Safety Authority and the National Association of Portuguese Municipalities.

IP collaborates with ICNF to save Montagu's harrier hatchlings

IP was a partner of ICNF in an initiative of active conservation of an endangered species, the Montagu's harrier, a bird of prey, allowing the "temporary installation" of juveniles of this species in their nesting place.

IP in webinar 'Promoting Low Carbon Mobility between Portugal and Spain

Under the theme 'Promoting Low Carbon Mobility between Portugal and Spain', the Webinar aimed to contribute to the discussion on rail links between Portugal and Spain.

IP in the 3rd edition of "Sustainability - A Corporate Journey"

GRACE - Association of Responsible Companies, ISEG - Institute of Economics and Management of the University of Lisbon and the consultancy firm Sair da Casca promoted another edition of "Sustainability - A Corporate Journey", on 30 September, 7 and 14 October, with IP as a speaker.

IP's participation was ensured by DCI, which was part of the round table on the theme "The changing world, public policies and the role of business".



National Day for Prevention and Safety at Work

The National Day for Prevention and Safety at Work was celebrated on 28 April. IP joined this date, which has been celebrated since 1996, as a way of honouring the victims of accidents at work and occupational illnesses.



Ecopistas with a new Logo on its 20th Anniversary

IP collaborates with ICNF to save Montagu's harrier hatchlings



IP in webinar 'Promoting Low Carbon Mobility between Portugal and Spain





IP associou-se ao Exercício "A Terra Treme" | Simulacros e Exposição



IP associou-se ao Exercício "A Terra Treme" | Simulacros e Exposição









"Zero Mortos na Estrada Todos os Dias"

Campanna no Natai
e no Ano Novo "O Melhor
Presente é Estar Presente″

IP associated to Exercise "The Earth Trembles" | Drills and Exhibition

IP was once again associated with the exercise "The Earth Trembles", on 9 November, at 11:09 a.m., through drills and with its presence at the Static Display of Means. We highlight the integration in this exercise of the "O Ninho" kindergarten, in the Pragal Campus, and of the Rossio and Braga railway stations, besides all the employees who participated alone or in groups.

"Do Not Risk Your Life at Level Crossings" Campaign

Disregard for safety rules and signposting is at the root of the vast majority of level-crossing accidents. On 21 November, IP launched an awareness-raising campaign with a view to preventing and alerting people to the risks of crossing roads. The Campaign was advertised on national, regional and local television and radio, and amplified through digital channels and the network of bill boards in railway stations.

Campaign - "Portugal Chama. Por si. Por Todos."

IP has once again joined the National Mobilization Campaign "Portugal chama. Por si. Por todos.", launched by the Integrated Management of Rural Fires Agency. Messages were placed on Variable Message Signs on roads under IP jurisdiction from the north to the south of the country.

IP was also associated with the promotion of various Road Safety Campaigns:

"Zero Mortos na Estrada Todos os Dias"

IP joined the campaign "Zero Deaths on the Road Every Day. Menos Riscos, Mais Vida.", by aiding its dissemination. As part of European Mobility Week, from 16 to 22 September, various national entities with direct and indirect responsibilities in road safety, including the IP, are mobilising coordinated efforts to raise awareness with a view to spreading the "Zero Mortos na Estrada Todos os Dias" message.

Christmas and New Year's Eve Campaign "O Melhor Presente é Estar Presente"

IP once again joined forces with Autoridade Nacional de Segurança Rodoviária (ANSR) to publicise the Road Safety Campaign "O melhor presente é estar presente", which ran from 19 to 26 December (Christmas) and from 27 December to 2 January (New Year's).



6.4.2.4 MOBILITY

The Future is Collective - Use Public Transport

On 8 September, the O Futuro é Coletivo" campaign began, promoted by the Institute for Mobility and Transport (IMT), which IP joined in supporting the dissemination of the campaign. The aim was to promote the use of public transport.

European Mobility Week in Viana do Castelo Station

As part of the commemorations of the European Mobility Week, from September 16th to 22nd, Viana do Castelo City Hall developed a programme with several activities in the Viana do Castelo railway station. IP associated itself with this event by supporting its dissemination and lending the space of the Railway Station for exhibition purposes.

6.4.2.5 CULTURE AND LEISURE

New urban art projects in IP spaces

As a result of the close collaboration between IP, and the Urban Art Gallery, of the Lisbon City Council, in the framework of the Public Art Programme of the Underdogs Gallery two new public art interventions have been developed in Entrecampos Station, on the Cintura Line, and Santos Station, on the Cascais Line, in spaces extremely vulnerable to unregulated graffiti, requalifying and valuing them.

Urban art project at General Torres Station

At the culmination of the European Year of Railway Transport, and with the purpose of highlighting the event, a new urban art project was carried out at the General Torres Railway Station in Vila Nova de Gaia.

The initiative, part of the programme of actions running throughout 2021, aimed to take advantage of new urban languages, highlighting the importance of this mode of transport in terms of safety, sustainability and connectivity.

International Day of Monuments and Sites 2022

"Heritage and Climate" was the theme chosen by the Directorate-General for Cultural Heritage to mark the International



The Future is Collective - Use Public Transport





New urban art projects in IP spaces



Urban art project at General Torres Station



International Day of Monuments and Sites 2022



Day for Monuments and Sites (DIMS). IP marked this day with the launch of the video "Entrecampos Railway Station. A sustainable future".

The initiative, carried out by the IPP, showcased an infrastructure that is a case study in terms of the environment and perspectives for a more sustainable future for our heritage.

National Azulejo Day

To celebrate the National Azulejo Day, which is celebrated today, May 6, IP – Infraestruturas de Portugal and IP Património, resume the Azulejo Routes project, with the launch, in a few days, of the North-South Crossing Route. A virtual tour of the artistic heritage – azulejo tile and sculpture – of the stations along the North-South Railway axis.

IP/IPP wins new Award in the scope of the "SOS Azulejo" Project

IP/IPP was awarded the SOS Azulejo 2021 Prize, in the category of Dissemination, in a ceremony that took place on 24 May, at the Palácio Marquês da Fronteira in Lisbon. This award is the recognition of the work developed by the IP/ IPP in the creation and publication of four Tile Routes, two of author and two of location, namely the Author Jorge Colaço Route, the Author Gilberto Renda Route, the Minho Line and Minho Ecopista Route and the North Line | Lisbon Santa Apolónia - Carregado Route.

International Museum Day | National Railway Museum celebrates its 7th Anniversary

On 18 May, the National Railway Museum (NRM) marked its 7th Anniversary and the International Day of Museums. This event has been celebrated since 18 May 1977, with the aim of promoting, among society, a reflection on the role of museums in its development.

European Heritage Days 2022

IP accepted the DGPC's invitation to participate with a set of recreational and cultural initiatives, the implementation of which will necessarily involve association with institutions, companies and individuals, crossing interests, proposing, this time, with the Association of Railway Homes, CP, Comboios de Portugal and the National Railway Museum. The JEP -European Heritage Days 2022, an initiative of the Council of Europe and the DGPC - Directorate-General of Cultural Heritage, will take place on 23, 24 and 25 September under the theme "Sustainable Heritage".



166th Anniversary of the Railway - Presentation of the book "Arte & Ferrovia - Outras perspetivas"

28 October was the anniversary of the Portuguese Railways. To mark this date, IP/IPP presented the book "Arte & Ferrovia - Outras perspetivas" (Art & Railways - Other Perspectives), at the National Railway Museum, in Entroncamento. On 28 October 1856 the first railway stretch between Lisbon and Carregado was inaugurated, on the East Line, today called the North Line. A historical and decisive milestone in the country's development. The artistic project "Arte & Ferrovia - Outras Perspetivas" goes through the National Railway Network through the lens of nine renowned Portuguese photographers.

Imaterial Festival 2022

IP was a partner of the Imaterial Festival, through the promotion of the 2nd edition of the festival in the network of billboards in the national railway stations.

From 1 to 9 October the 2nd edition of Imaterial took place in Évora, a festival that brings to life the expression "heritage thought and lived", through the various spaces of the city of Évora.

33rd Edition of AMADORA BD 2022

Infraestruturas de Portugal was, once again, the partner of the 33rd edition of Amadora BD – International Comic Strip Festival, an initiative promoted by the municipality of Amadora. This collaboration includes the promotion of the Amadora International Comic Strip Festival through the display of canvases on the columns of Amadora's stations and the installation of kiosks, at Cais do Sodré Station, where some graphic elements allusive to the 33rd edition of Amadora BD were received.

Blues & Swing shows at Cais do Sodré Station

IP, during the year 2022, in partnership with the Blues Swing Lisboa dance school, promoted the event that took place at the Cais do Sodré Railway Station



h Anniversary of the Railway - Presentation of the book "Arte & Ferrovia - Outras perspetivas"



166th Anniversary of the Railway - Presentation of the book "Arte & Ferrovia - Outras perspetivas"





Blues & Swing shows at Cais do Sodré Station

Recolher para Acolher

IP Solidária com a Ucrânia



Campaign "Recolher para Acolher"





PortugalforUkraine Platform



International Day of Action against Homophobia, Transphobia and Biphobia



Clean Alenquer Project





Donation of office furniture to the Teatromosca Cultural Association

6.4.2.6 ENGAGEMENT WITH STAKEHOLDERS/COMMUNITIES

Vulnerable Groups (Quality of Life)

Campaign "Recolher para Acolher" | IP Solidarity with the Ukrainian People

IP, in line with the position of the Portuguese State, showed solidarity with Ukrainian families who were victims of the war, helping to ensure that those who came to Portugal were well received. The Internal Campaign launched on 18 March, aiming at collecting basic necessities.

PortugalforUkraine Platform

The IP supported the dissemination of the PortugalforUkraine Platform, launched by the Government, which aims to allow consultation on the initiatives undertaken by the different governmental areas and to present, in a clear and structured manner, details on the international positions taken by the country, the sending of humanitarian support and, with special emphasis, the protection regime for displaced persons.

International Day of Action against Homophobia, Transphobia and Biphobia

The International Day of Action against Homophobia, Transphobia and Biphobia is celebrated annually on 17 May. This is a day for raising civil awareness about discrimination against homosexual and transgender people, which IP joined in the European Diversity Month, making a commitment to respect and value equality and inclusion for all.

Clean Alenquer Project

IP joined the Clean Alenquer Project, promoted by Alenquer City Council with the support of GNR and IP, which took place on 7 May on the EN9 road, where volunteers collected urban waste.

We had the UMIA – Mobile Inspection and Diagnostic Unit, on the route with a sign panel for motorists.

EN2 Campaign | 739,26 Kilometres for Solidary

From 10 to 17 June, three IP employees cycled along the EN2 from Chaves to Faro. In articulation with IP, this journey turned into a solidarity movement in favour of CASA – Home-



less Support Centre, to transform the 739,26 kilometres into donations through crowdfunding. We invited employees to be part of this movement.

Donation of office furniture to the Teatromosca Cultural Association

IP promoted the donation of office furniture to Teatromosca Cultural Association, through a Cooperation Protocol. As the theatre company is in the process of improving its space and working and safety conditions, IP has great satisfaction in being a fundamental support with the donation of several pieces of furniture.

International Day of Disabled Persons - "Olá, estou aqui" campaign

Always with the aim of raising awareness for the International Day of Disabled Persons, and of making the population aware of the importance of accepting and including disabled persons, both in the workplace and in their daily lives, IP was one of the first companies to support the dissemination of this project.

Food Bank Against Hunger Campaigns | Volunteering

In the support to vulnerable groups, we highlight the partnership with the *Banco Alimentar Contra a Fome* (Food Bank). IP permanently supports this cause by lending its premises in Lisbon, Caldas da Rainha, Évora and Covilhā. In 2022 and due to a tornado the roof of the warehouses in Alcântara was totally damaged. The IP/IPP teams repaired the cover ensuring the food collection campaign could take place. The initiative was attended by the President of the Republic, Marcelo Rebelo de Sousa, on 26 November, at the invitation of the President of the *Banco Alimentar*. IP encourages the participation of employees and their families in the National Food Collection Campaign, contributing with volunteer work in the supermarket of Santa Apolónia Station.

16 Days to End Violence Against Women and Girls campaign: Orange the World"

IP joined the "16 Days for the End of Violence against Women and Girls" campaign, which began on 25 November, the International Day for the Elimination of Violence against Women, and ended on 10 December, the International Human Rights Day. The annual international civil society campaign aims to highlight that violence against women is the most widespread human rights violation in the world.



International Day of Disabled Persons - " Olá, estou aqui" campaign



Food Bank Against Hunger Campaigns | Volunteering



Food Bank Against Hunger Campaigns | Volunteering



16 Days to End Violence Against Women and Girls campaign: Orange the World"



IP joins the "Eu sou VIH+ e visível" campaign on World AIDS Day



34th Christmas Party for the Homeless | Volunteering

IP joins the "Eu sou VIH+ e visível" campaign on World AIDS Day

10 people living with HIV speak out in unprecedented national campaign. 1 December marked World AIDS Day, with the aim of raising awareness, informing and demonstrating international solidarity. IP joined the campaign by supporting its dissemination and its network of billboards in several stations across the country.

34th Christmas Party for the Homeless | Volunteering

The *Comunidade Vida e Paz* celebrated, from 16 to 18 December, the 34th Christmas Party for the Homeless, with the aim of renewing hope in a better and dignified future for those who have nothing. IP joined this cause inviting employees and their families to be volunteers in this Party.



6.5 NATURAL CAPITAL6.5.1 IN DEFENCE OF THE ENVIRONMENT

Within the scope of promoting environmental protection and sustainable development at IP, in 2022 the processes related to environmental management in the company were continued, in the road and railway context, boosting innovation and the improvement of services with an impact on environmental performance.

These processes are oriented towards the entire infrastructure life cycle, from planning, through design, construction, to operation and maintenance.

It was also sought that "eco-design" principles be reflected in the projects developed, through the introduction, whenever possible, of solutions for reusing and recycling raw materials that reconcile environmental protection options with other needs of intervention in the network, meeting the principles of the Circular Economy, promoted by the EU.

We continue to contribute to the preservation of the environment and biodiversity, guiding the Company's growth towards environmentally sustainable results.

Environmental Indicators	Unit	2017	2018	2019	2020	2021	2022
Overall energy consumption *	GJ	325 055	331 462	323 486	288 804	288 250	(*)
Water consumed	m ³	215 780	204 148	226 971	198 316	219 505	205 886
Greenhouse gas emissions	tonCO _{2eq}	15 226	15 585	15 349	13 485	13 444	(*)
Total weight of waste produced	ton	6 069	6 096	16 036	12 582	5 704	7 618,00
Investment in the environment	M€	8	17	17	14	10,6	9,5
Fuel Consumption	I	1 680 801	1 746 987	1 778 528	1 454 943	1 472 198	1 549 608

(*) not available

Environmental and Cultural Heritage Management in Design, **Construction and Maintenance**

Environmental management and cultural heritage activities in design, construction and maintenance have a very relevant component in IP.

In 2022, in terms of roads, there was a decrease compared to 2021 in the number of projects with environmental management, developed internally and with recourse to external contracts, and an increase in the number of maintenance works and services with environmental management and/or management of cultural heritage.

For railways, in 2022 there was also a decrease in the number of works and services provided with environmental/cultural heritage management.

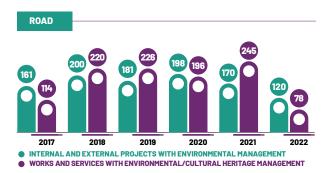
In 2022 IP continued with its goal of adopting more and more natural engineering techniques in its projects and works, aiming at greater sustainability. Of note in this context is the road contract undertaken in 2022 to stabilise the excavation embankment slope on the IC 2 at Km 188+900.

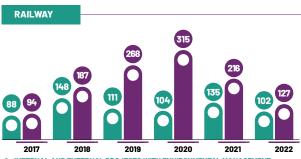
The need for intervention resulted from the occurrence of a landslide that affected both the sandy-clay materials integrated in the site and the rocks that constituted the existing drainage system. In this stretch, the IC2 intersects a headland of a water line, and the presence of abundant water in the crest of the slope is noted, with the presence of reeds, willows and some ash trees.

The project solution was developed by a team from the Engineering Department, consisting, in general terms, of re-profiling and regularisation of the Embankment Slope (slope of 2H:1V), construction of a drainage mask (with a minimum thickness of 1.0 m, throughout the unstable area) and of drainage spurs, placement of vegetal earth, sowing, placement of an organic blanket and installation of a strip of vegetation on the upper part of the Embankment.

During the preparation of the project, the presence of water at a subsurface level on the embankment slope was noted, as well as with urbanisation operations on land upstream, concluding that it is expected that there will be a greater inflow of surface water. In this context, it was considered essential to create improved conditions for the development of a dense and well established vegetation cover over the whole embankment, and it was decided to apply some natural engineering techniques.

The embankment slope surface was covered with an organic blanket, composed of natural materials (coconut fibres and straw/hay), applied and fixed over a dense layer of vegetal earth and after spreading a mixture of herbaceous plant seeds (grasses and legumes).





INTERNAL AND EXTERNAL PROJECTS WITH ENVIRONMENTAL MANAGEMENT WORKS AND SERVICES WITH ENVIRONMENTAL/CULTURAL HERITAGE MANAGEMENT



September 2022



In order to protect the crest of the embankment slope from the action of running water, a "vegetation strip" was created at the top of the slope (1.5 m after the crest), opening a furrow to install live stakes, predominantly of willow, part of which were collected on site and the rest coming from a certified nursery.

The work was completed in early autumn 2022 and the perfect harmonisation of the vegetation cover with the other embankment is visible, as well as the resistance of the solutions found to a harsh winter with successive days of heavy rainfall.

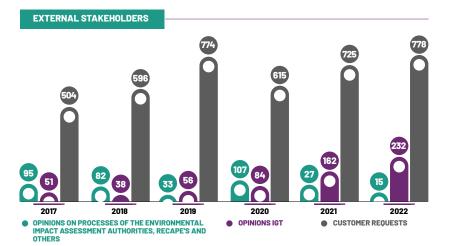


Relationship with Stakeholders

Within the scope of interaction with external stakeholders, activities were carried out at various levels, of which the number of requests and responses to customers on environmental matters, with emphasis on the management of forestation and environmental noise generated in our infrastructures, stands out due to its growing importance.

Besides these, there is also the participation in processes related to Territorial Management Instruments and in procedures promoted by the Environmental Impact Assessment Authorities, within the scope of the Environmental Impact Assessment Authorities legal regime.

In 2022, the volume of environmental and land planning requests by external stakeholders totalled 1,025 requests, 111 more than in 2021, showing an upward trend in recent years.



With regard to the management of the environmental activities of the networks in operation, the attention given to the planting of trees on the roads should be highlighted, in conciliation with road and rail safety and with the safety of the neighbouring properties.

In 2022, the requirements foreseen in terms of Forest Fire Defence (FDFCI) were followed up, both in terms of contributions to the review of Municipal Plans (PMDFCI's) and support to operational areas when carrying out work on fuel management strips next to the road and rail network.

Environmental Noise

In terms of environmental noise, in 2022 the following initiatives carried out by IP stand out:

Participation in the **Lownoisepad** project **(Low cost noise control by optimised rail pad)**, promoted by the UIC (Union Internationale des Chemins de Fer), which made it possible to analyse the rail pads currently in use on the national rail network, in particular their stiffness, with the aim of optimising the TDR (track decay rate) parameter, determined in accordance with EN 15461:2008+A1:2010, and reducing the rolling noise caused by rail traffic. Preliminary results are promising and show that the replacement of insoles, a significantly lower cost operation compared



to other minimisation measures, can contribute to reducing the number of people exposed to high noise levels (project website: https://uic.org/projects/article/lownoisepad).

The collaboration in the **Inbrail** project **(Innovative Noise Barriers for Railways)**, developed by the consortium composed by Mota-Engil Engenharia e Construção, University of Coimbra and Faculty of Engineering of the University of Porto, having achieved the goal of testing, under real conditions, a low height acoustic barrier. Also in this project, the preliminary results are auspicious, opening up the expectation that an additional solution for minimising railway noise will be available, which, in compatible locations, will allow the reduction of the number of people exposed to high noise levels with a lower visual and social impact, when compared to other so-called conventional acoustic barriers (project site: https://engenharia.mota-engil.pt/ inovacao/inbrail).

The collaboration in the **NextLap 2.0 programme (Acceleration Program for innovative ideas that use** end-of-life tyres or tyre materials), promoted by Valorpneu, Genan and Beta-I, which allowed the installation of an acoustic barrier in which the absorbent coating, on the railway side, is composed of porous concrete incorporating rubber waste from used tyres. The acoustic panel ensures at least the same acoustic performance as the traditional panel made only of porous concrete, as measured by the unique sound absorption classification index (DLa) obtained in accordance with EN 16272-1:2012 and EN 16272-3-1:2012, ensuring the reduction of the number of people exposed to high noise levels and at the same time contributing to the reduction of rubber waste and to the circular economy (project website: https://nextlap-program.com/).

The preparation of the implementation in the field of the measures set out in the Action Plans of the National Railway Network, corresponding to the Large Railway Infrastructures, i.e., railway lines with more than 30,000 trains per year, namely, the development of technical specifications applicable to the design/execution of acoustic barriers (in progress), the definition of criteria for grinding for acoustic purposes (under implementation) and the establishment of contacts with manufacturers of tuned rail vibration attenuators (rail dampers) with a view to carrying out a pilot programme to evaluate their performance.

The execution of the following works, which provided an effective reduction in the number of people exposed to high noise levels, either by improving the track superstructure, or by the possibility of using electric rolling stock (generally less noisy), or by installing acoustic barriers:



Completed in 2022:

- On the North Line: Improvement of the Superstructure and Track Infrastructure, between pk 2+040 and pk 3+900;
- On the Minho Line: Treatment of Track Platform and Superstructure, between pk 73+350 to pk 74+400;
- On the Douro Line: Track Superstructure Rehabilitation, between Pinhão and Tua;
- Vouga Line: Track Superstructure Rehabilitation, between Vila da Feira and Oliveira de Azeméis.

Completed in 2022:

- On the North Line: Comprehensive renovation of the road between Espinho and Gaia;
- On the Évora Line: Railway Connection between Évora and Évora Norte - Évora Alternative Route;
- On the Minho Line: Platform Treatment and Substitution of Track Superstructure, between pk 40+800 and pk 41+600;
- On the Cascais line: Track and Catenary Modernisation;
- On the West Line: Modernisation of the road between Meleças and Caldas da Rainha;
- On the Beira Alta Line: Modernisation of the road between Pampilhosa and Vilar Formoso;
- On the Douro Line: Renewal of the track superstructure, between pk 151+335 and pk 163+100;
- On the Algarve Line: Electrification, between Lagos and Vila Real de Santo António;
- On the South Line: Track Modernisation, between Ermidas and Grândola Norte;
- Sines line: Track Modernisation.

Landscape Management

With regard to landscape management, IP continued to develop work related to the Control of Invasive Plants, within the scope of the current maintenance contracts of its infrastructures and within the scope of its competencies as the competent authority in the management of road and railway infrastructures in Portugal.





These actions are articulated with the objectives of the **Life Stop Cortaderia Project**. This Project aims to create a Transnational Strategy to combat weeds (*Cortaderia selloana*) in the Atlantic Arc and started on 1 October 2018 and ends on 30 September 2022, promoted by Associación AM-ICA (Spain) together with *SEO/BirdLife* (*Sociedad Española de Ornitología*), in collaboration with other Spanish and Portuguese partners, namely the Patronato Municipal de Educación SERCA CEE, the Escola Superior Agrária de Coimbra/ Instituto Politécnico de Coimbra and the Gaia City Council.

In addition to these actions, mention should also be made of the plantations carried out in the Braga district, where IP planted 570 trees in various locations, in particular on the EN 103-3 at the access to Bom Jesus de Braga, where trees such as the alvarinho oak (*Quercus róbur*), the American oak (*Quercus rubra*), the strawberry tree (*Arbutus unedo*), the birch (*Betula pendula*) and also two Araucarias (*Araucaria heterophylla*) were planted. This planting will allow the population of Braga and the countless tourists who visit this emblematic place to enjoy a more pleasant landscape right at the beginning of this access, and this initiative has also been very well received by the local population.

Sustainability and Efficiency Programme - SEE

In the scope of the **Company's sustainability strategy**, in 2022 the Sustainability and Efficiency Programme – SEE was continued, which aims at greater optimisation and rationalisation of consumption of resources associated with its operational activity.

This strategy is embodied in the Sustainability and Efficiency Programme (SEE), which includes the following dimensions: energy, water, landscape, mobility and waste.

It should also be noted that, in 2021, work continued on the climate commitment undertaken by IP, Business Ambition for 1.5° C. This initiative is promoted by the United Nations – Global Compact, in which companies commit to align their activity and business processes with the objectives of the Paris Agreement to limit the increase in global temperature to 1.5° C above pre-industrial levels.



In 2022 IP finalised its carbon performance roadmap and set its decarbonisation target goals for 2030. These targets were submitted at the end of 2022 to the Scientific Committee of the Science Based Targets Incitive (SBTi), whose decision on acceptance will be known in May 2023.

RePowerIP Programme

In response to the difficulties and upheavals in the world energy market, the European Commission presented the RE-PowerEU Plan, transposed into national law through Council of Ministers Resolution No. 82/2022 establishing the Energy Saving Plan 2022-2023 for Portugal by defining a set of mandatory measures to reduce energy and water consumption, particularly for central government companies, which includes IP.

In order to comply with the established determinations, IP prepared its action plan, called REPowerIP 2022/2023, which aims to respond to the measures set out in the Resolution of the Council of Ministers No. 82/2022. The REPoerIP Plan aims to accelerate the reduction of energy and water consumption, with short-term measures of a more comprehensive scope, which include not only the continuation of investments and the articulation with IP's ongoing energy reduction programmes, but also the strong involvement of our employees.

The measures are based on the following main lines:

- Involve all employees in the same goal, to raise awareness, encourage and create savings by improving more suitable behaviour, namely the rationalisation of lighting and air conditioning of spaces and promoting greater use of natural light.
- To create savings by improving centralised procedures and promoting training and capacity building for management tools and awareness of resource efficiency, namely with training and implementation of management/monitoring systems for energy consumption of HVAC systems and lighting, electrical equipment and water, regulation of the temperature of indoor air-conditioning equipment, 18 degrees in winter and 25 degrees in summer, and use of rainwater or other sources for irrigation and washing.
- Reduction of GHG emissions generated by IP's employees in commuting, namely through the adoption of remote work and transport facilitation.
- Continue to invest in the renewal of infrastructures and systems and promote its own energy production, with the installation of solar photovoltaic systems for self-consumption in IP buildings and stations, including the use of solar energy for charging electric vehicles, and the replacement of existing lighting with new LED technology lighting. These initiatives are being communicated in buildings and railway stations through various communication supports.



6.5.2 PERFORMANCE

Materials

IP is increasingly seeking to incorporate principles of circularity of materials in its contracts, with a view to optimising the consumption of resources.

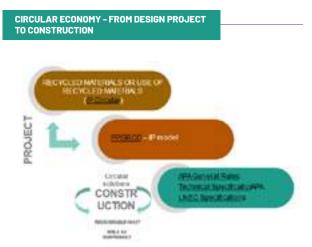
As an example of this practice, in 2022 the **"North Line Contract - Adaptation of the North Park of the Bobadela Logistics Complex"**, was awarded, with a view to providing the Bobadela Logistics Complex with conditions allowing for the loading and unloading of cargo associated with logistics activities in order to guarantee that the space will receive customs clearance.

The promotion of the use of waste at Construction Work took into account what was defined in the Project, and was encouraged at Construction Work by IP, the contractor and the designer, with the application of the APA's 5 (five) General Rules for construction and demolition waste (CDW), approved and published under the General Regime for Waste Management.





Concrete waste prepared for processing





Crusher for the processing operation.



Recycler - Process of in situ execution of base and sub-base layers of pavements (recycled mixtures).

The table below shows the result obtained (final produced quantity), based on what was defined in the Project PPGRCD (estimated produced quantity). As can be seen, the use of CDW at the construction site, instead of sending it to its final destination, allowed high incorporation rates to be obtained, in a closed construction circuit in which waste was studied as a resource. The final incorporation rate obtained was 96.22%.

INCORPORATION RATES OF CDW (FINAL ENVIRONMENTAL REPORT OF THE CONTRACTOR

Waste name - LER Code	Estimated Quantity Produced (tonnes)	Final Quantity Produced (tonnes)	Final Quantity Used (tonnes)	Incorporation Rate (%)
Concrete - 170101	1120,72	5621,20	5165,00	91,88%
Mixtures of concrete, bricks, tiles and ceramics other than those mentioned in 17 01 06 - 170107	Não previsto	592,06	345,00	58,27%
Bituminous mixtures other than those mentioned in 17 03 01 - 170302	1262,65	16269,05	16200,00	99,57%
Railway track ballast other than those mentioned in 170507 (CAT2) - 170508	Não previsto	1536,00	1536,00	100%
Unprocessed slag - 120202	1340,00	1340,00	1340,00	100%
Total waste of Work (without soil and rock)	4217,40	254238,30	24466,00	96,22%

Other indicators were also calculated in order to establish a comparison of CO2 emissions by the use of waste at the construction site and soil management as a by-product (the destination site at a distance of 5 km), and it was found that the solutions adopted avoided a significant volume of greenhouse gas emissions.

In short, this contract has made it possible to promote circular solutions on site, to reduce the purchase of materials, to reduce the number of waste transports to licensed final destinations and to control waste management operations, exempt from licences, through the tests carried out.

In the scope of the visit, APA considered the results to be exemplary, revealing the economic and environmental gains that can be obtained through the implementation, in the field, of good CDW management practices, as well as through the application of APA's General Rules.

In terms of material consumption, the current construction and conservation activity of the road and railway network consumes various types of materials, which are reused whenever possible in the IP's activity.

In terms of railways, the following consumption, use and reapplication of the following track materials was recorded in 2022:

Rail (km)						
Entry (total)	New output	Used Output				
25,868.5 ton	23,668.75	29,961.00				



Crossbars (units)							
Wo	od	Concrete (mono and bibloc)					
Input	Output	Input New output Used O					
28,144	32,885	223,926	296,683	4,721			

Re-application of track materials for use other than original

(in the case of the rail, it was use tracks or qi			
Material	Unit	Total Quantity	Ton
Rail 55 Gola	Meters	360.00	19.92
Rail 54E1	Meters	930.00	50.22
BB crossbars	Unit	90	

Miscellaneous material sold (other than track material)					
Containers	Unit	2			
Furniture	Unit	12			

Material provided free of charge					
Rail 54E1	Meters	375			
Screws	Units	1248			
BB Sleepers	Units	300			
Ballast	Tonnes	10.92			
Jerseys	Meters	50			

On the roads, the following raw material consumption was recorded in 2022

Raw Materials	TOTAL
Bituminous mixtures (m3)	188,229.18
Concrete (m3)	19,358.87
Iron and Steel (ton)	3,645.39
Selected soils for landfills and aggregates (m3)	184,524.00
rock salt and calcium chloride (ton)	1,592.28

Energy consumption

At IP the main energy consumption refers to electricity, fuel and gas consumption.

Fuel Consumption

IP's fuel consumption, mainly associated with the IP's automobile fleet, was 57,490 GJ, with this consumption stabilising compared to the previous year.

Power supply	2017	2018	2019	2020	2021	2022
Diesel	62 358	64 813	65 983	53 978	57 549	57 490

Electricity consumption

Consumption not available.

Gas consumption

Gas consumption in 2022 in the IP Group was 2,298 GJ, which is also stable compared with the previous year.

Year	Gas consumption (GJ)
2019	6,919.00
2020	4.030,00
2021	2.225,00
2022	2.298,00

Global energy consumption

Energy source	Consumption in 2019 (GJ)	Consumption in 2020 (GJ)	Consumption in 2021(GJ)	Consumption in 2022 (GJ)
Diesel	65,983.00	53,978.00	54,619.00	57,490.00
Gas	6,919.00	4,030.00	2,225.00	2,298.00
Electricity	250,583.00	230,796.00	231,407.00	*
TOTAL	323,486.00	288,804.00	288,250.00	*

* electricity consumption figures not available

Electricity and fuel consumption continue to be the most significant in the Organisation, in contrast with gas consumption, which is of little relevance compared to other sources.

Initiatives for Reducing Energy Consumption

In 2022, energy efficiency measures will continue to be implemented in IP facilities and infrastructures, in particular:

- The replacement of lighting with more efficient LED systems, with interventions carried out in 38 IP installations and buildings;
- The installation of frequency inverters with energy regeneration in 11 escalators at the Sete Rios station;
- The conversion of the diesel heating system to natural gas, in the Bragança facilities.



In total, these interventions will allow an annual saving of around 660,958 kWh.

Also noteworthy for the size of this intervention, is the continuation of the contract work for the full replacement of the window frames in building 2 of the IP headquarters on the Pragal Campus with double-glazed frames and thermal cut glass.

Still within the scope of the building renovation contracts on the pragal campus, the thermal insulation of the buildings' façades also stands out, where this insulation is being reinforced from the outside through the placement of mineral wool insulation panels.

Water

In the buildings and installations allocated to the IP, the origin of the water is essentially from the public network, and there has been no allocation of water sources for water consumption. In 2022 a total water consumption of 205,886 m was recorded in the IP, 6% less than in 2021.

	2019	2020	2021	2022
IP Water consumption (m3)	226 971	198 316	219 505	205 886

Biodiversity

Recognising the need to monitor the impacts on fauna, IP has implemented a programme to monitor the mortality of fauna on the roads under its jurisdiction, which has been running since 2010. In this framework, sightings of animal carcasses during road inspections are recorded in a georeferenced database.

We also took into account the animals killed on the roads detected by the teams carrying out routine road maintenance activities, the animals recorded following accidents, information from other entities such as the ICNF, and the data recorded by users of the mobile application LIFE LINES, developed by IP in collaboration with the University of Évora under the LIFE LINES Project Linear Infrastructure Network with Ecological Solutions, which is available free to the public through Google Play. These data are gathered in a database to support environmental impact studies and planning for the construction of new roads, or the improvement of existing ones, and to define measures to correct and minimise the risks of being run over and the barrier effect on animal movements.

With regard to the year 2022, the IP analysed all the data on recorded pedestrian collisions from the above-mentioned sources. The results are presented in the annual synthesis report available for consultation on the IP website (to be made available soon).

In summary, in 2022, 2147 animals were killed on the roads directly managed by the IP. Of these, 149 were registered on the LIFE LINE application. Of the 2147 animals registered, about 68% are wild and the remaining 32% domestic. Mammals are the most recorded group, mainly domestic and wild carnivores. Birds also presented relevant values, especially birds and nocturnal birds of prey.

Recent studies have shown that, in general, carnivores and other mammals use hydraulic crossings and agricultural crossings under the road to cross it, and that the availability of these structures can positively influence the reduction of their mortality on roads. If these passages are associated with L-shaped mesh fencing, the decrease in animal mortality is substantially reduced. In this context, the results of this programme are taken into consideration in the definition of specific requirements to be included in the improvement works of these crossings or roads, in order to consider the need to include minimisation measures for fauna. The measures implemented in this area include solutions such as the widening of hydraulic crossings and the implementation of walkways for fauna in them, improvement of fences, complemented by the L-shaped grid, mowing of slopes to increase visibility and avoid the presence of small animals that attract predators to the roads, and road signs to alert drivers to areas at greater risk of animals occurring.



Also of note were the measures aimed at protecting the lberian lynx, which included special fencing, the installation of colour strips, specific signs and electronic panels for speed control, as well as public awareness campaigns, such as the use of a vehicle to inspect the friction on road surfaces to raise awareness of the need to protect the Iberian lynx, since being run over is one of the main threats to its survival.

The application of these measures targets in particular the areas of greatest ecological sensitivity, where the highest number of pedestrian collisions are concentrated, giving priority to sections with sensitive species in order to reduce the impact on these species. So far, the results have been favourable (see summary reports on the IP website).

It should also be noted that within the scope of the LIFE LINES Project, continuity was given to the implementation of various innovative solutions that aim to promote a reduction in the mortality of fauna by trampling, such as:

- Installing nets on embankments to prevent them from being colonised by rabbits in order to avoid them and the carnivores that prey on them being run over;
- Installation of amphibian routing barriers for hydraulic crossings under the track;
- Installing barriers to raise the flight of flying species, preventing them from being run over;
- Installation of specific reflectors that reflect the lights of vehicles to the outside of the road, alerting nocturnal birds in good time;
- · Creation of a specific road sign for amphibians.

The solutions tested within the scope of the LIFE LINES Project were monitored in terms of their effectiveness, with a view to knowing their cost-benefit ratio and the viability of their use in promoting the environmental sustainability of the company. Monitoring has demonstrated good value for money for most measures, showing high effectiveness of the measures, with a significant reduction in fauna mortality figures. The good results of the barriers for guiding amphibians to the hydraulic crossings stand out, since the mortality of this group decreased between 90% and 100%. It should also be noted that in the sections where the L-shaped net fencing was implemented there was a 90.8% reduction in the mortality of carnivorous mammals and that in the sections with barriers for flying species, bat mortality fell by 69.2% and passerine mortality by 55.5%.

These measures and solutions are already being included in various projects, including projects included in the RRP, such as the IP8, which has a great diversity of wildlife in its surroundings and where numerous animals have been run over.



Wild carnivores using the fauna walkways at Hydraulic Crossings and Art Works (source: University of Évora)



Wild carnivores using the fauna walkways at Hydraulic Crossings and Art Works(source: University of Évora)



Specific fence to protect the Iberian lynx



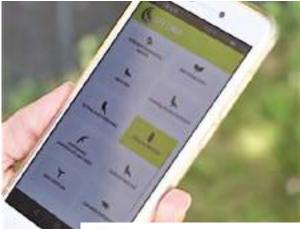


Amphibian Routing Barriers for Hydraulic Crossings



Barriers to elevate the flight of flying species, especially bats,





LIFELINES application for recording wildlife mortality, available to the public

In addition to these data, the IP also updates its database with information from the application LIFE LINES, a mobile application for recording animal mortality, available to the public through Google Play, which was developed by the IP in collaboration with the University of Evora, under the LIFE LINES Project.

The application integrates all fauna mortality information recorded by the various users at national level, which is subsequently validated by the University of Évora. After validation, the data integrate the IP database and also the Project's national database, from where they are used for scientific purposes, such as data modelling for the implementation of fauna mortality reduction measures and promotion of the creation of a Green Infrastructure to support the increase and conservation of biodiversity. In addition, their contribution could also safeguard road safety by helping to identify the road sections with the highest risk of animals being run over.

Emissions

GREENHOUSE GAS EMISSIONS

Scope 1 and 2 emissions associated with IP activity were considered for the quantification of greenhouse gas emissions.

Year	2019	2020	2021	2022
Total Emissions (tonC02eq)	15.349,00	13.485,00	13.443,00	*

* Information not available

As direct emissions (scope 1), the greenhouse gas emissions generated by the burning of fossil fuels in the automobile fleet of the IP Group and also gas consumption were accounted for. Indirect emissions (scope 2) were calculated as those resulting from electricity consumption in buildings, facilities and equipment.

Effluents and Waste

In the year 2022 the following waste production at IP resulting from the operation of its installations and infrastructures has been accounted for:

Year	2019 (tonCO2eq)	2020 (tonCO2eq)	2021 (tonCO2eq)	2022 (tonCO2eq)
Scope 1	5,325.00	4,254.00	4,187.00	4,282.00
Scope 2	10,023.00	10,023.00	9,257.00	*
Total	15,349.00	14,277.00	13,444.00	*

* Information not available



	2020	2021	2022
Total waste produced (ton)	12,588.00	5,704.00	7,618.00
Total waste for recovery (ton)	12,577.60	5,351.00	7,595.00
Total waste for disposal (ton)	10.95	353.00	23.44
Total hazardous waste (ton)	106.90	140.00	28.80
Total non-hazardous waste (ton)	12,481.50	5,564.00	7,590.00

For the majority and quantity of the waste fractions produced, their recovery was ensured.

There were no significant spills of hazardous substances in 2022. Water consumption in IP comes mostly from the public network, so there is no significant impact on its consumption. Wastewater is discharged at IP facilities mainly into municipal networks, although it sometimes connects to septic tanks.

6.5.3 INVESTMENTS IN ENVIRONMENTAL ASPECTS

Environmental investment is based on several aspects, having reached 9.5 million euros in 2022, with the most important aspect being that related to environmental activities carried out under the Current Infrastructure Conservation Contracts.

6.5.4 AWARENESS

In 2022, the following presentations at seminars and conferences on sustainability issues are highlighted:

- Presentation at the 9th Portuguese Road and Railway Congress on the theme of IP's decarbonisation and its adhesion to the Business Ambition 1.5°C Commitment;
- Presentation on the webinar promoted by the Portuguese Energy Agency (ADENE), under the theme, IP's Sustainability and Efficiency Programme

PERFORMANCE PAR

5

NUAL REPO



PART

3

ANNUAL REPORT

7. GOVERNANCE MODEL AND ORGANISATIONAL STRUCTURE

7.1 GOVERNANCE MODEL

IP has the nature of a public company in the form of a public limited company and is governed by Decree-Law No. 91/2015 of 29 May, which created it, by its statutes, approved in annex to that legal diploma, by the legal regime of the public corporate sector, approved by Decree-Law No. 133/2013 of 3 October, by the good corporate governance practices applicable to the sector, by the provisions of the Commercial Companies Code, internal regulations and national and European legal standards underlying its activity.

The corporate governance model adopted by IP was the dualist model, allowing an effective separation of the exercise of supervision and the management function of the company in the pursuit of the objectives and interests of the company, its shareholder, employees and other stakeholders, thus contributing to achieve the degree of trust and transparency necessary for its proper functioning and optimisation.

IP is subject to the jurisdiction of the Ministry of Planning and Infrastructures and, under the terms of the legal regime of the public corporate sector, is subject to the jurisdiction and control exercised by the Court of Auditors, as well as to the supervision of the Inspectorate General of Finance, under the terms of the law.

GENERAL MEETING							
1							
Chairman		Vice-Chairman		Secretary			
	_						
Not named (*)	Pa	Paulo Miguel Garcês Ventura (**)		ria Isabel Louro Caria Alcobia			

(*) The former Chairman of the General Meeting resigned on 24 January 2020. (**) Resigned as Vice-Chairman of the Board of the General Meeting in a letter dated 19 December 2022. The share capital is represented by registered shares in book-entry form, belonging to the Portuguese State and held by the General Directorate of Treasury and Finance.

The company's share capital on 31 December 2022, amounted to 11,152,155.000 euros fully subscribed and paid up by the State. The number of shares issued totalled 2,230,431 and their unit par value is 5,000 euros.

Corporate bodies

IP's corporate bodies consist of the General Meeting of Shareholders, the Executive Board of Directors, the General and Supervisory Board, which includes a Financial Matters Committee, and the Statutory Auditor.

General Meeting

It is made up of the shareholders, and the board of the general meeting consists of a chairman, vice-chairman and secretary.



Executive Board of Directors

Following the resignation on 31 December 2021 of the previous Chairman of the Executive Board of Directors of IP, S.A. In 2022, the Chairmanship of IP was held by the Vice-Chairman: José Saturnino Sul Serrano Gordo, with effect from 01 January 2022 until 25-08-2022. The remaining members of the Executive Board of Directors, elected for the 2018-2020 term of office at the General Meeting on 29March 2018, remained in office until 25-08-2022.

EXECUTIVE BOARD OF DIRECTORS								
Chairman	Vice-Chairman	Vice-Chairman	Member	Member	Member			
Not named	José Saturnino Sul Serrano Gordo	Carlos Alberto João Fernandes	Alberto Manuel de Almeida Diogo	Vanda Cristina Loureiro Soares Nogueira	Alexandra Sofia Vieira Nogueira Barbosa			

Following the General Meeting held on 26 August 2022, the members of the Executive Board of Directors of the Company were elected for the three-year period 2022-2024, with one Chairman, two Vice-Chairmen and three Board Members, as shown in the following table:



General and Supervisory Board

The General and Supervisory Board (GSB) shall be composed of six to nine members, appointed by the General Meeting of Shareholders, which shall also appoint one of them to act as Chairman.

There are currently two members of the General and Supervisory Board, who also constitute the Financial Matters Committee, whose composition is presented below:



Statutory Auditor

At the General Meeting held on 19 March 2019, the shareholder proceeded to appoint the company Vítor Almeida e Associados, SROC, Lda, registered with the OROC -Ordem dos Revisores Oficiais de Contas (Portuguese Institute of Statutory Auditors) under no. 191, registered with the CMVM under no. 20161491, represented by the partner Vítor Manuel Batista de Almeida (registered with the Order of Statutory Auditors under no. 691, reqistered with the CMVM under no. 20160331), as Statutory Auditor of IP. This appointment was made for the 2018-2020 term.

The supervisory bodies shall remain in office until reappointed.

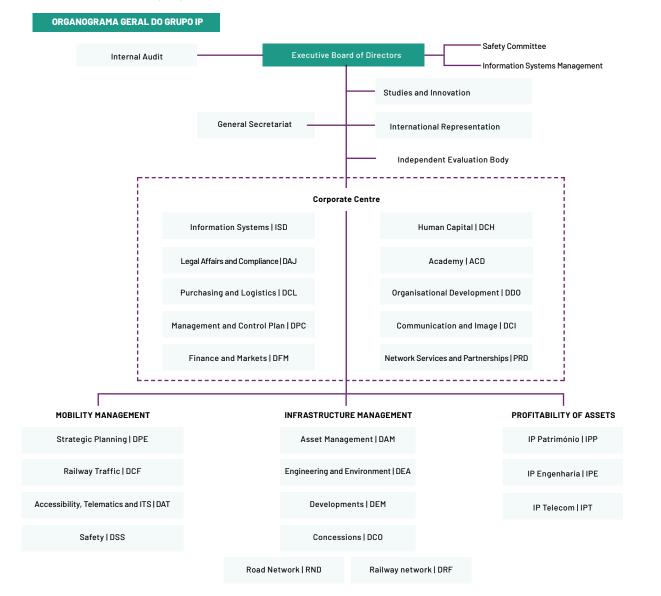
7.2 ORGANISATIONAL STRUCTURE

In order to respond to the mission, vision and values previously indicated, and after 5 years of consolidation of the merger between the companies, during 2020 the previous adjustments to the organisational structure were consolidated in order to enhance the generation/creation of value in relation to the needs and expectations of the stakeholders, through greater efficiency between the various areas and companies of the IP Group.

Thus, the IP Group's macrostructure is made up of:

Directorates and offices providing direct support to the Executive Board of Directors (EBD);

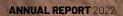
- Information Systems Committee (ISC): a liaison and interface management tool, with representation from the EBD and the Directorates;
- Safety Committee: to ensure a planned, reflective forum to guide decisions aimed at improving safety performance;
- Independent Evaluation Body function: performs functions associated with the Railway Safety Management System;
- Corporate Centre;
- Business Areas: Mobility Management; Infrastructure Management; Return on Assets (Affiliates).





Business areas are organic units dedicated to:

- **Mobility Management** which ensure the implementation of integrated network planning and management of road and rail mobility, according to principles of safety, sustainability and core revenue optimisation.
- **Infrastructure management** anticipating efficiency gains derived from the application of asset management principles.
- **Profitability of assets**, in which the participated companies are oriented to increase non-core revenues, to the benefit of the core service and are characterised by the following aspects:
 - They are aimed at optimising the IP Group's non-core revenues by monetising the excess capacity of assets not used in core activities and non-core assets;
- Its Board of Directors is composed of a member of the EBD of IP, who chairs it, and two other members with executive functions.
- The organic structure of the Subsidiaries includes a General Management that directly depends on different hierarchical levels: from Directorates (as in IP Engenharia) to Departments, Units or even Functions represented or not in the Organisational Chart
- IP's Corporate Centre supports and frames the activity of the Subsidiaries that focus on their core activities, without contemplating these aspects in their organic models.



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ANNUAL REPORT

8. COMPLIANCE WITH LEGAL GUIDELINES

This point, on compliance with legal guidelines, aims to respond to the guidelines set out in the DGTF instructions, for the purpose of preparing the 2022 accountability documents. The figures presented in this chapter relate to the Separate Accounts of the IP Company.

8.1 MANAGEMENT OBJECTIVES AND ACTIVITY PLAN AND BUDGET

Management Objectives

The IP Group's management objectives include a set of corporate indicators which, as a whole, encompass the Group's activity and make it possible to control the company's performance throughout the year within the scope of the Management Control System implemented in the IP Group.

Seven of these indicators are called "Shareholder Indicators" and are the highest level indicators, whose result is fun-

damental for the achievement of the company's financial and operational objectives, as well as corresponding to the goals that the company commits to achieve in relation to its Shareholders.

The results of the shareholder indicators obtained in 2022 are presented below, together with the justifications that support the observed deviations:

Indicator	Unit	Target 2022	Result 2022	Deviation (%)
Core Revenues - Cash	(M€)	1 212	1 195	-1%
Total Cash Flow	(M€)	-1 572	-1 125	28%
Strategic Investments Aggregate Indicator	%	85%	87%	2%
"Network Intervention Plan Aggregate Indicator (Except Strategic Investments)"	%	85%	84%	-1%
Degree of compliance with road service levels	%	100%	103%	3%
Degree of compliance with railway service levels	%	100%	79%	-21%
Non Core Revenue	(M€)	20	20,9	4%



1. Core Revenues - Cash (M€)

IP received, in 2022, the overall amount of 1,194.6 million euros in core revenues, which is 17.2 million euros less (-1.4%) than the amount provided in the budget.

The deviation from the budget is due to the Compensatory Indemnities, as no money was received in the 2nd semester of 2022, due to the inexistence of a contract for that purpose. In addition to the above, the amount received in the first half of 2022 is based on the Programme Contract 2016 / 2020.

In comparison with the same period of 2021, the result shows a positive variation of 79.4 million euros. There was a positive evolution in all types of Core Revenues, namely RSC, Tolls and Rail Services included in the Network Directory, with the exception of Compensatory Allowances.

With regard to tolls, in cumulative terms, toll revenue totalled 364.2 million euros (including VAT), 76 million euros (26%) more than that forecast in the budget. This recovery scenario results from the accelerated abandonment of mobility-restricting measures implemented during the pandemic phase.

Notwithstanding the generalised growth in traffic demand, compared to the same period in 2019, i.e. the "pre-covid" season, there is 13% less revenue, as a result of the reduction in the price of toll rates on ex-SCUT tolls (decreed by LOE 2021) and whose implementation was defined by RCM No. 80/2021, of 28 June, and regulated by Ordinance No. 138-D/2021 of 30 June. The effect of this new regime, applied in the AE ex-SCUT, and which translated into a 50% reduction in toll tariffs, was approximately 85 million euros in the accumulated 12 months of 2022.

In comparison with the same period of 2021, there was an accumulated increase of 27.3 million euros (+8.1%), essentially due to the fact that the beginning of 2021 was strongly influenced by the successive States of National Emergency that occurred during the 1st quarter.

2. Total Cash Flow - (M€)

IP's Total Cash Flow reached an accumulated value of -1,124.8 million euros which corresponds to a deviation of + 448 million euros compared to that foreseen in the budget (-1,572.3 million euros) centred on:

- Operating *Cash Flow*: with a deviation of + 146.7 million euros;
- Cash Flow from Investments: with a deviation of + 298.3
 million euros;
- Financial Cash Flow: with a deviation of + 2.6 million euros.

3. Strategic Investments Aggregate Indicator(%)

The Integrated Indicator PIR - Strategic Projects - which includes: the 2020 Railway Programme (F2020), the Mondego Mobility System (SMM), the Recovery and Resilience Plan (RRP), the National Investment Plan 2030 (PNI 2030), the Programme for the Enhancement of Enterprise Areas (PVAE) and the PETI3+ Road Programme, achieved the overall result of 87%, i.e. 2 p.p. above the established target.

The positive deviation from the target is due to the financial execution in the period (87%), reflected in parameter D and, mostly, in parameter E, due to the growth in financial execution by +82% compared to the same period in 2021.

On the other hand, parameters A and B, associated with the new works planned to be launched during the period (in number and value, respectively), show results below the target set.

The results for each of the five parameters of this indicator are presented below.

Parameter A (Weight 10%):

 No. of contracts launched (tender notice launched) and planned / No. of planned contracts to be launched in the plan: Result 43% (37 out of 87).

Parameter B (weight 20%):

 Total value of contracts launched (call for tenders launched) (236.3 million euros) / Value of contracts planned to be launched in the Plan (722.0 million euros): 33% result.

Parameter C (weight 20%):

 Total planned timeframe of the works developed and foreseen in the plan / Total actual timeframe of the works developed and foreseen in the plan: 94% result.

Parameter D (weight 35%):

• Degree of implementation (economic perspective) of the PIR (adjusted version mar.22): 87% result: Execution: 426.8 million euros; Planned Execution: 492.1 million euros.

Parameter E (weight 15%):

• Execution growth factor compared to the same period of the previous year: Result 182%: Execution 2022: 426.6 million euros; Execution 2021: 234.6 million euros.

4. Aggregate Indicator Network Interventions Plan (except strategic investments)(%)

By December, the concretisation indicator of the Network Interventions Plan (except strategic projects) reached the global result of 84%, which is 1 p.p. below the annual target.

This deviation of 1 p.p. is due to parameter B (value of works launched compared to forecast) and parameter A (budget execution).

Although the level of budget execution (parameter D) was only 74%, there was an increase of 14% compared to 2021 (parameter E).

The results for each of the five parameters of this indicator are presented below.

Parameter A (Weight 10%):

 No. of contracts launched (with call for tenders) and scheduled to be launched in the PIR / No. of contracts scheduled to be launched in the PIR: Result 87% (109 out of 126).

Parameter B (weight 20%):

 Total value of contracts launched (with call for tenders) (117.7 million euros) / Value of contracts planned to be launched in the PIR (162.4 million euros): 72% result.

Parameter C (weight 20%):

 Total planned timeframe of the works developed and foreseen in the plan / Total actual timeframe of the works developed and foreseen in the plan: 86% result.

Parameter D (weight 35%):

 Degree of implementation (economic perspective) of the PIR (Mar.22 Adjusted version): 74% result: PIR Execution: 243.5 million euros / Baseline PIR: 327.2 million euros;

Parameter E (weight 15%):

 Execution growth factor compared to the same period of the previous year: 114% result: Execution 2022: 243.5 million euros; Execution 2021: 213 million euros.

5. Degree of Compliance with Road Service Levels(%)

The degree of road service compliance is determined based on the achievement of the targets set for the Road Safety Index (RSI) and Road Asset Management. In 2022 the degree of road service was 102.9%; i.e. higher than planned.

ROAD SAFETY INDEX

The value of the road safety index (ISR) is determined by weighting the results (Calculation of the results is done on a 100 basis from the average reference years 2013 / 2014) of the following indicators: no. of black spots (BS), severity indicator within localities (SI DR) and no. of fatalities.

- RSI = BS x 0.2 + SI DR x 0.4 + F x 0.4
- Goal: BS (2021) = 41; SI DR= 16.399; F= 159
- Real: BS (2021) = 24(*); SI DR= 16.009; F = 171

The data presented are those available in the ANSR database of accidents with victims between January 2022 and December 2022.

By December 2022, the number of fatalities was 171, close to the number recorded in 2019, the pre-pandemic year. In SI DR, the figure recorded up to December is lower than in 2018 and 2019, which may be associated with the implementation of remote work.

With regard to Black Spots, the first data for 2021, indicated by ANSR, point to 24(*) BS. From the IP analysis: 10 BPs are confirmed; 7 BS present inconsistencies and therefore ANSR's complementary analysis is awaited; 6 BS should not be considered because the criteria of the BS definition do not apply; 1 BS is from the sub-concessioned network.

PERFORMANCE OF ROAD INFRASTRUCTURE

The Road Infrastructure Performance indicator comprises two components (with weighting):

- Pavement Condition: all sections that make up the NRN under IP's jurisdiction;
- Condition State of Art Works: all bridges, viaducts and tunnels installed in the NRN, in operation.

The result of the Road Infrastructure Performance indicator was 4.86 (provisional value), in other words, it was in line with the planned target, so the objective was met.

6. Degree of Compliance with Railway Service Levels(%)

The indicator of the degree of achievement of the railway service is determined on the basis of the achievement of the targets set for the following indicators in the Programme Contract:



- Railway Safety Index (RSI);
- Quality of Railway Infrastructure;
- Reliability of Railway Infrastructure;
- Supplementary Margins;
- Network availability;
- Customer Satisfaction;
- Protection of the Environment;
- Amount of Activity.

The overall result for the period under review was 79.3%, 20.7 p.p. below the target set. It is important to note that the negotiations for the formalisation of the new Programme Contract are still underway, and for the purposes of this report the targets defined for 2020 were maintained, as well as the original formulas for calculating the indicators

RAILWAY SAFETY INDEX (SA/Mtk)

The result in 2022 of 0.955 SA/Mtk is below the target set in the programme contract of 0.942 SA/Mtk.

The number of accidents in 2022, 34, is +1 higher than the total number of accidents in 2021 and the SA ceiling for tK in the 2022 ABP.

QUALITY OF RAIL INFRASTRUCTURE (%)

The indicator aims to assess the state of repair of the railway infrastructure. Its original scope has been extended from assessing the condition of the track and engineering structures to assessing the condition of the remaining key asset classes of the infrastructure, which are: platform protection and stabilisation structures, track, switches and crossings, bridges, tunnels, signalling interlocks, ATP system, catenary and traction substations.

The Railway Infrastructure Performance indicator (scale 0-8) shows a result of 5.20 (provisional value) above the defined target.

RELIABILITY (PUNCTUALITY) OF RAIL INFRASTRUCTURE (%)

The Overall Punctuality Index in 2022 was 87.2%, 2.8 p.p. below the established target, which reflects a worsening of 4.8 p.p. relative to 2021 (92%).

The figure recorded represents a worsening compared to the same period in 2021 (92%), which reflects the worsening conditions under which the infrastructure is made available for train circulation. IP's share of responsibility has been progressively increasing from just over 20% to around 30%

Analysing each of the months of 2022, it should be noted that the low performance of Alfas and IC trains has been maintained and a progressive worsening has been registered in suburban trains.

ADDITIONAL MARGINS (MINUTES)

The additional margins correspond to the journey times added to the timetable planning to reflect the speed restrictions imposed by the implementation of scheduled infrastructure interventions. The supplementary margins are set each year in each Network Board according to the planned interventions.

The value of the indicator was calculated on the basis of the supplementary margins used in the 2022 Timetable (63 minutes), amounting to 137 minutes, mainly the supplementary margins on the North Line of 19 minutes (due to the inclusion of the Supplementary Margin due to work on the Esmoriz-Gaia section) and the supplementary margins on the Beira Alta Line of 25 minutes.

NETWORK AVAILABILITY (%)

The Network Availability indicator reflects the percentage of time that the infrastructure was open for operation. It is calculated as the difference between total theoretical availability and availability not granted (closure to operation due to track restrictions).

The Network Availability value in the 4th Quarter of 2022 (76.25%) is lower by about 9.45 p.p. in relation to the same period in 2021, and still below the target established in the Programme Contract, having been penalised by the high number of works in progress and the closure of the Pampilhosa-Guarda section of the Beira Alta Line.

RAILWAY CUSTOMER SATISFACTION (%)

The indicator Railway Customer Satisfaction is calculated by the arithmetic mean of the results. Obtained from the following 2 annual surveys:

- Railway Operator Satisfaction Survey;
- End Customer Satisfaction Survey.

The overall result of 65% considered i) the 55% obtained in 2022 for the Railway Operators Satisfaction Survey; ii) and the 75% recorded in 2021 for the Final Customer Satisfaction Survey; since it was not possible to carry out this survey in 2022, due to contractual issues, the last known value, obtained in 2021 (75%), was considered for the purpose of calculating the indicator.

ENVIRONMENTAL PROTECTION (%)

The Environmental Protection indicator evaluates the performance of the IP in pursuing its efforts to reduce noise exposure of the population. The future perspective of this indicator reflects the plan of interventions aimed at reducing the population's exposure to noise.

In the 4th guarter of 2022, the result was 1.10%, 2.9 p.p. short of the 3% target. As at 31 December 20022, the reduction in the 4th Quarter is due to the normal progress of the works on the following contract: North Line - ESPINHO-GAIA - RIV / North/South Corridor - North Line.

However, contrary to expectations, the contract is not yet complete, which has an impact on the final value of the indicator.

ACTIVITY QUANTITY (TK)

Through December the rail operators ran a cumulative total of 35,315,078 train kilometres (tK), falling 3% short of the target (36.4 MTK).

Compared to the same period in 2021, there is a variation of +0.9%, resulting from the increase in passenger transport (+1.8%) and a reduction in freight transport (-3.3%).

This variation as well as the lower-than-target result are directly related to:

· Increase in the activity of passenger Railway Operators compared to the same period in 2021, namely through the use of the new railway infrastructures made available (electrification of the Viana do Castelo/Valença section of the Minho Line and entry into service of the Concordância das Beiras and Covilhã/Guarda section of the Beira Baixa Line);

- Effect of the mandatory enclosure period between 15 January and 30 April 2021, mostly on the passenger segment (lower number of circulations).
- Closing of the Beira Alta Line, between Pampilhosa and Guarda, from 19 April 2022, as part of the works in progress;
- Strike of operational workers of CP and IP, respectively, in June, July and August, November and December 2022, with a major negative impact due to the suppression of trains
- Fires on the North Line in August that forced the interruption of railway circulation.
- At the end of 2022, adverse weather conditions forced the interruption of rail traffic on several lines.

7. Non Core IP Revenue - Economic Viewpoint (M€)

IP's non-core income reached an overall amount of 20.9 million euros in 2022, which represents an execution slightly above the budget forecast (20.0 million euros).

It should be noted that approximately 70% of IP's non-core income comes from the sale of waste, telecommunications concession and commercial spaces concession.

Execution of the Activity Plan and Budget 2022

[thousand euros]						
Description	ABP 2022	Implemented 2022	Variation (+/-)	Comments/measures		
Net Profit	25 088,4	47 783,5	22 695,1			
EBITDA	522 347,5	506 472,2	-15 875,3			
Operating Result1)(EBIT)	254 221,2	234 899,1	-19 322,1			
Turnover2)	1 144 165,4	1 138 436,4	-5 729,0			
Indebtedness	4 144 900,0	4 146 349,9	1 449,9			
Net Financial Debt no State borrowings	1 608 100,0	1 577 349,1	-30 750,9			
Net Financial Debt3)/EBITDA	7,5	7,7	-0,2			
Net Financial Debt (no State borrowings)/EBITDA	3,1	3,1	0,0			

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

2) Detail and quantify in the remarks where other sections, in addition to sales and services rendered, are considered in the calculation of Turnover. 3) Net financial debt means the value of indebtedness minus cash and cash equivalents.



- The Net Result for 2022 was 47.8 million euros, which represents an increase of around 22 million compared to the 2022 ABP.
- The EBITDA figure is 15.8 million euros less than that forecast in the ABP. This difference is essentially due to the value of the compensatory indemnities received compared to what was foreseen in the budget, (-64.9 million euros). The value of Sales and Services Rendered was also 5.7 million euros lower than budgeted.
- In relation to the Operating Result, the variation was also negative compared to the budget, at 19 million euros less than budgeted.

Under this heading, it should be noted that operating income in 2022 was 1,295 million euros, which was 65.6 million (-4.8%) below the amount provided for in the budget.

	unit: thousands of e					
Operating Income	2022					
operating income	Real	Budget	Budget Variance	%		
Sales and services rendered	1 138 436	1 144 165	-5 729	-1%		
Road Service Contribution (RSC)	665 501	675 332	-9 832	-1%		
Tolls	294 646	234 529	60 116	26%		
Railway Services	88 468	81 689	6 779	8%		
Grantor State - LDI Revenue	32 199	57 153	-24 954	-44%		
Construction Contracts	50 947	90 272	-39 325	-44%		
Other Services Rendered	6 677	5 190	1487	29%		
Operating subsidies	55 055	120 002	-64 947	-54%		
Other income and gains	101 182	96 146	5 036	5%		
Total Operating Income	1 294 674	1 360 314	-65 640	-4,8%		

Turnover decreased by 5.7 million euros (-0.5%) compared to the budget, due to the negative variations in revenue from the Road Service Contribution (-9.8 million euros), the State Grantor item (-25.0 million euros) and the Construction Contracts (-39.3 million euros). On the other hand, there was an increase of 60.1 million euros in revenue from tolls, and of 6.8 million euros in Railway Services.

With regard to operating costs, these made a positive contribution to the operating profit and to EBITDA, reaching the amount of 1,063.8 million euros in 2022, which represents a decrease of 42.2 million euros (-4%) compared to the budget forecast.

			uni	t: thousands of euros			
On any line Fundament		2022					
Operating Expenses	Real	Budget	Budget Variance	%			
Cost of goods sold and materials consumed	280 585	287 631	-7 046	-2%			
Conservation, Repair and Safety of the Road Network	126 583	142 015	-15 432	-11%			
Conservation, Repairs and Safety Railway Network	80 145	84 390	-4 246	-5%			
Other Supplies and services	152 822	137 954	14 868	11%			
Personnel costs	132 239	140 291	-8 052	-6%			
Expenses/reversals of depreciation and amortisation	271 573	268 126	3 447	1%			
Provisions (increases/reductions)	13 376	37 008	-23 632	-64%			
Other costs and losses	7 402	8 676	-1 275	-15%			
Total Operating Expenses	1063 852	1 106 092	-42 241	-4%			

Operating Expenses were 1,063.9 million euros in 2022, 42.2 million euros less than budgeted, but 81.2 million euros more than in the same period in 2021.

- The value of debt remained the same in 2022 as forecast.
- The path of the Net Financial Debt ratio (7.7) worsened slightly compared to the forecast in the ABP (7.5). If we disregard the State loans, since they represent financing granted by the shareholder, the ratio remains constant in relation to the ABP (3.1).

INVESTMENTS

The amount of Road and Railway investment carried out in the year 2022 was 473.1 million euros, which represents 60% of the budgeted amount.

The total amount realised for each of the investments was lower than that foreseen in the approved Activity Plan and

Budget for the year 2022, with the exception of PVAE Investments and PETI3+ Road Investments.

The higher than expected financial execution was due, in both cases, essentially to the following factors:

- Contractually provided price revisions, which had a strong impact in 2022 due to the increase in construction and labour costs, reflected in the price revision indexes;
- Expropriations associated with these investments, whose value is often determined by judicial decision.

Despite the above, total road investment was 42% below the amount foreseen in the Plan and Budget.

In terms of financing, 56% was provided by Capital Credits, 32% by European funds, 8% by own revenues, and 4% by funds from the RRP.

[thousand euros]

			Implemented 2022						
Investment Plan ABP 2022					Source o	f Funding			Deviation
	ABP 2022	TOTAL	Own revenue	State Budget	Indebtedness	Community funds	RRP	Capital endowments	(ABP vs Implemented)
Total Value of Investment	785 818	473 076	38 395	0	0	149 157	17 036	268 488	-40%
Railway Investment	687 584	416 755	0	0	0	148 407	0	268 348	-39%
Investments Ferrovia 2020	512 179	347 622				130 492		217 130	-32%
PNI2030 - Railway	55 560	10 503				6 093		4 411	-81%
Other Railway Investments	62 314	43 263						43 263	-31%
Mondego Mobility System	57 531	15 366				11 822		3 543	-73%
Road Investment	83 962	48 989	31 074	0	0	739	17 036	141	-42%
PNI2030 - Road	5 106	141						141	-97%
Road Investment RRP	42 306	17 036					17 036		-60%
Other road investments	15 904	2 509	2 509						-84%
PVAE Investments	18 360	25 443	25 443						39%
Road Investments PETI3+	2 285	3 861	3 122			739			69%
Management Support Investments	14 272	7 332	7 320	0	0	12	0	0	-49%



ROAD PARTNERSHIPS

Payments made in the year 2022 for Road Partnerships were 1,182.8 million euros (VAT excluded), 150 million less than budgeted, representing an execution of 89% of the budgeted

amount. In relation to the same period in 2021 there is a reduction in payments of 68.9 million euros (-6%).

			unit:	millions of euros (excluding VAT)
Concessions and Sub-concessions	Real		Cumulative	December 2022
	December 2021	Real	Budget	% Execution
Concessions Availability Infrastructure + Availability A+B	626,7	646,9	643,0	101%
Algarve	42,7	46,2	46,3	100%
Beira Interior	49,8	52,3	51,9	101%
Beira Litoral and Alta	113,1	118,8	118,7	100%
Costa de Prata	48,6	48,2	48,4	100%
Greater Lisbon	26,3	28,4	28,4	100%
Greater Porto	74,5	77,6	76,6	101%
Northern Interior	68,9	69,2	68,1	102%
North	149,8	157,1	156,4	100%
Norte Litoral	53,0	49,1	48,2	102%
Availability + Service Sub-concessions	598,7	483,1	595,9	81%
AE Transmontana	50,4	53,0	52,0	102%
Baixo Alentejo	35,3	39,1	37,7	104%
Baixo Tejo	151,5	53,0	52,3	101%
Douro Interior	81,4	84,8	84,6	100%
West coast	121,4	119,2	119,0	100%
Pinhal Interior	119,0	118,8	117,9	101%
Coastal Algarve	39,7	15,2	132,4	11%
Contributions and Rebalances	8,2	1,8	11,1	16%
Major Repairs	18,1	51,0	82,8	62%
Total	1 251,7	1 182,8	1 332,8	89%

Degree of Execution of the Budget uploaded in SIGO / SOE

The overall balance at the end of 2022 shows a worsening of 64.8 million euros compared to the same period in 2021 and reflects an implementation rate of 99% compared to that foreseen in the 2022 State Budget.

unit: millions of e									
	Real 2020	Real 2021	2022			2022	Deviation	Deviation	
			Budget Approved	Budget Corrected	Real	Budget % Implementation	December 2022/2021	December 2022/0E 2022 (abs e %)	
Effective Revenue	1222,90	1262,22	1659,64	1 659,64	1 401,48	84%	139,26	-258,16	-16%
Effective Expenditure	2 211,79	2 322,16	2 812,36	2 800,76	2 526,24	90%	204,08	-286,12	-10%
IP Deficit	-988,89	-1059,94	-1 152,72	-1 141,12	-1 124,76	99%	-64,82	27,96	-2%

REVENUE

Compared to the budget, the IP achieved 91% of the forecasted revenue, mainly due to:

- Receipt of 96% of the amounts relating to tolls, which shows an upturn in the use of road infrastructures and is above the amounts foreseen in the IP ABP;
- Receipt of 149% of the sums relating to sales and provision of services, with emphasis on the receipt of the tariff for use in arrears since 2021, by the CP operator;
- Receipt of 913% of amounts relating to the sale of fixed assets (sale of property in Lagos and the amount received on account of the 5th advance on the sale of EL CORTE INGLÊS in Braga);

- Receipt of 96% of the sums relating to the RSC, a figure below the forecasts for the year, due to the reduction in the amounts collected by the AT;
- Receipt of 100% of planned capital appropriations, totalling 1,282 million euros, to cover debt servicing, PPP expenditure and railway investments.

		_			2022		2022	Deviation	Devia	
FF	Revenue	Real 2020	Real 2021	Budget Approved	Budget Corrected	Real	Budget % Implementation	December 2022/2021	December 2022/0E 2022 (abs e %)	
	04. Tolls and other Fees	341,89	340,06	381,37	381,37	367,38	96%	27,33	-13,98	-4%
	05. Interest and Dividends	6,06	2,97	2,10	2,10	5,26	250%	2,29	3,16	150%
0.0	07. Sales and Service Provision	129,05	98,80	103,04	103,04	153,16	149%	54,36	50,12	49%
Own Revenue	08. Other current revenue	8,47	32,02	1,50	1,50	3,91	261%	-28,11	2,41	161%
	09. Fixed assets Sale	3,22	3,99	1,14	1,14	10,40	913%	6,41	9,27	813%
	13. Other Capital Receipts	13,99	16,44	0,00	0,00	8,32	-	-8,12	8,32	-
	06. RSC	609,93	619,79	675,33	675,33	650,82	96%	31,03	-24,52	-4%
Revenue Taxes	06. Current Transfers	67,72	67,72	118,60	118,60	33,86	29%	-33,86	-84,74	-71%
	06. Current Transfers	2,69	0,41	2,35	2,35	0,54	23%	0,13	-1,81	-77%
FC	10. FC Receipts	39,86	80,02	374,20	374,20	167,84	45%	87,82	-206,37	-55%
Capital Endowments	12. Loans and Capital Increases	1 054,15	1 612,65	1282,07	1 282,07	1 281,98	100%	-330,68	-0,09	0%
	TOTAL	2 277,05	2 874,87	2 941,71	2 941,71	2 683,46	91%	-191,41	-258,25	-9 %

unit: millions of euros



EXPENDITURE

Expen-						2022		2022	Deviation	Devia	
diture type	Expenditure	Real 2020	Real 2021	Budget Approved	Budget Corrected	Commitments	Real Dezembro	Budget % Implementation	December 2022/2021	Decen 2022/01 (abs e	E 2022
DNC	01. Pessoal	126,35	129,60	136,49	133,86	133,41	129,37	95%	-0,24	-7,13	
	02. Funcionamento	291,92	259,28	357,38	365,40	345,60	306,11	86%	46,83	-51,27	-14%
DCC	02. Conservação Ferroviária	83,16	73,42	108,06	107,81	101,81	85,08	79%	11,66	-22,99	-21%
DCC	02. Conservação Rodoviária	124,21	95,96	136,50	144,77	131,45	115,22	84%	19,26	-21,27	-16%
DCC	02. Funcionamento - Materiais	7,48	8,22	25,99	6,93	6,92	6,60	25%	-1,62	-19,39	
	02. Funcionamento - Receita	38,76	42,48	35,12	58,21	57,80	52,62	150%	10,14	17,50	50%
DCC	02. Encargos Cobrança CSR	0,41		6,23	2,07				0,00	-6,23	-100%
DCC	02. Encargos Cobrança receita	22,07	22,73	28,89	26,82	28,48	23,37	81%	0,65	-5,52	-19%
DCC	02. Encargos Instalações	16,28	19,75		29,32	29,32	29,25	-	9,49	29,25	
DNC	02. Funcionamento Geral	38,31	39,20	51,71	47,66	47,61	46,59	90%	7,39	-5,12	-10%
DNC	03. Juros	95,94	96,10	77,55	77,55	76,13	75,94	98%	-20,16	-1,61	-2%
DNC	04. Transferências Correntes	2,15	3,24	5,73	2,38	2,11	2,10	37%		-3,63	-63%
DNC	05. Subsidios	0,01	0,01	0,01	0,01	0,01	0,01	-	0,00	0,00	
DNC	06. Outras Despesas Correntes	51,98	26,26	89,23	48,46	48,46	48,42	54%	22,16	-40,81	-46%
DNC	06. Out. Desp. Corr Impostos e Taxas	51,98	26,26	16,88	48,46	48,46	48,42	287%	22,16	31,54	187%
DNC	06. Out. Desp. Corr Reserva			72,35				-	0,00	-72,35	-100%
	07. Investimentos	1642,70	1807,66	2 145,17	2 171,37	2 050,75	1962,57	91%	154,91	-182,60	-9%
DC	07.01. Investimentos IEAG's	4,53	6,39	7,22	10,10	9,69	8,28	115%	1,90	1,07	15%
DNC	07.01. Concessões Rodoviárias	1409,62	1544,15	1 428,73	1460,63	1 460,47	1 452,95	102%	-91,20	24,22	2%
DC	07.01. Investimentos Rodoviários	33,71	30,04	80,56	77,90	53,88	51,65	64%	21,61	-28,90	-36%
DC	07.03. Investimentos Ferroviários	194,83	227,09	628,67	622,73	526,72	449,68	72%	222,60	-178,98	-28%
DNC	08. Transferência Capital	0,75		0,79	1,73	1,73	1,73	-	1,73	0,93	117%
DNC	09. Ativos Financeiro		2,00					-	-2,00	0,00	
DNC	10. Passivos Financeiros	89,71	629,29	129,35	129,35	129,35	129,35	100%	-499,94	0,00	
	TOTAL	2 303,82	2 953,45	2 941,71	2 930,10	2 787,53	2 655,59	90%	-297,86	-286,12	-10%

NCD - Non-Compressible Expenditure

CCD - Conditional Compressible Expenditure

CD - Compressible Expenditure

In relation to the budget, in 2022, IP allocated commitments amounting to 2,787.5 million euros (95% of the corrected budget after captives), having executed 90% of the planned expenditure.

Activity Budget:

- The items with the highest implementation rates are Personnel (95%), General Administration (90%) and Revenue Collection (81%);
- The items Taxes and IEAG's, having suffered a significant impact with the cuts applied to IP, achieved realisation rates of 54% and 115% respectively.
- The sum proposed by the IP for the item Facilities Costs was, in the approved State Budget for 2022, entirely cut, forcing it to be reinforced to meet energy and water costs. In the case of electricity supply, the totality of the invoice already received was not paid, as it was still under negotiation/validation.

Project budget:

- The items with the highest implementation rates compared to the budget are the road maintenance and railway maintenance items, with 84% and 79%, respectively;
- Road and rail investments have lower realisation rates (72% and 64% respectively).

These levels of implementation are the result of the combination of 2 factors of opposite sign, i.e., on the one hand, the increase in prices charged and, on the other hand, the delays in the development of contractual processes motivated both by the incapacity shown by some contractors and by the delay in obtaining prior approval from the CA due to constant issues related to OT2022 and the duodecimal regime in force until June.

Road Concessions

 The Road Concessions item has a weight of 55% of the total expenditure incurred and shows an achievement rate of 102%, as a result of the level of predictability of availability tariffs which are pre-defined contractually and the CPI update.

8.2 FINANCIAL RISK MANAGEMENT

With a view to implementing greater financial control over the public corporate sector, as well as establishing requirements on good governance and strengthening the powers and duties inherent in the exercise of the shareholder function, Decree-Law No. 133/2013 of 3 October was published. Article 29 para. 1 states that non-financial public enterprises that have been or are integrated in the general government sector, according to the European System of National and Regional Accounts, are barred from accessing new financing from credit institutions, except from multilateral financial institutions. IP has not sought new financing from credit institutions or capital markets since 2010.

The table below shows the evolution of the average annual financing interest rate for the period 2018-2022:

				unit: mi	illion euros
Real	2022	2021	2020	2019	2018
Financial Charges	70,1	91,7	97,8	108,7	142,7
Average Financing Rate	1,7%	1,9%	1,9%	2,0%	1,8%

The average financing interest rate for 2022 was set at 1.7%. The reduction in the debt stock compared to 2021 contributed to this rate, as well as the moratorium on debt service on State loans (road component).

8.3 DEBT GROWTH LIMIT

In 2022, the State Budget Law through article 53 establishes that the global growth of the indebtedness of public companies is limited to 2%, considering the remunerated financing corrected by the paid-up share capital and excluding investments.

Article 145.4 of the Budget Execution Decree Law of 2022 defines the calculation formula for determining the overall growth of indebtedness of public companies integrated in the business sector of the State:

(FR_t - FR_{t-1}) + (Capital_t - Capital_{t-1}) - Novos Investimentos_t

em que:

FR - Financiamento remunerado Capital - Capital Social ou Capital Estatuário realizado Novos Investimentos - Novos investimentos com expressão material



			unit: r	nillions of euros	
			Variation 22/21		
Change in debt (execution)	2022	2021	Value (M€)	%	
Interest bearing loans (current and non current)*	4 015,5	4 144,9	(129,3)	-3%	
- of which granted by the DGTF	2 215,6	2 215,6	-	0%	
Share Capital / Statutory Capital	11 152,2	9 870,2	1 282,0	13%	
New Investments in year t (with material expression)	10,2	-			
Change in Indebtedness	8,2%				

* Of the nominal value

In accordance with the Investment Plan, for the purposes of calculating this indicator, IP considers the following:

- "New investments" investments planned under PNI2030;
- · IP's investments with material expression, namely the undertakings included in the Ferrovia 2020 Investment Programme, were already foreseen and identified in previous Investment Plans;
- The investments foreseen in the RRP are fully covered by funds coming from the Recovery and Resilience Mechanism.

The growth rate calculated for 2022 of 8.2% considers the portion of capital allocated to finance the payments of road Concession and Sub-concession contracts (PPP). These contracts were established by the State in the case of the former and under State guidelines in the case of the latter, so that if we exclude the value of the capital increase allocated to cover these payments, the ratio is 2.8%:

			unit: r	nillions of euros
			Variation 22/21	
Change in debt (execution)	2022	2021	Value (M€)	%
Interest Bearing Financing (Current and Non-Current)*	4 015,5	4 144,9	(129,3)	-3%
- of which granted by the DGTF	2 215,6	2 215,6	-	0%
Share Capital / Statutory Capital	10 403,9	9 870,2	533,7	5%
New Investments in year t (with material expression)	10,2	-		
Change in Indebtedness	2,8%			

* Of the nominal value ** Expurgado o montante alocado às PPPs

The variation obtained has its origin in the requirement, by the shareholder and beginning in 2022, to use the capital to pay the specific expenses it aims to finance as provided for in the State Budget. Thus, in 2022, the capital tranches contributing to this result are, on the one hand, interest (70 million euros) and, on the other, railway investments (334 million euros).

It should be noted that compliance with the 2% debt growth limit stipulated in article 53.1 of Law 12/2022 is verified on the overall growth of the indebtedness of public companies.

The table below shows the evolution of IP's debt growth since 2019:

	2022	2021	2020	2019	2018
Growth rate of indebtedness	8,2%	7,5%	6,7%	5,8%	-11,3%
Growth rate of indebtedness(*)	2,8%	0,8%	-0,4%	-0,2%	-16,4%

(*) Excluding the amount allocated to PPPs

8.4 EVOLUTION OF THE AVERAGE PAYMENT TERM TO SUPPLIERS

The Resolution of the Council of Ministers (RCM) No. 34/2008, of 22 February, approves the Pay on Time Programme, which aims to significantly reduce the payment terms to suppliers of goods and services (APP) practiced by public entities. The RCM establishes the deadline objectives, as well as the monitoring and publication of the evolution of the indicators of average payment deadlines to suppliers. The indicator is always exceeded when the APP is less than 30 days.

Order No. 9870/2009, of 13 April, adapts the calculation of the average payment period indicator, which considers the average balance of supplier debts observed at the end of each quarter.

IP publishes its average payment period in the Annual Report and Accounts.

The evolution of the average payment period, in 2022 compared to 2021, was as follows:

PMP	2022	2021	Variatio	n 22/21
PHP	2022	2021	Value	%
Deadline (days)	13	5	8	160%

Decree-Law 65-A/2011 defines that "Late payment - corresponds to non-payment of an invoice corresponding to the supply of the goods and services referred to (...) after the expiry of 90 days, or more, from the date agreed for payment of the invoice or, in its absence, from the date stated in the invoice".

IP agrees/contracts with its suppliers on payment deadlines. Whenever the invoicing documents are in conformity with the goods and/or services acquired as well as with the legal and fiscal requirements in force, the documents are paid up to their due date (or in their vicinity). As a result, IP has no arrears.



8.5 SHAREHOLDER RECOMMENDATIONS

As part of the General Meeting No. 06/2022 it was recommended by the Shareholder to IP that:

"Take steps to include in the 2022 accountability documents the budgetary statements in accordance with NCP 26 of the Accounting Standardisation System for Public Administrations".

In compliance with this recommendation, the IP includes in this document, in Part III – Budget Statements and Annexes. The statements were prepared in accordance with NCP 26 of the Accounting Standardisation System for Public Administrations, audited by the Statutory Auditor.

Following the previous recommendations in the scope of the General Meeting No. 5/2020 it was recommended by the Shareholder to IP that:

- "Strengthen the internal control system associated with the vehicle fleet, in order to integrate a fleet management system with vehicle location, service optimisation and monitoring, control of energy efficiency and the costs of operations, which allows:
 - (i) an effective cost reduction;
 - (ii) route optimisation;
 - (iii) the increase in productivity;
 - (iv) control over supplies;
 - (v) assistance, and eventually to consider the implementation of a car-sharing system per zone, for those workers where this is feasible.
- In 2021, on a quarterly basis, when reporting on budget execution, the IP should indicate the work carried out and the efficiency gains achieved."

In compliance with the above, the IP reported during 2022, within the scope of the budget execution reporting, the work developed and the efficiency gains achieved.

The report for December 2022 is presented below, identifying the set of measures already implemented by IP, which meet the recommendations of the State Shareholder.

Internal Control System Associated with the Car Fleet

Since 2015, IP has a vehicle tracking system and a fleet management application, through which the monitoring and control of the use of the fleet is carried out.

The fleet management system produces reports and sends

non-intrusive alerts that allow the monitoring of the type of use of the vehicles. It is possible to access the instantaneous location of vehicles and check speeds, and this type of control is important to, among other aspects, ensure greater energy efficiency in the use of vehicles, also contributing to safer driving.

In the fight against fuel fraud it is possible to cross-reference the use of a fuel card with the presence of a particular vehicle at that petrol station, preventing card abuse. There are also daily and monthly limits for card use, depending on the specific activity of each vehicle.

A new fleet management application is currently under development, which will lead to an improvement in the control and management of the vehicle fleet. This will consist of three modules: the pool management module, already in operation, the inventory module, currently under development, and the cost module, yet to be developed.

With this new fleet management application, IP will be able to adopt the best practices in the area of fleet management, namely by obtaining and cross-referencing data from various information sources, such as the monitoring system (odometer information), the fossil fuel or electricity supplier files (including internal petrol stations), and the company's ERP.

This is intended to boost efficiency gains, but also to increase the operability of the fleet and contribute towards reducing accident rates.

Cost Reduction

For several years IP (and its predecessor companies) has been carrying out continuous work to make its vehicle fleet more efficient and effective from an operational point of view, either by reducing the number of vehicles or by adopting good practices in fleet management, including its monitoring and control.

It is therefore important to start by mentioning that the car fleet of the former ERFER and the former Estradas de Portugal in 2010 was made up of 888 vehicles. This figure has been reduced to 743 in recent years and now, with the renewal of the fleet to be carried out in 2020, to 727 vehicles. This ongoing goal of making the car fleet more efficient and effective from an operational point of view, with a consequent reduction in costs, was precisely one of the basic assumptions of the authorisation request made by IP to the Financial and Sectorial Departments, in September 2017, for the full renewal of IP's vehicle fleet. As mentioned above, this fleet renewal, after authorisation from the Ministry of Finance, was carried out during 2020.

Besides the reduction in the number of vehicles, the renewal of the fleet made it possible to replace 96 owned vehicles in a very degraded state and, consequently, with very high maintenance costs, for rental vehicles, which are much more efficient in terms of energy and maintenance.

A total of 71 electric, plug-in hybrid and hybrid vehicles were also introduced in the new IP fleet, of which 39 are 100% electric, thus contributing to a more environmentally sustainable fleet, through the significant reduction of direct greenhouse gas emissions. It is estimated that the introduction of these 71 vehicles could generate a reduction in annual fossil fuel consumption of approximately 110,000 litres/year, corresponding to a reduction of around 210 tonnes of CO2/year.

Associated to this environmental commitment, IP proceeded with the installation of a network of 38 electric vehicle charging stations for its vehicle fleet, in 18 locations all over the country, enabling 65 vehicle charging places.

In summary, considering the contractual prices of the new vehicle rental contracts, more advantageous than the previous ones, the significant reduction in maintenance costs, the expected reduction in fuel consumption and the absence of reconditioning costs at the end of the contract, a cost reduction of over 3 million Euros is expected within a time horizon of 48 months.

This overall reduction in fleet costs was evidenced in the Activity and Budget Plan 2022 / 2024, in which a reduction in annual costs is foreseen compared to 2019, thus continuing the cost reduction already initiated in 2021. The forecast for the year 2022 was a reduction of 243 thousand euros compared to 2021 and 653 thousand euros compared to 2019.

In real terms the figure for 2022 (5,761 thousand euros) shows a reduction of 270 thousand compared to 2019. In relation to the year 2021 there was an increase of 140 thousand euros which is justified by the increase in fuel, by 599 thousand euros, which is due to the huge price escalation motivated by the impact of the war in Ukraine in the current global geopolitical context.

It should be noted that the greatest cost reduction, in comparison with the previous contract, will only occur in 2024, due to the inexistence of reconditioning costs at the end of the current contracts.

Shared Vehicle Management

Another relevant measure already implemented by IP several years ago, specifically since 2015, with a view to ensuring

greater operational efficiency and effectiveness of the fleet, is the shared vehicle management model, which was revised and strengthened in 2020.

Within the scope of the fleet renewal that took place in 2020, the number of shared vehicles increased, both in relative and absolute terms, as shown in the following table:

Car Fleet IP	Old Car Fleet	Current Car Fleet
Total Vehicles	743	727
Shared Vehicles	90	128
Relative Weight of Shared Vehicles	12%	18%

This management model offers operational mobility to all IP employees throughout the country, with the vehicles parked at 21 different IP service locations/facilities.

This shared vehicle management model is associated with a computer application that allows employees to make vehicle reservation requests and the fleet management team to manage these requests according to the vehicles available.

Productivity and Route Optimisation

The current IP fleet, renewed in 2020, ensures much better operability than the previous fleet, since a significant part of the vehicles of the old fleet were recurrently immobilised for repair, due to their age and high mileage.

On the other hand, the choice of the 21 locations where the vehicles that are used on a shared basis are based took into consideration, among other factors, route optimisation.

In relation to this aspect, the activity carried out by the 43 Mobile Inspection and Support Units (UMIA), within the scope of road inspection and support provided to users of the road network, whose routes were defined based on two objectives: to ensure the inspection of the network with the predefined frequency, which varies according to the type of road; and to reduce the kilometres travelled, by optimising the routes determined for this purpose.

In view of the above, it is believed that IP has already implemented, as recommended by the Shareholder, a wide range of measures within the scope of fleet management that allow it to have a more efficient, more economical and also more effective vehicle fleet from an operational point of view, this last aspect being fundamental for a company that carries out its activity in the 18 districts of the country, and is responsible for the management of around 14,000 km of roads and around 2,500 km of railway track in operation.

Having presented the measures that have already been implemented or are underway, we will now present some monitoring indicators on the subject of fleet management,



through which we intend to demonstrate the efficiency gains that are expected to be achieved.

It should first be noted that it was our option to compare the figures for the period under analysis by the annual reference value of 2019, due to the fact that it is the year before COV-ID-19 came into being, but also due to the fact that in 2020 the previous vehicle rental contracts came to an end, and consequently the reconditioning expenses were assumed, which significantly increased fleet expenses in 2020.

The 2022 results compared to the 2019 results are presented below.

	unit: tho	usands of euros
Car Fleet	Real 2019	Real 2022
AOV lace	2 709	9
Fuel	1943	2 251
Tolls	307	342
Maintenance	559	267
Insurance	329	372
Taxes(IUC)	18	15
Leasing interest		208
Other	168	171
Sub-Total	6 031	3 634
Reconditioning		
Total Operating Expenses	6 031	3 634
Amortisation		2 127
Total Fleet	6 031	5 761
Litres Consumed	1 474 498,24	1 373 292,57
kms travelled	19 999 946,00	21 369 935,80
Average price per litre (€)	1,32 €	1,64 €
Cost per km (€)	0,30€	0,27€
	0,30€	0,27€

Total Fleet Cost and Fleet Cost per Km

With reference to 2019, there is a positive evolution in all indicators. The total cost with IP's car fleet at the end of 2022 was 5,761 euros, which is 4% below the annual value of the reference year (2019). IP thus implemented the shareholder's recommendation for an effective reduction of costs.

The indicator for the cost of the fleet per kilometre travelled in 2022 is lower than in 2019, i.e. 0.27 euros/km, compared to 0.30 euros/km.

Fleet Efficiency

To determine the efficiency of the IP fleet we used two complementary indicators:

A. Acceptance Rate of Requests for Shared Use of Vehicles

This indicator measures the number of requests for the use of vehicles accepted in relation to the total number of requests received by the fleet management, at National level.

The result calculated for 2022 was higher than that of 2019, 97.63% and 96.85%, respectively.

B. Car Sharing Usage Rate

This indicator measures the number of working days that, on average, each of the cars shared was used.

The result calculated for 2022 was 96.33% for the central (and largest) pool, located at the IP's headquarters in Almada, which is higher than the value calculated at the end of 2021 (94.66%). It should also be noted that there are no results for 2019.

In terms of analysis of the efficiency rate of the national pool the values are also higher this quarter 89.70%, compared to 2021, 86.48%.

The integrated view of the results of these two indicators is considered positive. The company is managing to almost fully meet the operational needs of its teams, and the degree of daily use of the vehicles is also very high.

8.6 REMUNERATION

IP, S.A.

Composition of the EBD for the period from 1 January to 25 August 2022

OF THE GOVERNING BODIES

Executive Board of Directors

Chairman: No Chairman due to the resignation of António Carlos Laranjo da Silva on 31.12.2021.

Vice-Chairman: José Serrano Gordo and Carlos Alberto João Fernandes;

Voting members: Vanda Cristina Loureiro Soares Nogueira, Alberto Manuel de Almeida Diogo and Alexandra Sofia Vieira Nogueira Barbosa.

The terms of office and the remuneration status associated with the positions were established at a general meeting held on 29 March 2018.

Composition of the EBD for the period from 26 August to 31 December 2022

Chairman: Miguel Jorge de Campos Cruz

Vice-Chairman: Carlos Alberto João Fernandes and Maria Amália Freire de Almeida;

Voting members: Vanda Cristina Loureiro Soares Nogueira, Alexandra Sofia Vieira Nogueira Barbosa and Ana Isabel Mota da Silva Coelho.

The terms of office and the remuneration status associated with the positions were established at a general meeting held on 26 August 2022.

As the remuneration status has been defined, the 5% reduction foreseen in article 12 of Law No. 12-A/2010, of 30 June, was applied to the gross values calculated throughout 2022. No variable performance remuneration was awarded to its managers.

The accumulation of functions by the Chairman of the Executive Board of Directors, Professor Doutor Miguel Jorge de Campos Cruz is authorised, under the terms and pursuant to the provisions of Article 20 para. 3 sub-paragraph c) of the Articles of Association, for the exercise of teaching activities at public higher education or public interest establishments.

General and Supervisory Board

The remunerations of the members of the General and Supervisory Board, which includes a Financial Matters Committee, were defined at the general meeting of 28 August 2015.

After requesting it, the members of this body identified below exercise their positions without remuneration:

 José Emílio Coutinho Garrido Castel-Branco, for having been appointed public manager of another entity of the State Business Sector, since the beginning of 2017 and until 25 October 2022, date on which he ceased the said position of public manager that he held in accumulation. Duarte Manuel Ivens Pita Ferraz, on retirement, since July 2017.

Since 26 October 2022, José Castel-Branco has held, in a remunerated capacity, the position of Chairman of the Financial Matters Committee of the General and Supervisory Board, receiving 30% of the monthly remuneration of the Chairman of the Executive Board of Directors currently in office.

In accordance with Article 4 para. 4 of the Companies Code, approved by Decree-Law 262/86 of 2 September 1986, and by remission of Article 435 para. 2 of the same Code, the members of the General and Supervisory Board shall remain in office until a new appointment is made, therefore, since there was no new designation when the members of the other statutory bodies were elected, there was no change to the elected members of the General and Supervisory Board.

Statutory Auditor

With regard to the Statutory Auditor, the General Meeting of 19 March 2019 (Minute of the General Meeting No. 03/2019) set for this position, as a maximum limit for the fees to be attributed, the amount equivalent to 35% of the overall remuneration of the Chairman of the Executive Board of Directors, plus VAT at the legal rate in force.

Board of the General Meeting

Chairman: a)

Vice-Chairman: Paulo Miguel Garcês Ventura b)

Secretary: Maria Isabel Louro Caria Alcobia

a) The Chairman of the Board of the General Meeting resigned from office on 24 January 2020.

b) The Vice-Chairman of the Board of the General Meeting resigned on 19 December 2022.



APPENDIX 1

1. Board of the General Meeting

Mandate	Position	Name	Fixed Voucher Value (€)	Annual Remuneration 2022 (€)
(Start - End)				Gross
2018-2020	Chairman	Not Named (*)	650,00	0,00
2018-2020	Vice-Chairman	Paulo Miguel Garcês Ventura (**)	525,00	0,00
2018-2020	Secretary	Maria ISabel Louro Carla Alcobia	400,00	0,00
				-€

(*) The previous Chairman resigned on 24 January 2020. (**) Resigned as Vice-Chairman on the Board of the General Meeting in a letter dated 19 December 2022.

2. Executive Board of Directors Period 01/01/2022 to 25/08/2022

Mandate			,	Name		OPRLO or last 3 years average option (2)			Identification of the total
(Start - End)	Position	Name	Form (1)	Date	Yes/No	Entity of Origin	Paying Authority (0/D)	Identification of the date of authorisation and Form	number of mandates
2018-2020	Vice-Chairman	José Saturnino Sul Serrano Gordo	GA	29/03/2018	No	n.a.	n.a.	n.a.	2
2018-2020	Vice-Chairman	Carlos Alberto João Fernandes	GA	29/03/2018	No	n.a.	n.a.	n.a.	2
2018-2020	Member	Alberto Manuel de Almeida Diogo	GA	29/03/2018	No	n.a.	n.a.	n.a.	2
2018-2020	Member	Vanda Cristina Loureiro Soares Nogueira	GA	29/03/2018	No	n.a.	n.a.	n.a.	2
2018-2020	Member	Alexandra Sofia Vieira Nogueira Barbosa	GA	29/03/2018	No	n.a.	n.a.	n.a.	1

(1) indicate Resolution (R)/AG/DUE/Decree (D) (2) Option for the Remuneration of the Place of Origin - set out in Article 28 para. 8 of the Oporto ERP; indicate paying entity (O-Origin/Destination)

	Accumulation of Functions								
Members of the Governing Body	Entity	Function	Scheme	Identification of the date of authorisation and form					
[Name]	[Identify] [Identify] [[Public / Private]	[AG/DUE/D]					
José Saturnino Sul Serrano Gordo	UTAP	Chairman of the negotiation commission that will promote the renegotiation process of the Re- formed Lower Tagus Sub-concession Contract	Public	Order 7169/2019					
	IP Património	Chairman of the Board of Directors	Public	DUE - 01/03/2019					
Carlos Alberto João Fernandes	IP Engenharia	Chairman of the Board of Directors	Public	GA -31/03/2022					
	IP Telecom	Member of the Board of Directors	Public	DUE -01/03/2019					
	IP Telecom	Member of the Board of Directors	Public	DUE -01/03/2019					
Alberto Manuel de Almeida Diogo	FMNF	Member of the Board of Directors of the Fundação Museu Nacional Ferroviário Armando Ginestal Machado (since 31 October 2012);	Public	Designation by IP					
Vanda Cristina Loureiro Soares Nogueira	IP Telecom	Chairman of the Board of Directors	Public	31/03/2012					
	IP Engenharia	Member of the Board of Directors	Public	GA -29/03/2018					
Alexandra Sofia Vieira Nogueira Barbosa	IP Património	Member of the Board of Directors	Public	DUE -01/03/2019					

		Public Manager Statute								
Member of the Management Body [Name]			Gross Monthly Remuneration (€)							
[Name]	Fixed [Y/N]	Classification [A/B/C]	Monthly Salary	Representation expenses						
José Saturnino Sul Serrano Gordo	Yes	А	5 150,48	2 060,19						
Carlos Alberto João Fernandes	Yes	А	5 150,48	2 060,19						
Alberto Manuel de Almeida Diogo	Yes	А	4 578,20	1 831,28						
Vanda Cristina Loureiro Soares Nogueira	Yes	А	4 578,20	1 831,28						
Alexandra Sofia Vieira Nogueira Barbosa	Yes	А	4 578,20	1 831,28						



	Annual Remuneration (€)									
Member of the Management Body [Name]	Fixed (1)	Variable (2)	Gross Value (3) = (1) +(2)	Remuneration Reductions (4)	Final Gross Value (5) = (3)-(4)					
José Saturnino Sul Serrano Gordo	56 723,94		56 723,94	2 836,18	53 887,76					
Carlos Alberto João Fernandes	56 723,94	53,61	56 777,55	2 836,18	53 941,37					
Alberto Manuel de Almeida Diogo	50 421,24		50 421,24	2 521,03	47 900,21					
Vanda Cristina Loureiro Soares Nogueira	50 421,24		50 421,24	2 521,03	47 900,21					
Alexandra Sofia Vieira Nogueira Barbosa	50 421,24		50 421,24	2 521,03	47 900,21					
			264 765,21€	13 235,45 €	251 529,76 €					

The value of Fixed remuneration corresponds to salary + representation expenses (without reductions).
 (4)(4) Reduction foreseen in article 12 of Law no. 12-A/2010, of 30 June.

					Social Bene	efits (€)				
Member of the Management Body	Meal su	bsidies	Social pro	otection aid	Annual Health	Annual Personal		Othe	r	
Name	Value/Day	Amount paid Year	ldentify	Annual Company Charge	Insurance Charge	Accident Insurance Charge	Identify	Value	ldentify	Value
José Saturnino Sul Serrano Gordo	7,63	1 285,96	Social Security	18 248,23	286,40	4,98	Workers Compensation Insurance	392,73		
Carlos Alberto João Fernandes	7,63	1 195,44	Social Security	14 177,36	286,40	4,98	Workers Compensation Insurance	392,46		
Alberto Manuel de Almeida Diogo	7,63	1 310,15	Social Security	12 583,60	286,40	4,98	Workers Compensation Insurance	350,28		
Vanda Cristina Loureiro Soares Nogueira	7,63	1 104,53	Social Security	12 602,08	286,40	4,98	Workers Compensation Insurance	348,82		
Alexandra Sofia Vieira Nogueira Barbosa	7,63	1 149,66	Social Security	12 602,08	286,40	4,98	Workers Compensation Insurance	349,14		
		6 045,74 €		70 213,35 €	1432,00€	24,90 €		1833,43 €		- E

				V	ehicle Exper	ises			
BD Member (Name)	Vehicle allocated	Conclusion of contract	Reference value of the vehicle	Modality (1)	Year Start	Year Term	Amount of the Monthly Income	Annual Rental Expenditure	Remaining Contractual Instalments
	[Y/N]	[Y/N]	[€]	[Identify]			[€]	[€]	(No.)
José Saturnino Sul Serrano Gordo	Y	Y	27 986,87	AOV	2020	2024	303,82	2 430,56	22
Carlos Alberto João Fernandes	Y	Y	27 986,87	AOV	2020	2024	303,82	2 430,56	22
Alberto Manuel de Almeida Diogo	Y	Y	27 986,87	AOV	2020	2024	303,82	2 430,56	22
Vanda Cristina Loureiro Soares Nogueira	Y	Y	27 986,87	AOV	2020	2024	303,82	2 430,56	22
Alexandra Sofia Vieira Nogueira Barbosa	Y	Y	27 986,87	AOV	2020	2024	303,82	2 430,56	22

(1) acquisition; ALD; Leasing or other

		Annual expenditure on business travel (€)									
BD Member (Name)	Business Trips	Accommoda-	Subsistence Allowances	Ot	her	Total Travel Expenditure	Accommodation Costs				
		tion Costs		ldentify	Value	(Σ)					
José Saturnino Sul Serrano Gordo						0,00					
Carlos Alberto João Fernandes	349,49					349,49	50,00				
Alberto Manuel de Almeida Diogo						0,00					
Vanda Cristina Loureiro Soares Nogueira						0,00					
Alexandra Sofia Vieira Nogueira Barbosa						0,00	50,00				
						349,49€	100,00 €				



Executive Board of Directors Period from 26/08/2022 to 31/12/2022

Mandate				Name			OPRLO	ldentifi- cation of	
(Start - End)	Position	Name	Form (1)	Date	Yes/No	Entity of Origin	Paying Authority (0/D)	Identification of the date of authorisation and Form	the total number of mandates
2022-2024	Chairman	Miguel Jorge de Campos Cruz	GA	26/08/2022	No	n.a.	n.a.	n.a.	1
2022-2024	Vice-Chairman	Carlos Alberto João Fernandes	GA	26/08/2022	No	n.a.	n.a.	n.a.	3
2022-2024	Vice-Chairman	Maria Amália Freire de Almeida	GA	26/08/2022	No	n.a.	n.a.	n.a.	1
2022-2024	Member	Vanda Cristina Loureiro Soares Nogueira	GA	26/08/2022	No	n.a.	n.a.	n.a.	3
2022-2024	Member	Alexandra Sofia Vieira Nogueira Barbosa	GA	26/08/2022	No	n.a.	n.a.	n.a.	2
2022-2024	Member	Ana Isabel Mota da Silva Coelho	GA	26/08/2022	No	n.a.	n.a.	n.a.	1

(1) indicate Resolution (R)/AG/DUE/Decree (D) (2) Option for the Remuneration of the Place of Origin - set out in Article 28 para. 8 of the Oporto ERP; indicate paying entity (O-Origin/Destination)

		Accumulation of Functions		
Members of the Governing Body	Entity	Function	Scheme	Identification of the date of authorisation and form
[Name]	[Identify]	[Identify]	[Public / Private]	[AG/DUE/D]
Minual James de Concerce Cours	IP Engenharia	Chairman of the Board of Directors	Public	AG/12-09-2022
Miguel Jorge de Campos Cruz	Universidade Autónoma de Lisboa	Visiting Assistant Professor	Private	
Orales Alberte, la že Frances des	IP Património	Chairman of the Board of Directors	Public	AG/12-09-2022
Carlos Alberto João Fernandes	IP Telecom	Member of the Board of Directors	Public	
Maria Amália Freire de Almeida	IP Património	Member of the Board of Directors	Public	AG/12-09-2022
Vanda Cristina Loureiro Soares Nogueira	IP Telecom	Chairman of the Board of Directors	Public	AG/12-09-2022
Alexandra Sofia Vieira Nogueira Barbosa	IP Engenharia	Member of the Board of Directors	Public	AG/12-09-2022
Ana Isabel Mota da Silva Coelho	IP Telecom	Member of the Board of Directors	Public	AG/12-09-2022

Member of the Management Body		Public Manager Statute			
	Fixed	Classification	Gross Monthly Remuneration (€)		
[Name]	[Y/N]	[A/B/C]	Monthly Salary	Representation expenses	
Miguel Jorge de Campos Cruz	Yes	А	5 791,58	2 316,63	
Carlos Alberto João Fernandes	Yes	А	5 212,42	2 084,97	
Maria Amália Freire de Almeida	Yes	А	5 212,42	2 084,97	
Vanda Cristina Loureiro Soares Nogueira	Yes	А	4 633,26	1 853,31	
Alexandra Sofia Vieira Nogueira Barbosa	Yes	А	4 633,26	1 853,31	
Ana Isabel Mota da Silva Coelho	Yes	А	4 633,26	1853,31	

Member of the Management Body		Ann	ual Remuneration	(ε)		
[Name]	Fixed (1)	Variable (2)	Gross Value (3) = (1) +(2)	Remuneration Reductions (4)	Final Gross Value (5)=(3)-(4)	
Miguel Jorge de Campos Cruz	33 784,21	53,61	33 837,82	1689,21	32 148,61	
Carlos Alberto João Fernandes	30 165,43	125,09	30 290,52	1508,27	28 782,25	
Maria Amália Freire de Almeida	30 405,80	53,61	30 459,41	1520,30	28 939,11	
Vanda Cristina Loureiro Soares Nogueira	26 813,73		26 813,73	1340,69	25 473,04	
Alexandra Sofia Vieira Nogueira Barbosa	26 813,73		26 813,73	1340,69	25 473,04	
Ana Isabel Mota da Silva Coelho	27 027,38		27 027,38	1 351,37	25 676,01	
			175 242,59 €	8 750,53 €	166 492,06 €	

(1) The value of Fixed remuneration corresponds to salary + representation expenses (without reductions). (4) Reduction foreseen in article 12 of Law no. 12-A/2010, of 30 June

Member of the Management Body		Social Benefits (€)											
	Meals	Meal subsidies Social protecti		tection aid	Annual Health	Annual Personal	Other						
Name	Value/Day	Amount paid Year	ldentify	Annual Company Charge	Insurance Charge	Accident Insurance Charge	Identify	Value	Identify	Value			
Miguel Jorge de Campos Cruz	7,63	480,69	Social Security	8 555,99	143,20	2,49	Workers Compensation Insurance	232,26	Merit Scholar- ship	1000,00			
Carlos Alberto João Fernandes	7,63	602,77	Social Security	7 765,20	143,20	2,49	Workers Compensation Insurance	209,16	Merit Scholar- ship	400,00			
Maria Amália Freire de Almeida	7,63	503,58	Caixa Geral de Aposen- tações	8 036,37			Workers Compensation Insurance	209,57					
Vanda Cristina Loureiro Soares Nogueira	7,63	564,62	Social Security	6 902,40	143,20	2,49	Workers Compensation Insurance	185,34					
Alexandra Sofia Vieira Nogueira Barbosa	7,63	587,51	Social Security	6 902,40	143,20	2,49	Workers Compensation Insurance	185,50	Merit Scholar- ship	450,00			
Ana Isabel Mota da Silva Coelho	7,63	511,21	Social Security	6 844,79	143,20	2,49	Workers Compensation Insurance	186,40					
		3 250,38 €		45 007,15 €	716,00€	12,45 €		1208,23€		1850,00€			

BD Member		Vehicle Expenses										
(Name)	Vehicle allocated [Y/N]	Conclusion of contract [Y/N]	Reference value of the vehicle [€]	Modality (1) [Identify]	Year Start	Year Term	Amount of the Monthly Income [€]	Annual Rental Expenditure [€]	Remaining Contractual Instalments (No.)			
Miguel Jorge de Campos Cruz	Y	Y	45 589,74	AOV	2020	2024	564,39	2257,56	21			
Carlos Alberto João Fernandes	Y	Y	27 986,87	AOV	2020	2024	303,82	1 215,28	18			
Maria Amália Freire de Almeida	Y	Y	27 986,87	AOV	2020	2024	303,82	1 215,28	18			
Vanda Cristina Loureiro Soares Nogueira	Y	Y	27 986,87	AOV	2020	2024	303,82	1 215,28	18			
Alexandra Sofia Vieira Nogueira Barbosa	Y	Y	27 986,87	AOV	2020	2024	303,82	1 215,28	18			
Ana Isabel Mota da Silva Coelho	Y	Y	27 986,87	AOV	2020	2024	303,82	1 215,28	18			



		Accommodation National					
BD Member (Name)	Business Trips		Subsistence	Other		Total Travel	Accommodation Costs
	Business Trips Costs Allowances Identify Value	Value	- Expenditure (Σ)	Accommodation Costs			
Miguel Jorge de Campos Cruz	1 077,00	277,00				1354,00	307,80
Carlos Alberto João Fernandes	1 386,00	200,00				1586,00	350,80
Maria Amália Freire de Almeida	355,00					355,00	257,80
Vanda Cristina Loureiro Soares Nogueira	722,00	277,00				999,00	257,80
Alexandra Sofia Vieira Nogueira Barbosa						0,00	257,80
Ana Isabel Mota da Silva Coelho						0,00	257,80
						4 294,00 €	1689,80€

3. General Supervisory Board of the IP

Mandata			Na	me	Fixed Manthly Domunaution Status	No. of Mondotoo	
Mandate (Start - End) Positie	Position	Name	Form (1)	Date	Fixed Monthly Remuneration Status (€)	No. of Mandates (*)	
2015	Chairman	José Emílio Coutinho Garrido Castel-Branco	GA	28/08/2015	1,737.47	1	
2015	Member	Duarte Manuel Ivens Pitta Ferraz	GA	28/08/2015	1544,42	1	

(1) Resolution (R) / General Assembly (GA) / Unanimous Written Deliberation (UWD) / Dispatch (D)

(*) In accordance with Article 391 para. 4 of the Companies Code, approved by Decree-Law 262/86 of 2 September 1986, and by remission of Article 435 para. 2 of the same Code, the members of the General and Supervisory Board shall remain in office until a new appointment is made.

MEMBER OF THE GENERAL SUPERVISORY BOARD	ANNUAL REMUNERATION (ε)					
	RAW (1)	REMUNERATION REDUCTIONS (2)	FINAL VALUE (3)=(1)-(2)			
José Emílio Coutinho Garrido Castel-Branco	5 501,99	0,00	5 501,99			
Duarte Manuel Ivens Pita Ferraz	0,00	0,00	0,00			
			5 501,99 €			

Statutory Auditor

In accordance with the statutory framework established for IP, the examination of the company's accounts is the responsibility of a Statutory Auditor or a firm of Statutory Auditors, appointed by the holder of the shareholder position, upon proposal of the General and Supervisory Board, with the powers and duties established by law.

At the General Meeting held on 19 March 2019, the shareholder proceeded to appoint the company Vítor Almeida e Associados, SROC, Lda, registered with the OROC – Ordem dos Revisores Oficiais de Contas (Portuguese Institute of Statutory Auditors) under no. 191, registered with the CMVM under no. 20161491, represented by the partner Vítor Manuel Batista de Almeida (registered with the Order of Statutory Auditors under no. 691, registered with the CMVM under no. 20160331), as Statutory Auditor of IP. This appointment was made for the 2018-2020 term.

Mandate	Position	s	SA identification			Name		No. of years working for the Group	No. of years working for the Company
(Start - End)		Name	Registration no. at OROC	Registration no. at CMVM	Form (1)	Date	Contract Date		
2022-2024	Effective SROC	VITOR ALMEIDA & ASSOCIADOS, SROC, LDA.	191	20161491	GA	19/03/2019	03/09/2019	6	6
2022-2024	Effective SA	Vitor Manuel Batista de Almeida	691	20160331	GA	19/03/2019	03/09/2019	6	6
2022-2024	Substitute SROC		Not appointed						
2022-2024	Alternate Statutory Auditor		Not appointed						

(1) General Meeting (GA) / Unanimous Written Deliberation (UWD) / Dispatch (D)

The fees of the Statutory Auditor for the audit were as follows:

Name Statutory	ANNUAL SERVICE CONTRACT VALUE - 2022 (€)			ANNUAL VALUE OF ADDITIONAL SERVICES - 2022 ($\ref{eq: eq: constraint}$			
Auditor/FU	(1) (2) (3) = (1)-(2 id		Service Identifi- cation	Value (1)	Reduction (2)	Final Value (3) = (1)-(2)	
Vitor Manuel Batista de Almeida	35 772,84	0,00	35 772,84	n.a.	n.a.	n.a.	n.a.



4. External Auditor

Article 21(q) of IP's statutes states that it is the responsibility of the General and Supervisory Board to select and replace IP's external auditor, giving the Executive Board of Directors the indications concerning its hiring.

As a result of the national Public Tender, launched by IP, on 24 June 2020, a contract was signed with BDO & Associados, Sociedade de Revisores Oficiais de Contas, Lda. for the provision of external audit services for the years 2020, 2021 and 2022.

The company is registered with the Ordem dos Revisores Oficiais de Contas (Portuguese Institute of Statutory Auditors) under No. 29 and registered with the CMVM under No. 20161384.

Identification of the Auditor				DURATION OF THE CON-		NO. OF YEARS WORKING FOR	
EXTERNAL AUDITOR NAME	OROC NO.	СМУМ NO.		TRACT	KING FOR THE GROUP	THE COMPANY	
BDO & Associados, Sociedade de Revisores Oficiais de Contas, Lda.		20161384	24/06/2020	2020-2022	3	3	

	ANNUAL VALUE OF THE SERVICE CONTRACT (ε)			ANNUAL VALUE OF ADDITIONAL SERVICES - 2021 (${\ensuremath{\mathfrak{e}}}$)			
EXTERNAL AUDITOR NAME	VALUE (1)	REDUCTION (2)	FINAL VALUE (3) = (1)-(2)	SERVICE IDENTIFICATION	VALUE (1)	REDUCTION (2)	FINAL VALUE (3) = (1)-(2)
BDO & Associados, Sociedade de Revisores Oficiais de Contas, Lda.	38 996,1	-	38 996,1	n.a.	n.a.	n.a.	n.a.

8.7 APPLICATION OF THE PROVISIONS OF ARTICLES 32 AND 33 OF THE EGP

It establishes the Statute of the Public Manager, approved by Decree-Law No. 71/2007, of 27 March, and amended by Law No. 64-A/2008, of 31 December, by Decree-Law No. 8/2012 of 18 January, and by Decree-Law No. 39/2016, of 28 July, in article 32 that:

1. Credit cards and other payment instruments may not be used by public managers for the purpose of incurring expenses in the service of the company;

2. It is not permitted to reimburse public managers for any expenses that fall under the concept of personal representation expenses;

3. The maximum value of the expenses associated with communications, which include mobile phone, home phone and internet, is set by resolution of the general meeting, in the case of public limited companies, or by order, published in the Official Gazette, of the member of the Government responsible for the area of finance, in the case of public corporate entities;

4. The value referred to in the previous number shall be set in light of the guidelines that may be established to this effect by the shareholders or by an order, published in the Official Gazette, by the Government member responsible for the area of finance, always having as limit the sum of the value set for the use of home telephone and mobile telephone for 1st level senior management positions in the Public Administration."

The members of the Executive Board of Directors of IP do not use any credit cards or other payment instruments to cover expenses on company business.

IP does not reimburse the members of the Executive Board of Directors for any expenses that fall under the concept of personal representation expenses.

With regard to expenditure associated with communications, expenditure from 01/01/2022 to 25/08/2022 was as follows:

BD MEMBER		EXPENDITURE ON COMM (€)	UNICATIONS
(Name)	DEFINED MONTHLY CAP	ANNUAL VALUE	OBSERVATIONS
José Saturnino Sul Serrano Gordo	80,00	177,31	
Carlos Alberto João Fernandes	80,00	37,07	
Alberto Manuel de Almeida Diogo	80,00	48,28	
Vanda Cristina Loureiro Soares Nogueira	80,00	84,60	
Alexandra Sofia Vieira Nogueira Barbosa	80,00	54,65	
		401,91€	



With regard to expenditure associated with communications, expenditure from 26/08/2022 to 31/12/2022 was as follows:

BD MEMBER	EXPENDITURE ON COMMUNICATIONS(€)				
(NAME)	DEFINED MONTHLY CAP	ANNUAL VALUE	OBSERVA- TIONS		
Miguel Jorge de Campos Cruz	80,00	9,16			
Carlos Alberto João Fernandes	80,00	18,74			
Maria Amália Freire de Almeida	80,00	5,10			
Vanda Cristina Loureiro Soares Nogueira	80,00	16,16			
Alexandra Sofia Vieira Nogueira Barbosa	80,00	7,81			
Ana Isabel Mota da Silva Coelho	80,00	13,13			
		70,10 €			

Article 33 further states that:

1. The maximum value of service vehicles assigned to public managers shall be set by decision of the General Assembly, in the case of public limited companies, or by order, published in the Official Gazette, of the member of the Government responsible for the area of finance, in the case of corporate public entities.

2. The value provided for in the preceding subsection shall be set in the light of guidelines that may be established to that effect by shareholders or by an order, published in the Official Gazette, of the member of the Government responsible for the area of finance.

3. The maximum monthly cost of fuel and tolls for official cars is fixed at a quarter of the monthly allowance for representation expenses.

4. Managers are forbidden to exercise any option to acquire service vehicles assigned to them.

With regard to the expenditure associated with the annual expenditure on vehicles for the period 01/01/2022 to 25/08/202, form the following:

BD MEMBER	MONTHLY FUEL	ANNUAL EXPENSES ASSOCIATED WITH VEHICLES ($m{\epsilon}$)					
(NAME)	AND TOLLS CAP*	FUEL ****	TOLLS	TOTAL***	REMARKS**		
José Saturnino Sul Serrano Gordo	515,05	2 098,12	0,00	2 098,12	4 120,38		
Carlos Alberto João Fernandes	515,05	1 531,74	0,00	1 531,74	4 120,38		
Alberto Manuel de Almeida Diogo	457,82	3 108,15	0,00	3 108,15	3 662,56		
Vanda Cristina Loureiro Soares Nogueira	457,82	2 764,66	0,00	2 764,66	3 662,56		
Alexandra Sofia Vieira Nogueira Barbosa	457,82	2 309,00	0,00	2 309,00	3 662,56		
				11 811,67 €			

* 25% of the value of the Representation Expenses ** Limit 8 months *** Includes electric energy

With regard to the expenditure associated with annual vehicle expenses for the period 26/08/2022 to 31/12/2022 were as follows:

BD MEMBER (NAME)	MONTHLY FUEL AND TOLLS CAP*	ANNUAL EXPENSES ASSOCIATED WITH VEHICLES (€)					
(FUEL ****	TOLLS	TOTAL***	REMARKS**		
Miguel Jorge de Campos Cruz	579,16	484,43	0,00	484,43	2 316,63		
Carlos Alberto João Fernandes	521,24	361,33	0,00	361,33	2 084,97		
Maria Amália Freire de Almeida	521,24	722,07	0,00	722,07	2 084,97		
Vanda Cristina Loureiro Soares Nogueira	463,33	1 100,77	0,00	1 100,77	1 853,31		
Alexandra Sofia Vieira Nogueira Barbosa	463,33	918,59	0,00	918,59	1 853,31		
Ana Isabel Mota da Silva Coelho	463,33	372,72	0,00	372,72	1 853,31		
				3 959,91€			

* 25% of the value of the Representation Expenses ** Limit 4 months *** Includes electric energy

8.8 **UNDOCUMENTED EXPENSES**

In accordance with the provisions of paragraph 2 of Article 16 of Decree-Law No. 133/2013, of 3 October, which determines that with a view to the adoption of the principle of financial transparency, public companies are expressly forbidden to incur any undocumented expenses.

In 2022, IP did not incur any undocumented expenses.

8.9 **REPORT ON REMUNERATION** PAID TO WOMEN AND MEN

In 2022, IP maintained its policy of respect for good practices in the area of equality, mutual respect and repudiation of any discriminatory behaviour based on any type of different characteristics of its workers, including gender.

In December 2022, the IP Group had 3 647 employees, 876 of whom were women, representing 24% of the total.

The imbalance between the representation of men and women in the IP Group reflects the asymmetry that characterises the professional groups dedicated to the core activities of railway traffic management and infrastructure maintenance, operational activities with greater physical demands and geographical dispersion, traditionally more "masculine".

Thus, the predominance of men in the professional groups "Operational and Auxiliary Staff" and "Intermediate Technician, Specialist" stands out in comparison to women.

In the case of women, there is a greater concentration in the "Administrative" and "Senior Technicians" groups, particularly in the corporate and less operational areas.



IP's active participation with regard to gender equality is a constant, embodied namely in the activities and responsibilities assumed with the connection to CITE (Commission for Equality in Labour and Employment) and IGEN (Forum of Organisations for Equality).

The Equality Action Plan, which is part of the IP Group's Equality Plan for 2023 (published on 15 September 2022), is based on the analysis of opportunities for improvement in specific areas focusing on the following dimensions:

- Strategy, Values and Mission
- Initial and Continuous Training
- · Reconciliation between professional, family and personal life
- Parental Protection

IP also ensures its commitment to the Portuguese Charter for Diversity and to GRACE to contribute to a more responsible and integrative society by developing social responsibility initiatives with visible and concrete impacts in conjunction with other stakeholders.

It should also be noted that, under Council of Ministers Resolution No. 18/2014 (of 7 March), which enshrines the adoption of measures aimed at promoting equal pay for men and women, the IP Group has periodically prepared a report diagnosing the remuneration of its employees, in order to identify and mitigate situations of pay inequality associated with gender. These reports are available on the company's external portal.

https://www.infraestruturasdeportugal.pt/pt-pt/sobre-nos/governo-da-sociedade/outras-divulgacoes

8.10 ANNUAL REPORT ON CORRUPTION PREVENTION

The IP Group's Management Plan for Risks of Corruption and Related Infringements and the respective execution reports are promoted annually, and are available for consultation on the Infraestruturas de Portugal, S.A. website .

In this way, a proactive, integrated and structured approach to risk management at corporate level is achieved, which not only contributes to a better understanding of the business and support processes, but also to the mitigation and prevention of fraud-related phenomena.

The IP Group has defined a Policy on the Reporting of Irregularities, revised in accordance with the legal framework approved by Law No. 93/2021, of 20 December, which establishes the general regime for the protection of whistleblowers. This Policy translates the commitment of the IP Group companies in adopting the best practices recommended by the Corporate Governance Code of the Portuguese Institute of Corporate Governance, with the availability of a direct and suitable channel, with the guarantee of confidentiality of the whole process, to communicate any situations detected that:

- (i) Constitute offences referred to in Article 2 of Law No. 93/2021 of 20 December;
- (ii) Or on which there is reasonable suspicion that it violates or harms:
 - Compliance with legal, regulatory, deontological and ethical principles, as well as internal regulations and guidelines;
 - The integrity of the financial information and accounting practices applied in the IP Group companies;
 - The assets of the IP Group companies;
 - The image of IP Group companies or good management practices (including areas such as conflict of interest, waste of funds, mismanagement and abuse of authority, among others).

Any irregularity detected should be presented through the IP's website, through a link to the 'Communication of Irregularities' platform, created specifically for this purpose to guarantee the confidentiality of the process.

12 https://www.infraestruturasdeportugal.pt/pt-pt/sobre-nos/governo-da-sociedade/outras-divulgacoes

https://www.infraestruturasdeportugal.pt/pt-pt

The postal mail channel is also available, at the following P.O. Box:

INFRASTRUCTURES OF PORTUGAL, SA BOX 000533 EC PRAGAL - ALMADA 2801-602 ALMADA

8.11 PUBLIC PROCUREMENT

Infraestruturas de Portugal is covered by the Public Contracts Code (PCC) approved by Decree-Law No. 18/2008 of 29 January, amended and republished by Decree-Law No. 111-B/2017 of 31 August (and successive amendments). In compliance with the PCC, the following pre-contractual procedures have been adopted: Public Tender, Public Tender with Prior Qualification, Prior Consultation, Direct Adjustment (Criteria: Value and Material) and Direct Adjustment in a simplified regime.

The company's hiring policy is based on promoting competition to ensure the best market conditions, whereby the preferred hiring procedure is Public Tender (national and international) limiting direct adjustments to specific hiring procedures, either in terms of the object to be hired, or in terms of the framework in which they occur.

In order to develop contractual procedures, IP uses electronic contracting through the Anogov electronic platform, guaranteeing the rigour and transparency of the contracting procedures.

IP holds a Procurement Manual that regulates all the procurement activities of the company and its subsidiaries (adapted to the traditional sector and the special sector). This Manual was revised and updated in 2021 following the publication of Law No. 30/2021, to include the new procedures established by special public procurement measures, with a time-limited period of validity, regarding projects financed or co-financed by European funds, information and knowledge technologies, implementation of the Economic and Social Stabilisation Programme and the Recovery and Resilience Plan, fuel management under the Integrated Management System for Rural Fires (SGI-FR), as well as procedural changes, such as the necessary verification of compliance with the provisions of para. 6 of article 113 of the CCP for procedures under the simplified regime, by direct adjustment or prior consultation. In 2022, the standard drafts were adapted in accordance with the changes introduced by the publication of Decree-Law No. 78/2022, of 7 November.

During 2022, Decree-Law No. 36/2022 of 20 May was also published, which provides for an exceptional regime for awarding contracts above the Base Price provided that the legal requirements of para. 6 of article 70 of the Public Contracts Code are met, even if this possibility is not defined in the programme for the procedure. IP resorted to this exceptional regime in three contracting procedures, two of which are integrated in the Recovery and Resilience Plan.

As in previous years, in the 4th quarter of 2022, the **Hiring Plan** for 2023 was prepared, updated according to the needs, allowing for improved planning and development of the hiring processes to be promoted.

During 2022 improvements were implemented in IP's contracting application - known as DESCO, applicable to the entire Infraestruturas de Portugal Group, based on the company's activity, the changes to the Public Contracting Code and the Contracting Manual. The alterations to this application resulted from the identification, analysis and implementation of improvement points in the expenses component under the CCP, such as, for example, the implementation of automatic notifications according to the loading of documents with the typology "notice" or "ordinance", which allow the optimization of the internal development of the contracting processes. During 2022 support sheets for this application were published, as well as best practice usage sheets related to it.

Also approved was the revision of Technical Instruction (GR. PR.014) related to contracts subject to supervision by the Court of Auditors – treatment of additional, which contributes to clarifying the scope of application of the Court of Auditors' rules and to Compliance in the fulfilment of the obligations to which the company is subject.

On 6 April 2022, Resolution No. 2/2022-PG was published in the 2nd series of the Official Gazette (Diário da República), No. 68, with Amendments to the Regulations of the Court of Auditors – Resolution No. 2/2022-PG.

- In this resolution it was provided that:
- a) The prior supervision processes will now be sent by the supervised entities through the eContas Platform;
- b) To this end, the internal circuits that such processes must follow have been redefined and, consequently, also the Departments that make up the DGTC, which are responsible for each phase of the respective processing;
- c) As a result and accordingly, by Order No. 45/2021-GP, of 29/7, which approved Regulation No. 739/2021, it was foreseen the creation, within the Court's Secretariat, of a Prior Supervision Support Division (PSSD) which will be responsible, in the context of prior inspection, for registering cases and applications and sending them to



the competent units or nucleus of the Prior Supervision Department (PSD), as well as proceeding with the notifications, communications and publications determined by order, decision or judgment issued by the Court, within the scope of the prior supervision competence;

d) The PSD continues to provide technical support, being responsible for the preliminary verification of cases and, where appropriate, for the preparation of reports and their submission to the Court, in accordance with the law.

On 8 April 2022, Resolution No. 3/2022-PG was published in the 2nd series of the Diário da República (Official Gazette), No. 70, which "*Which "Approved the Instructions establishing* the discipline applicable to the organisation, promotion and processing of prior auditing processes by the Court of Auditors, at the Headquarters and Regional Sections of the Azores and Madeira, as well as the general conditions for use of the eContas Platform, including the rules for registration of the entity and respective users on the same Platform.

In 2022, the following procedures were adjudicated, with a value equal to or greater than 5 million euros:

Item	TYPE OF PROCEDURE	SUPPLIER	TIN	DATE OF AWARD	CONTRACT SIGNING DATE	CONTRACT PRICE (€)
5010043145 - EN14 - Maia (Via Diagonal) / Trofa	International Public Tender	M.Couto Alves, S.A.	PT504213709	29/07/2021	04/04/2022	31970000,00€
10002616 - SMM_ PORTAGEM - COIMBRA B E RENOVAÇÃO DA ESTAÇÃO DE COIMBRA B	International Public Tender	Ramalho Rosa Co- betar Sociedade de Construções, S.A.	PT500226504	03/02/2022	20/05/2022	30 598 759,80 €
5010044122 - EN109, KM 118+108, PTE EC TIRANTES	International Public Tender	Mota - Engil, Engen- har e Construção	PT500197814	25/11/2021	14/02/2022	16 750 000,00 €
10005611 - L. CASCAIS - VIA E CATENÁRIA - EXECUCÃO	International Public Tender	Fergrupo - Con- struções e Técnicas Ferroviárias, SA	PT502156392	23/06/2022	23/08/2022	16 600 545,00 €
CATENANIA EXECCÇÃO	render	COMSA, SA	A08031098	23/06/2022	23/08/2022	14 989 455,00 €
10007346 - SMMONDEGO - SISTE- MAS GERAIS - TELEMÁTICA, TELECOMUNICAÇÃO SEMAFOR- IZAÇÃO, PCC (POSTO CONTROLO CENTRAL)	International Public Tender	Efacec Engenharia e Sistemas, S.A.	PT502533447	30/06/2022	30/09/2022	15 434 137,59 €
10007563 - Assistência Técnica para as Tecnologias SSI, Westlock e Westrace	Direct Adjustment	Siemens Mobility, Unip. Lda	PT514750901	26/05/2022	28/06/2022	14 551 750,00 €
10006049 - L. SINES + L. SUL - ERMIDAS-GRÂNDOLA NORTE - SINALIZAÇÃO	Direct Adjustment	Siemens Mobility, Unip. Lda	PT514750901	20/10/2022	16/11/2022	14 498 030,70 €
10005628 - Assistência Técnica para as Tecnologias ESTW e PIPC	Direct Adjustment	GTSPT-Ground Trans. Systems PT, SA	PT507775597	16/12/2021	05/01/2022	14 325 187,02 €
10008327 - L. NORTE - ADE- OUAÇÃO DO LAYOUT MATO MI-	International Public	Sacyr Neopul, SA	PT501378375	23/06/2022	03/08/2022	13 992 593,30 €
RANDA, DESLOCALIZAÇÃO ZN E LMR (VA) - EXECUÇÃO	Tender	Sacyr Somague, S.A.	PT503156000	23/06/2022	03/08/2022	5 996 825,70 €
5010041609 - EOUIPAMENTOS DE	Restricted invitation to tender by Prior	Intervega - Sinal- ização e Segurança	PT505394847	29/09/2022	02/01/2023	13 508 684,00 €
SINAL. E SEG. 2020/2023	International Quali- fication	Construções J.J.R. & Filhos, SA	PT502197714	29/09/2022	02/01/2023	12 033 015,00 €
10002825 - SMM_LH_ AEMINIUM - HOSPITAL PEDIÁTRICO	International Public Tender	Cimontubo - Tu- abagens e soldadura LDA	PT503439800	09/03/2022	24/03/2022	12 999 329,44 €
		COMSA, SA	ESA08031098	16/12/2021	24/02/2022	12 362 743,47 €
10006454 - L. ALGARVE - TUNES-LAGOS - ELETRIFICAÇÃO - EXECUÇÃO	International Public Tender	Fergrupo - Con- struções e Técnicas Ferroviárias, SA	PT502156392	16/12/2021	24/02/2022	7 975 656,50 €
		Comsa Industria- les, SA	A64381072	16/12/2021	24/02/2022	5 084 600,00 €
10010341 - EN344 - KM67+800 A KM75+520 - PAMPILHOSA DA SERRA	International Public Tender	Construções J.J.R. & Filhos, SA	PT502197714	27/09/2022	09/11/2022	11 882 355,29 €
10008054 - EN229 - IP5 / PARQUE EMPRESARIAL DO MUNDÃO	International Public Tender	EMBEIRAL EMPRE- ITEIROS BEIRAS S A	PT501559914	22/09/2022	30/11/2022	10 714 280,58 €
5010038440 - IC2/EN1, BENEF. ASSEICEIRA / FREIRES	International Public Tender	Construções J.J.R. & Filhos, SA	PT502197714	28/01/2021	15/02/2022	8 465 962,00 €

Item	TYPE OF PROCEDURE	SUPPLIER	TIN	DATE OF AWARD	CONTRACT SIGNING DATE	CONTRACT PRICE (€)
10008930 - Prestação de Serviços de Fornecimento de Energia		Endesa Energia, S.A. Sucursal Portugal	PT980245974	03/02/2022	18/04/2022	8 366 929,63 €
Elétrica às instalações do Grupo Infraestruturas de Portugal, S.A. - 6 Meses	Direct Adjustment	Endesa Energia, S.A. Sucursal Portugal	PT980245974	03/02/2022	18/04/2022	5 431 103,36 €
10009063 - L. NORTE - BOBADE- LA - RCM PARQUE NORTE - EX- ECUÇÃO	Direct Adjustment	Mota - Engil, Engen- har e Construção S.A.	PT500197814	24/02/2022	16/03/2022	8 199 700,00 €
10008741 - Aquisição de carril 54E1 em barras de 36 metros, 72 met- ros e 108 metros	Limited Tender under the Qualification System	Arcelor Mittal Es- paña, S.A.	A81046856	10/02/2022	18/04/2022	8 135 500,00 €
10008128 - L. DOURO - CAÍDE-MARCO - EDIFÍCIOS SALAS TÉCNICAS DE SINALIZAÇÃO E SUPRESSÃO DE PN KM 50+274, 51+145 E 56+527 - EXECUÇÃO	International Public Tender	Casais-Engenharia e Construção	PT500023875	03/11/2022	12/12/2022	7 955 180,66 €
10004973 - L. NORTE - AL- FARELOS - ALTERAÇÃO DA SINALIZAÇÃO DA ESTAÇÃO DE CONCENTRAÇÃO DE ALFARELOS E CCO LISBOÁ	Direct Adjustment	GTSPT-Ground Trans. Systems PT, SA	PT507775597	29/09/2022	16/11/2022	7 899 973,37 €
10006367 - IC15 - VIADUTO DUARTE PACHECO. REFORÇO SİSMICO E REABILITAÇÃO COM- PLEMENTAR	International Public Tender	Teixeira Duarte-Eng. Construções SA	PT500097488	31/03/2022	25/05/2022	6 874 938,33 €
10005929 - EN114 LIGAÇÃO DA A15 A RIO MAIOR	International Public Tender	Construções Prago- sa, S.A.	PT502496878	03/11/2022	07/12/2022	6 631 902,59 €
5010042628 - Fiscalização LBA PAM-MAN+Concordância	International Public Tender	TPF-Cons. de Eng.e Arquitetura, SA	PT500963363	08/09/2022	12/12/2022	6 630 470,00 €
		EDP Comercial Comercialização de Energia, SA	PT503504564	12/05/2022	26/07/2022	6 503 300,78 €
10007921 - L. CASCAIS - SST SETE RIOS - EXECUÇÃO	International Public Tender	Efacec Engenharia e Sistemas, S.A.	PT502533447	12/05/2022	26/07/2022	6 449 301,61 €
		FCM - CON- STRUÇÕES, S.A.	PT503942570	12/05/2022	26/07/2022	5 047 123,00 €
10003913 - EN101 - VALENÇA (KM 0+875) E ENTRONCAMENTO COM A EN202 (MONÇÃO)(KM 15+963)	International Public Tender	Construções J.J.R. & Filhos, SA	PT502197714	31/03/2022	06/07/2022	6 465 317,20 €
5010041538 - Aquisição equipa- mento ferroviário inspeç	International Public Tender	MERMEC GROUP Headquarters	IT5033050963	27/05/2022	09/08/2022	6 157 900,00 €

8.12 ADHERENCE OF THE COMPANY TO THE NATIONAL PUBLIC PURCHASING SYSTEM

The company, following the guidelines of the Executive Board of Directors, promotes, whenever economically more advantageous, the contracting procedures with recourse to ESPAP, under Framework Agreements within the National Public Purchasing System.

8.13 MEASURES TO REDUCE OPERATING EXPENSES

The Activity and Budget Plan 2022 / 2024 (ABP 22/24) was approved by Order No. 113/2022 -SET, dated 28 January 2022, having been authorised:

 i) Increase in staff costs up to an overall maximum limit of 139.43 million euros, which corresponds to the amount foreseen in the State Budget for 2022;



ii) Increase in costs with the contracting of studies, opinions, projects and consultancy by 0.65 million euros, in line with the evolution of the CPI, without prejudice to the need for the company to maintain overall spending on ESS within the limit set out in the approved budget.

Through the Order No. 682/2021-SET, of the Secretary of State for the Treasury, of 29 July 2021, the Instructions for the Preparation of Activity Plans and Budgets, of the non-financial public companies of the State Business Sector were given.

As determined in the aforementioned Order No. 682/2021-SET, the Budget for 2022 contemplates performance optimisation measures. These measures aim to maximise the Operating Result, taking into account the following references:

Operational Efficiency – in 2022, ensure that the ratio of operational costs over turnover (Operational Efficiency), is equal to or lower than the reference year (2021 or 2019), with higher turnover. In the case of IP the reference year is 2019.

Expense reduction plan – in 2022, the following operating expenses must be equal to or less than the value recorded in the reference year, as established for the assessment of operating efficiency:

- Expenses related to travel, daily allowances and accommodation, as well as those associated with the vehicle fleet (expenses with vehicles include: rent/amortisation, inspections, insurance, tolls, fuel and/or electricity, maintenance, repair, tyres, taxes and fees);
- b. Personnel Expenditure.

Before presenting the results of the set of indicators that allow us to measure the evolution of the reduction in operating costs, it is important to first describe the impact of the International Geopolitical Situation on IP's costs.

International Geopolitical Situation

A. Increased Expenditure on Electricity and Road Fuel

The increase in the cost of energy in general, and electricity in particular, was one of the main effects of Russia's invasion of Ukraine.

The acquisition of electrical energy represents a considerable value in the IP budget, since besides its use in service facilities, stations, road lighting or feeding all the existing telematics, it is necessary for the trains to circulate in the National Railway Network, the so-called traction energy.

In view of the prices practised by the market in 2022, the expenditure on electricity has more than doubled compared with that verified in the three-year period 2019 / 2021 (the last years before the current geopolitical crisis), as presented below: 15.1 million in 2019; 14.9 million in 2020; 14.4 million in 2021; 33.3 million in 2022.

Even if we update the amount spent in 2019 (reference year) to what would be the estimated value for 2022 in a situation of normal evolution of the inflation rate (we used the projection of 1.4% for the year 2022 contained in Order No. 682 / 2021 - SET, which established the guide-lines for preparation of the ABP 2022-2024), to which we add the actual inflation in 2020 and 2021, we would obtain a value of 15.5 million euros.

It is thus considered that the increase of 17.8 million euros verified in 2022, compared to 2019, updated according to the actual inflation rate for 2020 and 2021 and the inflation rate projected when the 2022-2024 ABP was prepared, should be deducted from the calculation of the operating efficiency ratio.

Exactly the same approach is proposed for road fuel expenditure. In effect, the average price of road diesel in 2022 is 33% higher than the average price in 2019, while the increase in road petrol over the same period is 28% (source DGEG).

The amount spent in 2019 was 1,943 thousand euros, a value that updated for 2022 for a normal inflation scenario, in the same terms as previously presented for energy, would be 1,995 thousand euros.

In this framework, the increase of 256 thousand euros verified in 2022 compared to 2019, updated according to the actual inflation rate for the years 2020 and 2021 and the projected inflation rate when the 2022-2024 ABP was prepared (1,995 thousand euros), must be deducted from the calculation of the operating efficiency ratio.

This results in an overall adjustment of -18.1 million euros in operating costs, for the purpose of calculating the operating efficiency indicator.

B. Increase in Costs with the Conservation Activity of the Railway and Road Network

The exceptional situation in the supply chains and the migratory circumstances resulting from the pandemic of the disease COVID - 19, the global energy crisis and the effects of the war in Ukraine have resulted in sharp increases in the prices of raw materials, materials and labour, particularly in the construction sector, which have had serious impacts on the economy.

The increases in question can be observed through a yearon-year comparison of the price indexes for materials and labour costs for December 2021 compared with the same month in 2020. These indexes are calculated by the Contracts Indices and Formulas Committee and approved by the management board of the Institute of Public Markets, Real Estate and Construction, I. P.

For example, during the period in question, steel rod and profiles increased by 41.7%, mild steel sheet by 44.0%, coated copper wire by 38.5%, bulk bitumen by 61.2%, wood-based products by 65.2%, glass by 28.1% and PVC pipe by 71.3%. With regard to labour, considering the thirteen main professions listed for price revision purposes, there was also an average increase of 6.7% over the same period.

In view of this reality, the Portuguese Government, through Decree-Law No. 36/2022, determined an exceptional and temporary regime in the scope of price increases impacting on public contracts.

Taking 2019 as the reference year for evaluating operational efficiency, this very significant increase in raw materials, materials and labour becomes even more relevant.

Comparing the latest published indices for March 2022 with those for March 2019, for the same sample considered by the Government, the following evolution can be seen: steel in rod and sheet form increased by 76.5 %, mild steel plate by 97.3 %, coated copper wire by 54.7 %, bitumen in bulk by 43.5 %, wood products by 58.3 %, glass by 33.4 % and PVC pipe by 81.3 %. As for labour, considering the thirteen main professions listed for price revision purposes, there was also an average increase of 15.7% over the same period.

In this context of unequivocal increase in the cost of works, recognised by the Government itself, and which is even greater compared to the reference year 2019 considered for the evaluation of operational efficiency, it is believed that the increase verified between the years 2022 and 2019 should be deducted from the calculation of the operational efficiency ratio, which will be updated according to the real inflation rate for the years 2020 and 2021 and the projected inflation rate when the 2022-2024 ABP was prepared, as was done for energy and fuels.

With total expenditure on the conservation of the road-railway network being 184.7 million euros in 2022, which represents 189.6 million euros at updated values under the terms mentioned above, and with this same type of expenditure having reached 206.7 million euros in 2022, it follows that the adjustment to be made to operating expenditure, for the purpose of calculating the operating efficiency indicator, should be 17.1 million euros.

			Unit: €
Item Costs	2022	2019	ADJUSTMENT 2022
Energy	33 337 337	15 533 253	-17 804 084
Combustíveis	2 251 008	1994 532	-256 476
Conservação	206 727 246	189 610 851	-17 116 395
Total	242 315 591	207 138 636	-35 176 955



The following table shows the calculation of the ratio of operating costs over turnover, adjusted for the exceptional factors presented:

									Unit: €
	IMPLEMENTED	BUDGET	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	2022/2	021	2022/2	D 19
OPERATIONAL EFFICIENCY	2022	2022	2021	2020	2019	∆ ABSOL.	VARIA- TION %	Δ ABSOL.	VARIA- TION %
(0) EBITDA	506 472 216	522 347 534	496 773 447	444 689 052	589 688 671	9 698 769	2%	-83 216 455	-14%
(1) Cost of Goods Sold and Materi- als Consumed	280 585 116	287 630 637	259 141 547	274 091 034	429 896 687	21 443 569	8%	-149 311 571	-35%
(2)ESF	359 549 644	364 359 369	313 781 318	300 907 152	304 085 896	45 768 326	15%	55 463 747	18%
(3)Personnel costs	132 239 098	140 219 827	131 114 042	127 218 388	127 320 165	1 125 056	1%	4 918 933	4%
	655 541	671 311	667 930	664 130	695 024	-12 389	-2%	-39 483	-6%
ii. Severance paymentsª)				-49 290	1 428 012			-1 428 012	-100%
iii. Mandatory remuneration upgrades ^{a)}	17 724 682	17 808 414	14 385 054	12 844 604	11 547 310	3 339 628	23%	6 177 372	53%
iv. Effect of absenteeism and compliance with legal provisions ^{a)}									
4) Personnel costs without im- pacts i., ii., iii. and iv	113 858 875	121 740 101	116 061 058	113 758 945	113 649 819	-2 202 183	-2%	209 056	0%
5) Impact on expenses due to exceptional factors ^{b)}	35 176 955								
(6) Operating expenses for the purpose of calculating operating efficiency = (1) +(2) +(3)-(5)	737 196 902,75	792 209 832,53	704 036 906,30	702 216 574,09	861 302 748,23	68 336 951,40	10%	-89 137 946,88	-10%
(7) Turnover (VN)	1 138 436 412	1 144 165 416	1 072 671 546	1 021 798 369	1 319 954 921	65 764 867	6%	-181 518 509	-14%
Operating grants									
Compensatory Allowances	55 055 058	120 002 028	55 055 058	55 055 058	59 747 982	0	0%	-4 692 924	-8%
(8) Loss of revenue due to exceptional factors ^{b)}									
(9) Turnover for the purpose of calculating operating efficiency = (7+8)	1 138 436 412	1 144 165 416	1 072 671 546	1 021 798 369	1 319 954 921	65 764 867	6%	-181 518 509	-14%
(10) Expenditure weight / Turnover =(6)/(9)	64,8%	69,2%	65,6%	68,7%	65,3%	104%	158%	49%	75%
i. Travel and Accommodation Expenses (ESS)	352 316,51	234 211,08	273 717	179 047	316 192	78 600	29%	36 125	11%
ii. Expenses with daily allowances (expenses with Staff)	616 710	750 303	494 106	521 589	684 484	122 605	25%	-67 773	-10%
iii. Expenditure related to the car fleet °)	5 760 952,14	5 378 048,33	5 621 012	6 449 752	6 031 124	139 940	2%	-270 172	-4%
iv. Expenditure on contracting studies, opinions, projects and consultancy services	2 161 361,48	2 734 233,16	1 577 466,35	1 230 478,68	1 470 247,57	583 895	37%	691 114	47%
(11) Total = (i) + (ii) + (iii) + (iv)	8 891 340	9 096 796	7 966 301	8 380 868	8 502 047	925 039	12%	389 294	5%
Total No. HR (Governing Bodies + Management Positions + Em- ployees)	3 421	3 579	3 439	3 359	3 369	-18	-1%	52	2%
No. of Corporate Bodies (CB)	7	8	8	9	9	-1	-13%	-2	-22%
No. of Managerial Positions (MP)	194	194	194	192	193	0	0%	1	1%
No. of employees (without CB and without MP)	3 220	3 377	3 237	3 158	3 167	-17	-1%	53	2%
No. of Employees/ No. of MP	16,6	17,4	16,7	16,4	16,4	-0,1	-1%	0,2	1%
	724	724	724	727	743	0	0%	-19	-3%

a) As provided for in Article 144 para. 5 sub-paragraph a) of DLEO 2022.

b) If applicable, the exceptional impacts (namely of the geopolitical crisis and CO-VID-19) and the impacts due to legal impositions should be duly justified, in accordance with article 144 of DLEO 2022, as well as quantified and broken down in relation to the different items of expenditure/costs, sales and services rendered. c) Vehicle expenses should include: rentals/amortizations, inspections, insurance, tolls, fuel and/or electricity, maintenance, repairs, tyres, fees and taxes.

EBITDA

EBITDA in 2022, remained positive, reaching the value of 506.5 million euros, which represents an improvement of 9.71 million euros compared to 2021.

In the comparison with 2019 there is a decrease of 83.2 million euros, which is almost entirely due to the loss of revenue on tolls and RSC. The value of these two items in 2022 have not yet reached that realised in 2019.

In the case of tolls, the entry into force from 01/07/2021 of the new discount scheme, provided for in articles 425 and 426 of the LOE and whose implementation was defined by RCM No. 80/2021 of 28 June, and regulated by Ministerial Order No. 138-D/2021 of 30 June, resulted in a 50% reduction in toll tariffs, with an estimated potential loss of revenue of around EUR 69 million (excluding VAT) in 2022.

Despite this new discount regime, the increase in traffic recorded in 2022, possibly leveraged by the very effect of the reduction in price as a stimulus to circulation, exceeded the strong impact of the occurrence of the 3rd wave of COV-ID-19, which until the 1st half of 2021, forced the introduction of successive States of National Emergency, and which conditioned the circulation of people and goods and was reflected in the worsening of the loss of toll income.

The following items also make a significant contribution to the decrease in EBITDA in 2022 compared to 2019:

- (i) An increase of 5 million euros in personnel costs, due to the remuneration upgrades provided for in the IRCT in force in the company, but also the increase in staff, authorised by Joint Order from the Secretary of State for the Treasury and the Secretary of State for Infrastructure;
- (ii) 17.1 million euro increase in spending on road and rail conservation, in line with the needs identified in the network and in compliance with the approved Activities Plan.
- (iii) 17.8 million euros increase in electricity costs.

WEIGHT OF OPERATING EXPENSES IN TURNOVER

The weight of operating costs over turnover, adjusted for the impact of the International Geopolitical Situation, the ratio of operating costs over turnover being 64.8% in 2022, 0.5 p.p. less than the ratio in 2019, i.e. an improvement from 2019 to 2022. In relation to the budget, the ratio in 2022, was 4.5 p.p. less than that foreseen in the approved Activity Plan. In other words, in both cases there was a positive evolution in this indicator of operational efficiency.

In the comparison between 2022 and 2021 there is also a decrease of 0.9 p.p., which means a positive evolution of this indicator of operating efficiency.

Travel and Accommodation Expenses, Subsistence Allowances, Fleet and Studies, Opinions and Consultancy Projects

The total expenditure on Travel and Accommodation, plus Allowances, Car Fleet and consultancy opinions and projects was 8.9 million euros in 2022, higher than the same periods of 2019 and 2021, and lower than budgeted.

In Authorisation Order No. 113/2022 -SET, dated 28 January 2022, it was authorised:

 Increase in costs with the contracting of studies, opinions, projects and consultancy by 0.65 million euros, in line with the evolution of the CPI, without prejudice to the need for the company to maintain overall spending on ESS within the limit set out in the approved budget.

Thus, the table below shows the amount authorised for this set of expenses:

			[thousan	d euros]
Other operating expenses	2022 Implemented	2022 Committed	2022 VS. AUTO. ABSOL.	VAR. %
Expenses with travel, daily allowances and accommoda- tion, those associated with the car fleet and Expenses with the contracting of studies, opin- ions, projects and consultancy	8,891.3	9,152.0	-260,7	-2,8%

Expenditure on Travel and Accommodation, Subsistence Allowances, Fleet and Studies, Opinions and Consultancy Projects in 2022 remained below the authorised value by 260,000 euros.

Personnel Expenditure

Personnel expenses were 132.2 million euros in Q4 2022, which is 4.9 million euros higher than in 2019, and when the 2022-2024 ABP was approved, an increase in personnel expenses of 12.2 million euros in 2022 compared to 2019 was authorised. Thus, the increase in staff costs was 7.2 million euros below the amount authorised when the 2022-2024 ABP was approved.

			[thousan	d euros]
	2022	2022	2022 VS.	AUTO.
HEADINGS	EXEC.	AUTHORISED	ABSOL.	VAR. %
Personnel Costs	132 239,1	139 430,0	-7 190,9	-5,2%



8.14 PRINCIPLE OF UNITY OF STATE TREASURY

The State Budget Law for 2022, through Article 136, maintained the obligation to comply with the Principle of Unity of State Treasury (UTE). Therefore, IP is obliged to concentrate its cash and cash equivalents and financial investments in accounts with the IGCP, regardless of their origin or nature, and to perform all fund transfers through the banking services provided by that entity.

The company has been using the banking services and functionalities provided by IGCP, namely the use of homebanking services for payments to the State, payments to suppliers, employees and other entities and making payments through direct debits, among others.

Nevertheless, it is still necessary to maintain the use of commercial banking, which provides some banking services not ensured by IGCP. Every quarter, IP informs the balances corresponding to the period, through the registration in the online services of the General Directorate of the Budget (DGO) and the General Directorate of the Treasury and Finance (DGTF).

In exceptional situations, as provided for in the Budget Execution Decree-Law, IGCP may authorise the waiver of compliance with the UTE principle for a maximum period of two years, making DGO and DGTF aware of this.

IGCP, through information No. 242/2022 of 4 April, authorised the waiver of compliance with the UTE, for the years 2022 and 2023, regarding the following banking services:

- a) Prepaid cards;
- b) Bank guarantees that cannot be replaced by escrow deposits;
- c) Paying agent services associated with contracted debt;
- d) Custody of securities other than public debt.

On December 31, 2022, the company had 234.6 million euros of cash and cash equivalents with the IGCP.

			unit: thous	ands of euros
IGCP	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Call deposits	217,857.8	219,073.0	267,950.3	73,374.5
Financial Applications	-	-	-	161 248,3
Total	217 857,8	219 073,0	267 950,3	234 622,8

The amounts due from Commercial Banks are distributed as shown in the table below:

unit: thousands of euros

Commercial Banking	1ST QUARTER	2ND QUARTER	3RD QUARTER	4TH QUARTER
Novo Banco	0,4	0,8	1,3	1,5
BBPI	159,2	280,1	184,7	33,9
Santander	77,4	97,1	106,0	5,3
BBVA	64,9	64,5	64,1	32,1
СВІ	0,2	0,2	0,2	0,1
BCP(*)	0,2	16,9	-1,6	- 3,6
CGD(*)	81,5	59,1	60,7	- 19,2
Total	383,8	518,7	415,4	50,1
Interest income	-	-	-	-

* Includes Accounting overdrafts.

Note: The amounts considered refer to the book balances at the end of each of the periods indicated.

8.15 RECOMMENDATIONS ARISING FROM AUDITS PERFORMED BY THE COURT OF AUDITORS

In relation to the recommendations formulated by the Court of Auditors in reports in the last 3 years, the following table is reported.

Compliance with Legal Obligations 2022	COMPLIANCE	QUANTIFICATION	JUSTIFICATION / REPORT SECTION		
	Y/N/NA	/ IDENTIFICATION			
YEAR 2020					
Audit "Opinion on CGE - Operationality of Infrastructures and Trans	ports" - Report 1/2	2020 - 2nd Section			
Recommendations					
To the Government, through the members responsible for the areas of finance and infrastructure		Measures Adopted			
Recommendation 1					
Promote the necessary conditions to carry out the investment foreseen in PETI3+2014/2020 updated in PNI 2030 released on 12/01/2019 (no funding gap).	Y	The following measu	Recommendation 1, 3 and 3 res are being implemented: he reinforcement of IP's staff;		
Recommendation 3					
To provide, as a matter of urgency, the necessary funding to at least bring the unsatisfactory condition of the infrastructure up to satisfactory condition.	Y	2. Dispatches delega	ting powers to the IP's EBD - Authorization of Expenditure.		
Recommendation 4					
To provide, in the short term, the necessary funding to at least bring the condition of the infrastructure assessed as requiring attention up to a satisfactory state.	Y				
Recommendation 2	Y	Measures Adopted	Recommendation 2		
Ensure that information on the implementation of PETI3+ is reliable and complete.		res are being implen 1. Mid-Year Financial	control procedures currently in place at the IP, the following measu- nented: Development Report of PETI3+ to CA Global Integrated Planning project		
Recommendation 5	Y	Measures taken - re	commendations 5, 6 and 7		
Promote the improvement of the management of the risk of inoperability of transport infrastructures to reinforce users' confidence.		tems, supported by System), which cove			
Recommendation 6		System), which covers both networks and is supported, for the road network, by the C application and, for the railway network, by the GOA Web application, and the SGPaw (Pavement Management System), applicable only to the road network. With regard to assets that comprise the sub-concession network, the respective sub-concessional as responsible for their management, have also implemented management systems se information IP has access to, allowing the monitoring of quality criteria to be verifi- the frequency of verification, the minimum standards to be met for each parameter or track, as defined in the Quality Control Plans (QCP) that are established in each Sub- cession Agreement. IP's processes are audited and certified by ISO 9001:2015 and ISO55001:2014 through external entity, thus evidencing compliance with good international practices for Qua Management and Asset Management, respectively. Through these processes, IP gua tees the availability of infrastructures in adequate operating conditions.			
Implement a global management system for transport infrastruc- ture (whether managed by public entities or under concession) with periodic information on its state (of conservation and condi- tion) and inspection (main, routine and underwater, if applicable) that ensures timely assessment and effective prevention of its risk of inoperability.					



Compliance with Legal Obligations 2022	COMPLIANCE	QUANTIFICATION	JUSTIFICATION / REPORT SECTION		
	Y/N/NA	TIDENTIFICATION			
Recommendation 7 Create and periodically disseminate sectorial risk matrices with the distribution of the transport infrastructure universe by risk group, according to the probability and impact of its risk of inope- rability, as well as the measures taken and to be taken to mitigate this risk in cases where it is material.	Y				
YEAR 2021	1				
Audit "Opinion on CGE - Operationality of Infrastructures and Trans	ports" - Report 1/2	2020 - 2nd Section			
Recommendations		Measures Adopted			
To the Government, through the members responsible for the areas of finance and infrastructure					
Recommendation 1		Medidas Adotadas -	Recomendação 1, 3 e 4		
Promote the necessary conditions to carry out the investment foreseen in PETI3+ 2014/2020 updated in PNI 2030 released on 12/01/2019 (no funding gap).		1. Authorisation for t	res have been implemented: he reinforcement of IP's staff; ting powers to the IP's EBD - Authorization of Expenditure.		
Recommendation 3					
To provide, as a matter of urgency, the necessary funding to at least bring the unsatisfactory condition of the infrastructure up to satisfactory condition.					
Recommendation 4					
To provide, in the short term, the necessary funding to at least bring the condition of the infrastructure assessed as requiring attention up to a satisfactory state.					
Recommendation 2		Measures Adopted -	Recommendation 2		
Ensure that information on the implementation of PETI3+ is reliable and complete.		To complement the have been implement	control procedures currently in place at IP, the following measures ted:		
			Development Report of PETI3+ to the CA; Global Integrated Planning project - in progress.		
Recommendation 5		Measures taken - R	ecommendations 5, 6, 7		
Promote the improvement of the management of the risk of inoperability of transport infrastructures to reinforce users' confidence.	-	tems, supported by 3	direct management of IP there are 2 dedicated management sys- applications in production. The SGOA (Works of Art Management		
Recommendation 6		application and, for t	is both networks and is supported, for the road network, by the GOA he railway network, by the GOA Web application, and the SGPav		
Implement a global management system for transport infrastruc- ture (whether managed by public entities or under concession) with periodic information on its state (of conservation and condi- tion) and inspection (main, routine and underwater, if applicable) that ensures timely assessment and effective prevention of its risk of inoperability.		assets that comprise as responsible for th se information IP has the frequency of ver track, as defined in t cession Agreement.	ent System), applicable only to the road network. With regard to the the sub-concession network, the respective sub-concessionaires, eir management, have also implemented management systems who- access to, allowing the monitoring of quality criteria to be verified, fication, the minimum standards to be met for each parameter of the eq Quality Control Plans (QCP) that are established in each Sub-con-		
Recommendation 7 Create and periodically disclose sectorial risk matrices with the distribution of the transport infrastructure by risk group, accor- ding to the probability and impact of its risk of inoperability, as well as the measures taken and to be taken to mitigate this risk in cases where it is material		IP's processes are audited and certified by ISO 9001:2015 and ISO55001:2014 through an external entity, thus evidencing compliance with good international practices for Quality Management and Asset Management, respectively. Through these processes, IP guaran- tees the availability of infrastructures in adequate operating conditions.			
YEAR 2022	1	1			
Audit "Opinion on CGE - Operationality of Infrastructures and Trans	ports" - Report 1/2	2020 - 2nd Section			
Recommendations		Measures Adopted			
To the Government, through the members responsible for the areas of finance and infrastructure	1				
Recommendation 1					
Promote the necessary conditions to carry out the investment foreseen in PETI3+2014/2020 updated in PNI 2030 released on		Measures Adopted - Implemented Recom	Recommendations 1, 3 and 4 mendations		
12/01/2019 (no funding gap).		' The following measures have been implemented since 2021:			

Compliance with Legal Obligations 2022	COMPLIANCE	QUANTIFICATION				
Compliance with Legal Obligations 2022	Y/N/NA	/ IDENTIFICATION	JUSTIFICATION / REPORT SECTION			
Recommendation 3		1. Authorisation for the reinforcement of IP's staff;				
To provide, as a matter of urgency, the necessary funding to at least bring the unsatisfactory condition of the infrastructure up to satisfactory condition.		2. Dispatches delegating powers to the IP's EBD - Authorization of Expenditure.				
Recommendation 4						
To provide, in the short term, the necessary funding to at least bring the condition of the infrastructure assessed as requiring attention up to a satisfactory state.						
Recommendation 2		Measures Adopted -	Recommendation 2			
Ensure that information on the implementation of PETI3+ is reliable and complete.		To complement the control procedures currently in place at IP, the following measures have been implemented: 1. Mid-Year Financial Development Report of PETI3+ to the CA; 2. Completion of the Global Integrated Planning project.				
Recommendation 5		Measures taken - Re	commendations 5, 6, 7			
Promote the improvement of the management of the risk of inoperability of transport infrastructures to reinforce users' confidence.		Implemented Recor	nmendations			
Recommendation 6						
Implement a global management system for transport infrastruc- ture (whether managed by public entities or under concession) with periodic information on its state (of conservation and condi- tion) and inspection (main, routine and underwater, if applicable) that ensures timely assessment and effective prevention of its risk of inoperability.						
Recommendation 7						
Create and periodically disclose sectorial risk matrices with the distribution of the transport infrastructure by risk group, accord- ing to the probability and impact of its risk of inoperability, as well as the measures taken and to be taken to mitigate this risk in cases where it is material						

8.16 PREPARATION AND DISSEMINA-TION OF THE EQUALITY PLAN

The report of the Equality Plan 2022 Group is published on the IP website:

<u>https://www.infraestruturasdeportugal.pt/pt-pt/so-</u> bre-nos/compromissos/responsabilidade-social

8.17 NON FINANCIAL STATEMENT

IP includes in this 2022 Management Report, integrated in the 2022 Annual Report and Accounts, the non-financial statement, in compliance with para. 1 and 2 of Article 66-B of the Commercial Companies Code, as well as Article 508-G of the same law, following the guiding principles of the Global Reporting Initiative (GRI).

The report itself includes explicit reference to the disclosure of non-financial information, in chapter 1, in which the integrated reporting model adopted by IP is explained, in which non-financial information receives a new approach.

The information is duly listed in the GRI table (Part V of the report) through reference to the various topics provided for in Article 66 B and Article 508-G and the respective disclosure in the integrated report.



8.18 INFORMATION AVAILABLE ON THE SEE WEBSITE

Information to be included on the SEE website	DISCLOSURE	COMMENTS
mormation to be included on the SEE website	Y/N/N.A.	CONTENTS
Articles of Association	Y	On the SEE website https://www.infraestruturasdeportugal.pt/pt-pt/sobre-nos/governo-da-sociedade/ enguadramento-legal
Characterisation of the Company	Y	https://www.infraestruturasdeportugal.pt/
Supervising and shareholder function	Y	On the SEE website https://www.infraestruturasdeportugal.pt/pt-pt/sobre-nos/governo-da-sociedade/ enquadramento-legal
Governance Model / Members of Corporate Bodies		
- Identification of the governing bodies	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Fixed Remuneration Status	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Disclosure of remuneration received by the Governing Bodies	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
 Identification of the roles and responsibilities of the members of the Board of Directors 	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Resumés of the members of governing bodies	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
Public Financial Effort	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
Summary sheet	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
Historical and current financial information	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
Principles of Good Governance		
- Internal and external regulations to which the company is subject	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Relevant transactions with related parties	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Other transactions	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Analysis of the company's sustainability in the areas		
Economic	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
Social	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
Environmental	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Assessment of Compliance with Good Governance Principles	Y	SIRIEF Annual Report published on IP's website Corporate Governance Report published on IP's website
- Code of ethics	Y	https://www.infraestruturasdeportugal.pt/pt-pt/etica

8.19 SUMMARY TABLE OF COMPLIANCE WITH LEGAL GUIDELINES

COMPLIANCE WITH LEGAL GUIDELINES 2022 Y Management Objectives Core Revenues - Cash (M€) Total Cash Flow (M€) X Aggregate Strategic Investments Indicator (%) X Aggregate indicator Network Interventions Plan (except strategic investments (%) Road Service Levels (%) Non Core Revenue X Achievement Targets contained in the 2022 ABP Net Profit EBITDA Operating Result Turnover Indebtedness Net Financial Debt /EBITDA Net Financial Debt (no State borrowings)/EBITDA Xailway Investment		N.A.A N.A X X X X X X X	1.195 M€ -1.125 M€ 87% 84% 102,9% 79,3%	JUSTIFICATION / REPORT SECTION Point 8.1 of the Management Report. Point 8.1 of the Management Report.
Core Revenues - Cash (M€) X Total Cash Flow (M€) X Aggregate Strategic Investments Indicator (%) X Aggregate indicator Network Interventions Plan (except strategic investments (%) X Road Service Levels (%) X Railway Service Levels (%) X Achievement Targets contained in the 2022 X ABP X Net Profit x EBITDA 0 Operating Result Turnover Indebtedness x Net Financial Debt / EBITDA x Railway Investment x		X	-1.125 M€ 87% 84% 102,9% 79,3%	Point 8.1 of the Management Report.
Total Cash Flow (M€) X Aggregate Strategic Investments Indicator (%) X Aggregate indicator Network Interventions Plan (except strategic investments (%) X Road Service Levels (%) X Railway Service Levels (%) X Non Core Revenue X Achievement Targets contained in the 2022 X ABP X Net Profit x EBITDA 0 Operating Result Turnover Indebtedness x Net Financial Debt /EBITDA x Railway Investment x		X	-1.125 M€ 87% 84% 102,9% 79,3%	Point 8.1 of the Management Report.
Aggregate Strategic Investments Indicator (%) X Aggregate indicator Network Interventions Plan (except strategic investments (%) X Road Service Levels (%) X Railway Service Levels (%) X Non Core Revenue X Achievement Targets contained in the 2022 ABP Net Profit x EBITDA Operating Result Turnover Indebtedness Net Financial Debt /EBITDA x Railway Investment x			87% 84% 102,9% 79,3%	Point 8.1 of the Management Report.
Aggregate indicator Network Interventions Plan (except strategic investments (%) Road Service Levels (%) X Railway Service Levels (%) Non Core Revenue X Achievement Targets contained in the 2022 ABP Net Profit X EBITDA Operating Result Turnover Indebtedness X Net Financial Debt /EBITDA X Railway Investment			84% 102,9% 79,3%	Point 8.1 of the Management Report. Point 8.1 of the Management Report. Point 8.1 of the Management Report.
(except strategic investments (%) Road Service Levels (%) X Railway Service Levels (%) Non Core Revenue X Achievement Targets contained in the 2022 ABP Net Profit x EBITDA 0 Operating Result 1 Turnover 1 Indebtedness x Net Financial Debt /EBITDA x Railway Investment x			102,9%	Point 8.1 of the Management Report. Point 8.1 of the Management Report.
Railway Service Levels(%) X Non Core Revenue X Achievement Targets contained in the 2022 A Net Profit x EBITDA C Operating Result T Turnover I Indebtedness x Net Financial Debt / EBITDA x Railway Investment x		X	79,3%	Point 8.1 of the Management Report.
Non Core Revenue X Achievement Targets contained in the 2022 X ABP X Net Profit x EBITDA C Operating Result X Turnover I Indebtedness x Net Financial Debt /EBITDA x Railway Investment x		X		
Achievement Targets contained in the 2022 ABP Net Profit X EBITDA Operating Result Turnover Indebtedness X Net Financial Debt /EBITDA Net Financial Debt (no State borrowings)/EBITDA X Railway Investment			20,9 M€	Point 8.1 of the Management Report
ABP Image: Constraint of the second seco				
EBITDA Coperating Result Compared to the second sec				
Operating Result Image: Comparison of the second			47,0 M€	Point 8.1 of the Management Report.
Turnover Indebtedness x Indebtedness x Net Financial Debt /EBITDA x Net Financial Debt (no State borrowings)/EBITDA x Railway Investment x		x	506,5 M€	Point 8.1 of the Management Report.
Indebtedness x Net Financial Debt /EBITDA x Net Financial Debt (no State borrowings)/EBITDA x Railway Investment x		x	234,9 M€	Point 8.1 of the Management Report.
Net Financial Debt /EBITDA		x	1 138,4 M€	Point 8.1 of the Management Report.
Net Financial Debt (no State borrowings)/EBITDA x Railway Investment x			4 146, 3M€	Point 8.1 of the Management Report.
Railway Investment x		x	7,7	Point 8.1 of the Management Report.
			3,1	Point 8.1 of the Management Report.
Road Investment			417 M€	Point 8.1 of the Management Report
		x	49 M€	Point 8.1 of the Management Report
Management Support Investments x			7 M€	Point 8.1 of the Management Report
Investment in Public-Private Partnerships x			1 182,8 M€ sem IVA incluído	Point 8.1 of the Management Report
Degree of execution of the budget uploaded in SIGO/SOE				
Level of execution of the budget uploaded in the SGIO /SOE		x	99%	Point 8.1 of the Management Report;
Financial Risk Management	1			
Financial Risk Management x	+		1,7%	Point 8.2 of the Management Report.
Growth and Debt Limits				
Growth and Debt Limits		x	2,8%	Point 8.3 of the Management Report.
Evolution of the APP to suppliers	-			
Evolution of the APP to suppliers x	+		13	Point 8.4 of the Management Report.
Disclosure of late payments	-			



	CO	OMPLIANCE		QUANTIF./		
COMPLIANCE WITH LEGAL GUIDELINES 2022	Y	N	N.A.	IDENTIFY	JUSTIFICATION / REPORT SECTION	
Disclosure of late payments	х				Point 8.4 of the Management Report. IP agrees/contracts with its suppliers on payment deadlines. Whenever the invoicing documents are in conformity with the goods and/o services acquired as well as with the legal and fiscal require ments in force, the documents are paid up to their due date (or in their vicinity). As a result, IP has no arrears.	
Shareholder recommendations on the last approv	al of a	counts				
Shareholder recommendations on the last ap- proval of accounts	х				Point 8.5 of the Management Report.	
Non attribution of management bonuses			x		Point 8.6 of the Management Report.	
Remuneration			· /		· · · · ·	
BD - salary reductions in force in 2022 (if applicable)	х				Point 8.6 of the Management Report.	
Supervision (CF/ROC/FU) - salary reductions in force in 2022 (if applicable)	х				Point 8.6 of the Management Report.	
External Auditor - remuneration reduction effective 2022 (if applicable)	×				Point 8.6 of the Management Report.	
EGP - articles 32 and 33						
No use of credit cards	х				Point 8.7 of the Management Report.	
Non-reimbursement of personal representation expenses	×				Point 8.7 of the Management Report.	
Maximum expenditure associated with communications	х				Point 8.7 of the Management Report.	
Maximum value of fuel and tolls allocated monthly to service vehicles	х				Point 8.7 of the Management Report.	
Non-documented or confidential expenses - artic	le 16 pa	ara. 2 of	the RJSPE a	nd article 11 of the EGP	I	
Prohibition of non-documented or confidential expenditure	х				See point 8.8 of the Management Report - In accordance with the provisions of paragraph 2 of Article IB of Decree- -Law no. 133/2013, of 3 October, which determines that wit a view to the adoption of the principle of financial transpa- rency, public companies are expressly forbidden to incur any undocumented expenses. In 2022, IP did not incur any undocumented expenses	
Promotion of equal pay for women and men - para	a. 2 of F	CM no.	18/2014			
Preparation and dissemination of the report on remuneration paid to women and men	x				See point 8.9 of the Management Report - According to para. 2 of the resolution of the Council of Ministers no. 18/2014, of 7 March, SEE companies should prepare a report, every 3 years, to be disseminated internally and made available on the website on the remunerations paid to women and men. The report for 2022 is published on the Infraestruturas de Portugal website. https://www.infraestruturasdeportugal.pt/pt-pt/sobre- -nos/governo-da-sociedade/outras-divulgacoes	
Corruption Prevention						
Preparation and Disclosure of the Annual Report	×				See point 8.10. The PGRCIC is available for consultation on the Infraestruturas de Portugal website: https://www.infraestruturasdeportugal.pt/pt-pt/sobre- _nos/governo-da-sociedade/outras-divulgacoes	
Public Procurement			ı <u> </u>			
Application of public procurement rules by the company	х				See point 8.11 of the Management Report	
Application of public procurement rules by sub- sidiaries	х				See point 8.11 of the Management Report	
Contracts subject to prior approval by the TC	Х				See point 8.11. Management Report. All contracts signed by IP during 2021 comply with the Law on the Organisation am Process of the Court of Auditors, and the processes for an amount greater than 750,000 euros have been submitted t the Court of Auditors for approval.	
Joining the National Public Purchasing System		1	I			
Company membership	х				See point 8.12 of the Management Report	

	COMPLIANCE		CE	QUANTIF./		
COMPLIANCE WITH LEGAL GUIDELINES 2022		N	IDENTIEV		JUSTIFICATION / REPORT SECTION	
Operating Expenses of state-owned enterprises						
Weight of Operating Expenses / Turnover	х			64,8%	Point 8.13 of the Management Report.	
Total expenditure on Travel and Accommodation, Subsistence allowances, Motor Fleet and Studies, Opinions and Consultancy Projects	х			8,9 M€	Point 8.13 of the Management Report.	
Personnel Expenditure	х			132,2 M€	Point 8.13 of the Management Report.	
Principle of Unity of Treasury (Article 28 of DL 133	5/2013)					
Cash and cash equivalents and investments centralised with the IGCP	х			234,6 M€	See point 8.14 of the Management Report	
Deposits and applications in Commercial Banking	х			50,1 M€	See point 8.14 of the Management Report	
Interest earned on UTE defaults and delivered as State revenue	х				See point 8.15 of the Management Report. No interest was earned on investments outside the Treasury.	
Audit of the Court of Auditors					·	
Recommendation Audit of the Court of Auditors	х				See point 8.16 of the Management Report	
Elaboração do Plano para a Igualdade					1	
Preparation and Dissemination of the Equality Plan	×				See point 8.17 of the Management Report <u>https://www.infraestruturasdeportugal.pt/pt-pt/sobre-</u> -nos/compromissos/responsabilidade-social	
Presentation of the Non-Financial Statement					1	
Preparation and Disclosure of Non-financial Statement	х				See point 8.18 of the Management Report	



9. COVID-19 IMPACT A ND INTERNATIONAL GEOPOLITICAL SITUATION

COVID-19

After two years heavily impacted by the COVID-19 pandemic, 2022 saw a very significant increase in the use of the road-rail network to levels identical to those seen in 2019, the last year before the pandemic broke out.

This recovery to levels identical to 2019 is evidenced in the following indicators:

- A 4.4% decrease in diesel consumption in 2022 and a mere 0.6% decrease in petrol consumption compared to 2019 (data from the Tax Authority), which is not unrelated to this small decrease, given the greater electrification of the current vehicle fleet compared to 2019;
- Increase in the number of toll transactions by 6% in 2022 compared to 2019;
- Increase in the use of the Rail Network by 1% in 2022 compared to 2019.

The increased use of the road and rail network in 2022 compared to the same period in 2021, still affected by the pandemic context, had a direct impact on IP's core revenues, which increased significantly compared to 2021, as shown below:

- Road Service Contribution: +29.1 million euros;
- Tolls: + 30.4 million euros;
- Railway Services: + 10.2 million euros.

Also in real estate and commercial space management, a business developed by IP Património, there was a strong recovery in 2022, with revenue of \leq 16.7 million, which compares with revenue of \leq 12.9 million in 2021, and is practically in line with the figure of \leq 17.0 million achieved in 2019.

In summary, the results obtained in 2022 show that a return to a situation of normality has been achieved, considering for this reason that the COVID-19 pandemic no longer had an impact on the company's economic results, particularly since the expenses recorded with measures to prevent and combat the pandemic were only 128 thousand euros, 126 thousand euros of which were in the 1st half of the year. From an operational point of view, the company maintained normal activity, without any type of operational conditioning due to the pandemic context.

International Geopolitical Situation

The current international geopolitical situation, motivated by the invasion of Ukraine by Russia, has led to the escalation of the inflation rate in the year 2022, with an even more significant impact on electricity, oil and gas.

This impact has an inevitable impact on the costs of Supplies and External Services, in particular on the costs of electricity consumed by IP.

This new geopolitical scenario also had an impact on the construction sector, with its impact on the cost of materials and labour, which is reflected in the cost of construction work, both in new projects, through the adjustment of base prices, and in projects already underway, through the increase in the value of contractually established price revisions.

Another potential impact of the price increase, particularly with regard to road fuels (diesel and petrol), would be a reduction in the use of the National Road Network, with an impact on associated revenues (RSC and tolls). However, the existing indicators, already presented in this chapter, show that this is not happening, to which we can add the fact that currently the average price of petrol and diesel are already significantly lower compared to the values in mid 2022.

We can thus conclude that the greatest impact on IP's activity, motivated by the global geopolitical situation, occurs at the level of spending on electricity and construction costs, not affecting, at least in an evident manner, the demand for the road network under IP's management.

In view of the above and based on the best information available at the time, the evolution of results in the period under analysis and the constant articulation maintained with the State shareholder, it is considered that the principle of continuity of operations, the basis on which the Financial Statements were prepared, continues to apply.



ANNUAL REPORT 2022

7 1 PART 1

10. EVENTS AFTER THE REPORTING PERIOD

10.1 CAPITAL INCREASE

Through a Unanimous Social Deliberation, dated 24 February 2023, it was decided to increase IP's share capital by \leq 422.630 thousand, corresponding to 84526 new shares.

By unanimous Social Deliberations, dated 6 March 2023, it was decided to increase IP's share capital by \in 88.500 thousand, corresponding to 17700 new shares.

10.2 EXTENSION OF PROGRAMME CONTRACT

Negotiations on a new Programme Contract are still ongoing.

10.3 LAW 24-E/2022 OF 30 DECEMBER 2022

The approved diploma, which comes into force from 1 January 2023, determines that the RSC is incorporated into the ISP and will be consigned to the road service assigned to IP.

The law also determines that part of the revenue from the tax on oil and energy products (ISP) is transferred from the State sub-sector Budget to IP, constituting the latter's own revenue, and that this revenue is compensation for the use of the national road network, constituting a source of funding for the national road network under the responsibility of IP, with respect to the respective conception, design, construction, maintenance, operation, requalification and widening.

This Law also revoked the previous article 5 of Law 55/2007, of 31 August, which mentioned that the liquidation and collection charges incurred by the Directorate General of Customs and Excise on Consumption would be compensated by withholding 2% of the proceeds of the RSC.

10.4 INCREASE IN TOLLS

In accordance with the decision taken in the Council of Ministers meeting of 22/12/2022, the Government established an exceptional regime for updating toll charges for 2023, setting this update at 4.9% for charges to be borne by users, by applying a coefficient of 1.049 to the tariffs in force in 2022, without prejudice to the rounding-off provided for in the contract.

10.5 TOLL COMPENSATION MECHANISM

Due to the high and unpredictable increase in the inflation rate during 2022, justified by the current international situation related to the war in Ukraine, the Government decided to adopt an exceptional updating scheme for toll tariffs and fees, by setting an updating coefficient for the calculation of tariffs and toll fees for the calendar year 2023, complemented by support for the use of toll road infrastructure, consisting of a payment to be made by the State, via the State Budget, to the concessionaires of the amount corresponding to the difference between 7.7% and the coefficient now set via Decree-Law 87-A/2022 (4.9%).

10.6 MORATORIUM ON STATE BORROWINGS ORIGINATING FROM THE HIGHWAY

Under the Order of the Minister of Finance No. 77/2023/MF of 10 April 2023, the Directorate General of Treasury and Finance (DGTF), granted IP a new moratorium on the payment of the debt service of the State loans allocated to the road component, which matured on 30 November 2022, extending until 30 November 2023. This deferral is not subject to the payment of interest.

10.7 Amendment ebd

Alteration to the constitution of the Executive Board of Directors, with registration on 31 March 2023 of the cessation of functions of the Member of the Board of Directors, Ana Isabel Mota da Silva Coelho.



ANNUAL REPORT 2022

11. FUTURE PROSPECTS

11.1 INTERNATIONAL GEOPOLITICAL CRISIS

A relevant aspect for the near future is the war in Europe, through the invasion of Ukraine by Russia, and its impact on the evolution of the National economy.

As is common knowledge, this conflict gave rise, in 2022, to the energy crisis in Europe, with negative consequences at the level of supply chains, causing a significant increase in costs and prices, which was reflected in the sharp growth of inflation in Europe, as well as at national level.

As such, the company's operating results were negatively impacted by that effect, namely by the increase in costs with External Supplies and Services, and in particular those associated with energy.

In recent months there has been a gradual decrease in the inflation rate, and in particular in the cost of energy, so its impact on the company's results is expected to be less in 2023.

Another potential impact of the price increase, namely regarding road fuels (diesel and petrol), is the decrease in the use of the National Road Network, with repercussions on the revenues associated to it, which represented, in 2022, about 82% of the IP Group's turnover.

Regarding this aspect, and as with energy, there has also been a stabilisation of prices in recent months to values significantly lower than those seen at the price peak in 2022. Considering also the first data for 2023 regarding the use of the road network, which point to an increase in traffic compared to 2022, it is expected that the year 2023 will not be clearly affected by the price of road fuel.

Another potential impact of the international geopolitical crisis is on the construction sector, and specifically on the supply of materials needed for building works and their cost.

The cost component has already been felt in 2022, namely through the contractually established price revision mechanism of ongoing contracts, whose value increased significantly compared to previous years, but also through the increase in base prices of the contracting procedures launched in 2022, in order to reflect the increase in construction costs. In summary, the potential impact of the evolution of the international geopolitical crisis on IP's performance continues to be an aspect of concern for the company, although it is evident that the current environment is less unfavourable and uncertain in comparison with the one existing a year ago.

Bearing the above in mind, and also considering the way IP, in close articulation with the State Shareholder, overcame the pandemic context that strongly marked the years 2020 and 2021, the continuity of operations is not in question.

It should also be mentioned that the projection of positive net results for the years 2023 to 2025 is maintained, in line with that projected in the Activity and Budget Plan 2023-2025.

11.2 RISE IN EURO INTEREST RATES

With the resurgence of price increases in Europe in 2022, the European Central Bank's monetary policy has started a normalisation process through the cycle of rising benchmark interest rates, which has had an impact on the cost of financing for firms and households and is expected to continue into 2023.

In this context, it is considered that the level of interest rate risk to which the company is exposed will remain low considering that the company's debt portfolio, which totalled 4.016 million euros at the end of 2022, is divided, in terms of interest rate regime, into 95% fixed rate and 5% variable rate.

11.3 NETWORK INTERVENTION PLAN

A strong increase in investment activity is forecast for 2023, thus maintaining the annual growth trend that has been seen consecutively since 2016.



This increase in investment activity is mainly due to the Ferrovia 2020 Investment Programme, which is in full development phase, with modernisation works in progress on almost the entire length of the Beira Alta Line (the exception is the section between Guarda and Cerdeira, whose work has already been completed in 2020), the North Line, the West Line and the Algarve Line, in addition to the construction of the new railway section between Évora and Elvas.

The expected financial execution for 2023 under the Ferrovia 2020 programme is currently around 540 million euros.

In addition to the Ferrovia 2020 Programme, a significant increase in the financial execution of the Recovery and Resilience Plan (RRP) is expected for 2023, to values in the order of 50 million euros.

The year 2023 will also be a very important year for developing the studies and projects necessary to implement the National Investment Programme 2030 (NIP 2030), and in particular the Porto / Lisbon High Speed Line, with the launch of the first tender expected for the 4th quarter of 2023.

After the significant increase in maintenance and conservation activities on the road and rail network in recent years, there is now a tendency to stabilise in the 2023-2025 period.

11.4 CAM RING

After the statutory amendment carried out in 2022 to frame this new activity, during 2023 the implementation of the project for the design, construction, installation and assembly of the Telecommunications and Information Technologies Infrastructures and the SMART Component that are part of the Atlantic CAM will begin, with the aim of ensuring the connection between mainland Portugal and the Azores and Madeira archipelagos. This investment, of high strategic value, is expected to result in the signing of a concession contract between the Company and the Portuguese State, allowing the public telecommunications operator and the Group's subsidiary, IP Telecom, to develop the project, assigning it the integrated management of the submarine cables that will be installed, under a sub-concession regime.

11.5 RAILWAY FRAMEWORK CONTRACT

Not having occurred in 2022, it is expected that a new Programme Contract for the management of the National Railway Network (RFN) will be signed with the Portuguese State during 2023, for the period 2023-2027, which defines and regulates the terms and conditions of the provision by IP of the public service obligations of management of the infrastructure integrating the RFN, as well as the respective compensatory indemnities to be paid by the State.

11.6 FINANCIAL MODEL OF THE ROAD ACTIVITY

Within the scope of the regular evaluation process of the assumptions that support the financial model of IP's road activity, it is CAE's intention, during 2023, to clarify with the Grantor the main assumptions to be considered in the revision of the model, considering, on the one hand, the recent introduction of measures with an impact on revenue as well as the national commitment to achieve carbon neutrality by 2030.





ANNUAL REPORT

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12. PROPOSAL FOR THE APPLICATION OF RESULTS

Under the terms of the Articles of Association, the Executive Board of Directors submits to the appreciation of the General Meeting, this Annual Report and Accounts for 2022, proposing the following application of the net profit of 2022, positive in the amount of \leq 47,783,531.12 (forty-seven million, seven hundred and eighty-three thousand, five hundred and thirty-one euros and twelve cents), for:

- Cumulative results:

- Reserves:

30,757,726.19 euros 17,025,804.93 euros

In the preparation of this proposal, and as occurred with the application of the net result for 2021, it is intended to fully cover the remaining losses of the 2020 financial year, influenced by the effects of the COVID-19 pandemic.

Almada, 13 April 2023

THE EXECUTIVE BOARD OF DIRECTORS

Chairman Miguel Jorge de Campos Cruz Digitally signed document

Vice-Chairman

Carlos Alberto João Fernandes Digitally signed document

Vice-Chairman Maria Amália Freire de Almeida Digitally signed document

Member

Vanda Cristina Loureiro Soares Nogueira Digitally signed document

Member

Alexandra Sofia Vieira Nogueira Barbosa Digitally signed document



Statement of Compliance 231

Separate Financial Statements 232-237

Notes to the Separate Financial Statements

238-239

1. Corporate Information

1.1 Corporate Activity 239

2. Main accounting policies

2.1 Bases of Presentations
 2.2 Summary of significant accounting policies
 2.3 Significant accounting judgements, estimates and assumptions

240-259

- 3. Segment Reporting 260-263
- 4. Investments in subsidiaries 264-265
- 5. Investments in associates 266-267
- 6. Intangible assets 268-269
- 7. Tangible fixed assēts 270-271
- 8. Deferred tax assets and liabilities 272-275
- 9. Inventories 276-277

10. Government and other public bodies (Assets and Liabilities) 278-281

11. Deferrals

11.1 Deferred assets 11.2 Deferred liabilities 282-285

12. Financial Assets and financial liabilities

12.1 Categories under IFRS 9 12.1 Categories Under IFRS 9
12.2 Financial assets
12.3 Financial liabilities
12.4 Financial risk management policies
12.5 Changes in liabilities deriving from financing activities

286-303

- 13. Share Capital and reserves 304-307
- 14. Provisions 308-311
- 15. Sales and services 312-315
- 16. Compensatory Allowances 316-317
- 17. Cost of goods sold and materials consumed 318-319
- 18. External supplies and services 320-322
- 19. Employee benefits expense 324-325
- 20. Impairments (losses)/ reversals 326-327

- 21. Other Income and gains 328-329
- 22. Other expenses and losses 330-331
- 23. Gains/(losses) on subsidiaries and associates 332-333

24. Financial Losses and Gains 334-335

25. Income tax 336-339

26. Related party disclosures

26.1 Summary of Related Parties 26.1 Summary of Related Parties
26.2 Significant balances and transactions with public entities
26.3 Balances and transactions with subsidiaries
26.4 Balances and transactions with railway operators
26.5 Joint operations
26.6 Denvincenting of the parable relations

26.6 Remuneration of the members of the corporate bodies

340-349

27. Standards issued but not yet effective 350-353

- 28. Guarantees and Sureties 354-355
- 29. Contigencies 356-357
- 30. Commitments 358-359
- 31. Information required by law 360-363
- 32. Other relevant facts 364-367
- 33. Events after the reporting period 368-371



ANNUAL REPORT

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(Amounts in thousands of euros - thousand€)

STATEMENT OF COMPLIANCE

Pursuant to and for the purposes of provisions in Article 245 (1) (c) of the Portuguese Securities Market Code, each member of the Executive Board of Directors of Infraestruturas de Portugal, S.A., identified below, signed the following statement:

"I declare, under the terms and for the purposes of Article 245, point 1, sub-point c) of the Portuguese Securities Market Code that, to the best of my knowledge, acting in the capacity and within the scope of the duties attributed to me and based on the information made available to me within the Executive Board of Directors, the Separate Financial Statements have been prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, cash flows, financial position and results of Infraestruturas de Portugal, S.A., and that the management report for the financial year 2022 faithfully sets out the important events that occurred in that period and the impact on the respective Separate Financial Statements, and also contains a description of the main risks and uncertainties for the following financial year.

THE EXECUTIVE BOARD OF DIRECTORS

Chairman Miguel Jorge de Campos Cruz Digitally Signed Document

Vanda Cristina Loureiro Soares Nogueira Digitally Signed Document

Vice-Chairman Carlos Alberto João Fernandes Digitally Signed Document

Member

Member Alexandra Sofia Vieira Nogueira Barbosa Digitally Signed Document

Vice-Chairman Maria Amália Freire de Almeida

Digitally Signed Document



SEPARATE FINANCIAL STATEMENTS

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2021

ASSETS	NOTES	31-12-2022	31-12-2021
Non-current			
Investments in subsidiaries	4	15 902	15 503
Investments in associates	5	9	C
Financial investments		132	96
Intangible assets	6	21 362 960	21 077 970
Tangible fixed assets	7	58 051	55 404
Investment properties		76	82
Borrowings granted	12.2.2	0	0
Trade receivables	12.2.3	0	5 2 5 8
Deferred tax assets	8	340 744	304 565
		21 777 874	21 458 878
Current			
Inventories	9	118 324	78 156
Grantor - State - Account receivable	12.2.1	4 474 940	4 136 729
Trade receivables	12.2.3	28 205	58 199
Current tax assets	10	1 513	0
Government and other public bodies	10	2 048 074	1 844 569
Other accounts receivable	12.2.4	185 569	145 350
Deferrals	11.1	4 148	3 852
Cash and cash equivalents	12.2.5	236 334	167 923
Non-current assets held for sale		3	3
		7 097 109	6 434 782
TOTAL ASSETS		28 874 983	27 893 660

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022 AND 31 DECEMBER 2021 (CONTINUED)

EQUITY AND LIABILITIES	NOTES	31-12-2022	31-12-2021
EQUITY			
Capital and reserves attributable to equity holders			
Issued capital	13	11 152 155	9 870 180
Reserves		278 985	278 985
Retained earnings	13	- 30 758	- 44 290
Net profit for the period		47 784	13 533
Total equity		11 448 166	10 118 407
LIABILITIES			
Non-current			
Provisions	14	967 240	956 571
Borrowings	12.3.1	1 636 752	1 795 355
Other accounts payable	12.3.4	1 074 173	1 2 3 1 4 0 0
Deferrals	11.2	10 116 523	10 174 763
		13 794 688	14 158 088
Current			
Trade payables	12.3.3	38 853	40 275
Cash advances of trade receivables		514	547
Government and other public bodies	10	6 849	7 319
Current tax liabilities	10	0	13 832
Borrowings	12.3.1	176 931	151 668
Shareholder funding/ Shareholder's borrowings	12.3.2	2 332 667	2 332 667
Other accounts payable	12.3.4	1 067 189	1 061 582
Deferrals	11.2	9 126	9 274
		3 632 129	3 617 165
TOTAL LIABILITIES		17 426 817	17 775 253
TOTAL EQUITY AND LIABILITIES		28 874 983	27 893 660



SEPARATE COMPREHENSIVE INCOME STATEMENT FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 AND FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

COMPREHENSIVE INCOME	NOTES	2022	2021
Sales and services	15	1 138 436	1 072 672
Compensatory Allowances	16	55 055	55 055
Cost of goods sold and materials consumed	17	- 280 585	- 259 142
External supplies and services	18	- 359 550	- 313 781
Maintenance, Repair and Safety of the Road Network		- 126 583	- 120 338
Conservation, Repairs and Safety of Railway Network		- 80 145	- 75 680
Other ESS		- 152 822	- 117 763
Personnel expenses	19	- 132 239	- 131 114
Impairments (losses/reversals)	20	873	- 1166
Provisions (Increase / Decrease)	14	- 13 376	- 15 606
Other income and gains	21	101 182	99 269
Other expenses and losses	22	- 7402	- 11 103
Gains/(losses) on subsidiaries and associates	23	4 077	1 689
Earnings before depreciation, financial expenses and taxes		506 472	496 773
Expenses/reversals of depreciation and amortisation		- 271 573	- 250 784
Operating profit (before financing and tax expenses)		234 899	245 990
Interest and similar income	24	59 216	59 679
Interest and similar costs	24	- 250 416	- 280 254
Profit before tax		43 699	25 414
Income tax for the period	25	4.085	-11.881
Net profit for the year		47 784	13 533
Comprehensive income		47 784	13 533

SEPARATE STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 AND FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

SEPARATE STATEMENT OF CHANGES IN EQUITY	NOTES	PAID-UP CAPITAL	RESERVES	CUMULATIVE RESULTS	PROFIT/(LOSS) FOR THE PERIOD/YEAR	TOTAL
2020-12-31		8 257 530	278 985	11 909	- 56 199	8 492 224
Appropriation of net profit 2020		-	-	- 56 199	56 199	0
Share capital increases	13	1 612 650	-	-	-	1 612 650
Comprehensive income for the year		-	-	-	13 533	13 533
2021-12-31		9 870 180	278 985	- 44 290	13 533	10 118 407
Appropriation of net profit 2021		-	-	13 533	- 13 533	0
Share capital increases	13	1 281 975	-	-	-	1 281 975
Comprehensive income for the year		-	-	-	47 784	47 784
2022-12-31		11 152 155	278 985	- 30 758	47 784	11 448 166



SEPARATE CASH FLOW STATEMENT FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 AND FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

SEPARATE CASH FLOW STATEMENT	NOTES	2022	2021
Operating Activities			
Cash receipts from clients		1 147 485	1 034 895
Cash paid to suppliers		- 1 332 296	- 1 059 815
Cash paid to employees		- 129 366	- 129 602
Flows generated by operations		- 314 177	- 154 522
Income tax (paid)/received CIT		- 46 028	- 2583
Other receipts / (payments) relating to operating activities		115 709	106 390
Net cash from operating activities (1)		- 244 496	- 50 715
Investing activities			
Cash receipts relating to:			
Investment subsidies		150 872	82 433
Tangible fixed assets		10 404	3 992
Financial investments		2 914	381
Interest and similar income		1	2
		164 191	86 807
Cash payments relating to:			
Investment subsidies		- 1727	- 32
Financial investments		0	- 2 000
Tangible fixed assets		- 120 371	- 214 921
Intangible assets		- 799 732	- 782 615
		- 921 830	- 999 568
Net cash from investing activities (2)		- 757 639	- 912 761
Financing Activities			
Cash receipts relating to:			
Capital contribution	13	1 281 975	1 612 650
		1 281 975	1 612 650
Cash payments relating to:			
Borrowings		- 129 345	- 629 288
Financial leases		- 2 041	- 2042
Interest and similar costs		- 76 173	- 96 424
		- 207 560	- 727 753
Net cash from financing activities (3)		1 074 415	884 897
Variation in cash and cash equivalents (4) = (1) + (2) + (3)		72 280	- 78 579
Cash and cash equivalents at the end of the period	12.2.5	234 724	162 444
Cash and cash equivalents at the beginning of the period	12.2.5	162 444	241 023
Variation in cash and cash equivalents		72 280	- 78 579

Almada, 13 April 2023

THE EXECUTIVE BOARD OF DIRECTORS

Financial Director

Maria do Carmo Almiro do Vale Duarte Ferreira Digitally Signed Document

Chairman Miguel Jorge de Campos Cruz Digitally Signed Document

Vice-Chairman

Carlos Alberto João Fernandes Digitally Signed Document

Vice-Chairman Maria Amália Freire de Almeida

Digitally Signed Document

Certified Accountant

Diogo Mendonça Lopes Monteiro Digitally Signed Document

Member

Vanda Cristina Loureiro Soares Nogueira Digitally Signed Document

Member

Alexandra Sofia Vieira Nogueira Barbosa Digitally Signed Document





NOTES TO THE SEPARATE FINANCIAL STATEMENTS 1. CORPORATE INFORMATION

Infraestruturas de Portugal, S.A., with head office at Praça da Portagem 2809-013 Almada, is the state-owned company resulting from the merger between Rede Ferroviária Nacional – REFER, E.P.E. (REFER) and EP - Estradas de Portugal, S.A. (EP, S.A.) giving rise to a public limited company named Infraestruturas de Portugal, S.A. (hereinafter IP or the Company). The merger was established on 1 June 2015, following the publication of Decree-Law No. 91/2015 of 29 May.

The immediate consequence of the merger determined that road and railway infrastructures are now managed as a single company, in accordance with a joint, integrated and complementary strategy.

1.1. COMPANY ACTIVITY

According to Decree Law No. 91/2015, the corporate object of IP is "...the design, construction, financing, maintenance, operation, restoration, widening and modernisation of the national road and rail networks, including for the latter the command and control of traffic movements."

In order to carry out its activity, IP takes the position of infrastructure manager, under the terms of the general concession contract for the national road network (RRN) and the programme contract for the national railway network (RFN), both entered into with the Portuguese State.

In 2022, IP's statutes were altered by Decree-Law No. 63/2022, of 26 September, which extended the Company's corporate object, granting it powers to promote the conception, design, construction, operation and maintenance of the undersea electronic communications cable system between mainland Portugal and the Azores and Madeira archipelagos.

In the development of its activity and in order to guarantee a high level of efficiency and effectiveness, IP makes use of complementary services and of business areas that are not included in its main activity, but that are carried out by its subsidiaries.



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ANNUAL REPORT 2022

2. MAIN ACCOUNTING POLICIES

2.1. BASES OF PRESENTATIONS

The Financial Statements now presented reflect the financial position, results of operations and cash flows of IP, for the periods which ended on 31 December 2022 and 2021, and constitute the Separate Financial Statements of the Company.

These Financial Statements were approved by the Executive Board of Directors at a meeting held on 13 April 2023. The Executive Board of Directors believes that these financial statements present a true and faair view of IP's operations, financial position, results and cash flows.

The Financial Statements of the IP Group have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), issued and in force as at 31 December 2022.

The IFRS include the accounting standards issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the International Financial Reporting Interpretation Committee ("IFRIC"), and the respective bodies that preceded them.

The Financial Statements were prepared using mainly historical cost measurement.

All figures are expressed in thousands of Euro without any rounding up or down, unless otherwise stated. Sub-totals and totals in tables presented in these Financial Statements may not be equal to the sum of the figures presented, due to rounding up or down. In addition, the acronym THOUSAND€ is used for million euros, where appropriate.

The preparation of Financial Statements in accordance with IFRS standards requires the Company to use certain judgements, estimates and assumptions which have an impact on the accounting policies and the carrying amounts of revenues, expenses, assets and liabilities. The estimates and related assumptions are based on historical experience and on other factors deemed applicable and form the basis for the judgements on the values of the assets and liabilities, the valuation of which would not be possible to obtain from other sources. Issues requiring a higher degree of judgement or complexity, or for which the assumptions and estimates are considered significant, are referred to in Note 2.3.

2.2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.2.1. SEGMENTS

An operating segment is a component of an entity that carries out a business activity:

i) that it can earn income and incur expenses;

ii) whose operating results are regularly reviewed by the entity's chief operating decision maker; and

iii) for which financial information is available.

IP has indicated the Executive Board of Directors as the body responsible for operational decision making and as the body which revises the internal information prepared in order to assess the Company's performance and resource allocation. The determination of the operating segments was made based on information that is analysed by the Executive Board of Directors.

An entity shall report separately information about each identified operating segment resulting from the aggregation of two or more segments with similar economic characteristics or exceeding the quantitative thresholds established in IFRS 8 – Operating Segments.



2.2.2. CLASSIFICATION CURRENT / NON CURRENT

IP classifies assets and liabilities as current and non-current, separately, in order of liquidity in the Statement of Financial Position, in accordance with the provisions in IFRS.

An asset is classified as current when:

- The Company expects to realise the asset, or intends to sell or consume it, during in its normal operating cycle (which includes situations where assets do not show any defined maturity);
- The asset is held primarily for the purpose of being traded;
- The asset is expected to be realised within twelve months after the balance sheet date; or
- The asset is cash or a cash equivalent asset unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the balance sheet date.

The remaining assets are classified as non-current.

A liability is classified by the Company as current when:

- It expects to settle the liability in its normal operating cycle;
- Liabilities are held primarily for the purpose of trading;
- The liability is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All remaining liabilities are classified as non-current.

2.2.3. FAIR VALUE

IP uses fair value in the measurement and/or disclosure of the following assets:

- Financial investments Enhancement of labour compensation funds, and;
- Borrowings at a fixed rate (Note 12.3.2).

Fair value concerns the price to be received from the sale of an asset or payable for the transfer of a liability in an orderly transaction between participants in the market on the measurement date.

The measurement / use of fair value is based on the assumption that the transaction to sell the asset or transfer the liability takes place:

a) the principal market for that asset or liability; or

b) if there is no principal market, in the most advantageous market for this asset or liability.

The fair value measurement of a non-financial asset takes into account the ability of a market participant to generate economic benefits by using the asset in its highest and best way or by selling it to another market participant that will use it in its highest and best way.

IP uses valuation techniques appropriate to the circumstances and for which there are enough inputs to measure their fair value, maximizing the use of observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities measured or disclosed at fair value are classified into one of the following categories:

- Level 1 quoted prices (unadjusted) of assets or liabilities in active markets to which the entity has access at the measurement date;
- Level 2- includes distinct input from quoted prices included in Level 1, for which all significant inputs for the asset or liability are observable, directly or indirectly;
- Level 3 inputs for the asset or liability that are not based on observable market data.

2.2.4. FINANCIAL APPLICATIONS IN SUBSIDIARIES

In accordance with IAS27 – Separate Financial Statements, when an entity presents separate financial statements, investments in subsidiaries, joint ventures and associated companies must be recorded, alternatively, at cost, fair value or by the equity method.

IP records these investments at cost less any impairment losses.

Dividends from these entities are recognised under the item "Income / (Expenses) in subsidiaries" when the right to them is established.

According to IFRS 10 – Consolidated Financial Statements, a subsidiary is an entity controlled by another entity.

An investing company controls an entity where it is exposed or holds rights relating to variable results via its relationship with such an entity, and it has the power to affect such results through the control it has over the invested company.

2.2.5. FINANCIAL APPLICATIONS IN ASSOCIATED COMPANIES

An associate is an entity over which IP has significant influence.

Significant influence is the power to participate in an entity's financial and operating policy decisions, without, however, exercising control or joint control over those policies.

The considerations made in determining the possible existence of significant influence are disclosed in Note 2.3.

Financial applications in associates are accounted for using the equity method.

In accordance with the equity method, the investment in an associate is recognised at cost upon its initial recognition, with the carrying amount being increased or decreased in order to recognise the evolution of the Company's share in the associated entity's profit or loss under the item income/ (expenses) in subsidiaries and associates, after the acquisition date.

Dividends received from an associate reduce the carrying amount of the investment. The carrying amount may also need to be adjusted to reflect the evolution of the Company's interest in the associate following changes in the associate's other comprehensive income. Such changes include those resulting from the revaluation of tangible fixed assets and foreign currency translation differences. The Company's share in these changes is recognised in the Company's other comprehensive income.

The financial statements of associated entities are prepared for the same reporting period as the Company. When necessary, adjustments are made to align accounting policies with those of the Company.

After applying the equity method, the Company determines whether there are any indications of the possible existence of impairment losses on shareholdings in associates; if they exist, the Company calculates the amount of impairment as the difference between the recoverable amount from the associate and its book value, and then recognises the loss in the income statement under the item income/ (expenses) in subsidiaries and associates.

The registration of the investment using the equity method is discontinued as soon as the Company ceases to have a significant influence over the investment, and it starts to be valued at fair value from that moment onwards.

2.2.6. JOINT OPERATIONS

A joint arrangement is, according to IFRS 11 – Joint Arrangements, an arrangement whereby two or more parties have joint control.

Joint arrangements have the following characteristics:

- The parties are bound by a contractual arrangement; and
- The contractual arrangement gives two or more of those parties joint control of the arrangement.

According to that standard, a joint arrangement is a joint operation or joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights over the assets and obligations and over the liabilities related to that arrangement. These parties are designated as joint operators.



A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are designated as joint venturers.

The participations in AVEP – Alta Velocidade de Espana e Portugal (High-Speed Spain – Portugal Link) and A.E.I.E. Atlantic Corridor are considered joint operations.

A joint operator acknowledges, with regard to its interest in a joint operation:

- its assets, including its share of any jointly held assets;
- its liabilities, including its share of any jointly held liabilities;
- its revenue from the sale of its share of the output of the joint operation;
- its share of the revenue from the sale of its production by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

2.2.7. INTANGIBLE ASSETS

Intangible assets are recognised and measured according to the transactions that gave rise to them. At IP; intangible assets comprise the road concession right and other intangibles.

ROAD CONCESSION RIGHT

Through the application of IFRIC 12, the asset resulting from the Road Concession Right which has been assigned by the Road Concession Contract entered into with the State is considered to be an intangible asset.

The Road Concession Right was recognised by virtue of a Business Combination at the time the merging company's corporate object was changed (EP).

The Road Concession Right is increased by the management of the national road infrastructure network, which includes the construction, financing and operation of the National Road Network (including the Concession Network) and the Future National Road Network, which may be as a result of the:

(i) Provision of construction services

This is increased on completion of each significant component of the Future National Road Network, according to its impleUntil the completion of each component, the proportion of the amount of the expected implemented work is recognised as an intangible asset in progress, using the percentage of completion method calculated based on the actual physical evolution of each set of works.

Expenses incurred by the Company in connection to the launching of sub-concession tenders are recognised as intangible assets until they are invoiced to the sub-concessionaire.

(ii) Acquisition of future rights over the Concession Network

This is increased by cumulative payments relating to the Concessions, net of receipts, made up until the initial end of each concession, after which the Company is entitled to the underlying economic benefits of the corresponding section.

Until their initial end, they are recorded in intangible assets in progress when spending occurs.

The Concession Contract presents the following definitions for the three key components of the Concession Undertaking:

"**Concession Network** — corresponds to the roads/motorways that form part of the National Road Network and which are, on the date of the signing of the Concession Contract, subject to a State Concession Contract or those that the State included in a public call for tenders still pending on the same date, with a view to the respective concessioning;"

"National Road Network — corresponds to the "Itineraries Principis" (trunk roads), "Itineraries Complementors" (secondary roads), National Roads and Regional Roads included in the NRP 2000 (National Road Plan 2000) in operation or with construction started on the date of signing the Concession Contract. "The construction of the Trunk Roads, Secondary Roads, National Roads and Regional Roads as set out in the PRN 2000, is deemed to have started upon award by the State, or by EP — Estradas de Portugal, S. A., of the contract for their construction;"

"Future National Road Network — Designates the Trunk Roads, Secondary Roads, National Roads and Regional Roads foreseen in the NRP 2000 or any subsequent legislation and which come into force up to 5 (five) years prior to the end of the period in force of the Concession Contract, that are not built on the date of the signing of the Concession Contract. The Main Itineraries, Complementary Itineraries, National Roads and Regional Roads foreseen in the NRP 2000, the respective contract for the construction of which was not signed by the State or by EP – Estradas de Portugal, S. A., on the date of the signing of the Concession Contract, are not considered to be built;"

IP amortises the Road Concession Right based on its best estimate of the consumption pattern of the economic benefits associated with the asset, which is based on the units of production method as defined in IFRIC 12.

The production unit corresponds to the best estimate of the infrastructure use measured by revenue inherent to credits directly associated with the rights already acquired by the Company, which excludes income from the toll collection activity before the initial end of the underlying concessions.

Any changes in estimates are corrected prospectively, impacting on the value of amortisation of future periods.

The depreciation value of the Road Concession Right, which is revised on an annual basis according to the Company's best estimates, corresponds to the total overall amount of the costs incurred and responsibilities assumed within the scope of the general concession of the national road infrastructure.

The Company capitalises the financial expenses associated with the acquisition, construction, or production of qualifying assets.

IP considers as qualifying assets those which take a period of more than 12 months to be concluded for their intended use; its most significant qualifying asset is the Concession Right to the road infrastructure network. Any component of the National Road Network or the Future National Road Network is considered a component of that same qualifying asset, provided that the estimated duration of its construction is greater than twelve months.

The components of the Concession Right qualifying for capitalisation of loan expenses are essentially the result of:

(i) Provision of construction services

The provision of construction services usually lasts more than one year, so the costs associated with the loans for such implementation are considered eligible, irrespective of whether the services are directly provided by IP or through sub-concession.

(ii) Acquisition of future rights over the Concession Network

Payments made on account of the acquisition of future rights over the Concession Network up to

the initial end of each section of the current Concession Network.

Direct financial expenses are considered as a cost of the component specifically financed. Whenever there are no loans directly attributable to each component of the current network, a weighted average rate of the interest rates for the active loans is used during the period, which is applied to the expenditure incurred in the development of the aforementioned network.

Components that were built with recourse to subsidies or which are in a position to become operational, regardless of the completion of the contract they belong to, are not considered for the purpose of calculating the basis for the capitalisation of the loan costs.

OTHER INTANGIBLE ASSETS

Remaining intangible assets mostly concern contractual rights on computer software and result from separate acquisition transactions.

Intangible fixed assets result from separate acquisition transactions and their cost reflects:

- The purchase price, including costs of intellectual rights and taxes on non-refundable purchases, after deduction of trade discounts and write-offs;

- any cost directly attributable to the preparation of the asset for its intended use.

IP values its intangible assets, after initial recognition, through the Cost Model, as defined in IAS 38 – Intangible Assets, and amortises them on a systematic basis as from the date they become available for use, during their estimated useful life, generally corresponding to a period of 3 years.

There are no intangible assets with indefinite useful lives.

IP assesses for impairment whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, with any difference, where this exists, being recognised in the income statement.



2.2.8. TANGIBLE FIXED ASSETS

IP's tangible fixed assets are recorded at acquisition cost minus any accumulated depreciation and any impairment losses.

The acquisition cost includes the acquisition cost of the asset, expenses directly attributable to its acquisition and any expenses directly attributable to the preparation of the asset for its intended use.

Interest on loans directly attributable to the acquisition or construction of assets are capitalised as part of the cost of these assets. An asset eligible for capitalisation is an asset that requires a substantial period of time to be available for use.

Costs are recognised as tangible assets only if any future economic benefits are expected for IP and the cost of the asset can be reliably measured.

IP assesses for impairment whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, with any difference, where this exists, being recognised in the income statement.

The recoverable amount is determined as the higher of the fair value of the assets minus the estimated costs of sale and the value in use determined by the present value of future cash flows expected to be derived from the continued use of the asset and its disposal at the end of its useful life. Repairs and maintenance costs of a current nature are recognised in the income statement.

Improvements that extend the estimated useful life of the asset, or from which are expected a material increase in future benefits, are capitalised.

Land is not depreciated. Depreciation is calculated annually using the straight-line method, so that the value of the asset is depreciated until the end of its estimated useful life, according to the following rates:

TANGIBLE FIXED ASSETS	% AVERAGE
Buildings and Other Constructions	2
Basic Equipment	12,5-20
Transport Equipment	25
Administrative Equipment	12,5
Rights of use	25
Other Fixed Assets	12,5

Depreciation starts as from the moment the asset is ready for its intended use. The useful lives of assets are reviewed at the end of each financial year if expectations as to the expected economic benefits and the planned technical use of the assets differ from previous estimates. Changes occurring in the depreciation charge for the year are accounted for prospectively.

Gains or losses on the sale of assets are determined by the difference between the net realisable value and the carrying amount of the asset and are recognised in the income statement.

Leases

IP assesses the existence of a potential right of use at the beginning of any contract, that is, if the contract conveys the right to control the use of an identified asset for a certain period against a consideration.

The right to use the asset is initially measured at cost, comprising the initial amount of the lease liability adjusted for any lease payments made on or prior to the commencement date, plus any initial direct costs incurred, minus any incentive granted.

Right-of-use assets are subsequently evaluated at cost minus depreciation and any impairment losses.

The depreciation of right-of-use assets is determined using the straight-line methods during the period of the lease.

The liability for the lease is initially recognised by the present value of rents not yet paid at the date of the lease, minus any interest at the interest rate implicit in the lease.

IP leases relate to vehicle lease contracts.

IP does not recognise as right of use leases or lease responsibilities with a duration of less than 12 months, opting, pursuant to IFRS 16, to recognise such a lease expense on a straight-line basis as rents under the item external supplies and services until the end of the leases.

IP opted to present in the Statement of Financial Position the right of use duly segregated in the item Tangible Fixed Assets (Note 7) and liabilities for leases in Other Accounts Payable (Note 12.3.4).

2.2.9. INVESTMENT PROPERTIES

IP distinguishes property held to earn rentals or for capital appreciation, which generate cash flows independent from other assets of the Company (investment properties dealt with in accordance with IAS 40 – Investment Properties), from those whose generated cash flows are associated with production or their use for administrative purposes where the generated cash flows are not independent from other assets (dealt with in accordance with IAS 16 – Tangible fixed assets).

Investment properties are initially recorded at cost, comprising their purchase price and any directly attributable expenditure.

After their initial recognition, they are measured at cost less any accumulated depreciation (cf. Tangible assets, intangible assets and investment properties – Useful Lives – Note 2.3) and any cumulative impairment losses, in accordance with the cost model.

Depreciation is made in accordance with the straightline method, by twelfths, whereas IP investment properties are depreciated over a period of 50 years.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, as shown by:

- Start of owner occupation, in the event of transfer or ownership of investment property to owner-occupied property;
- Commencement of development with a view to sale, for a transfer from investment property to inventories (only when there is a change in use);
- End of owner occupation, for a transfer from owner-occupied property to investment property; or
- Entry into force of an operating lease to another party in the case of inventories for investment property.

Investment properties are derecognized when disposed of or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal, and any gain or loss will be recognised in the income statement in the items other income and gains or other expenses and losses.

Rents received for the lease of investment property are recognised in the income statement in the items other income.



2.2.10. INCOME TAX

Income tax for the period includes current and deferred tax. Income tax is recorded in the Separate Income Statement, unless this is related to items that are recognised directly in equity. The amount of current tax payable is determined based on pre-tax earnings, adjusted in accordance with tax rules in force.

Deferred taxes are recognised when there are differences between the book value of assets and liabilities at a certain time and their value for tax purposes using the expected tax rates in force on the date of the reversal of temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences, except for:

i. when they result from the initial recognition of an asset not stemming from a business combination, where accounting and tax profit of an entity are not affected; or

ii. for tax differences associated with investments in subsidiaries, associates, interests in joint ventures or joint operators, where the parent, investor, venturer or joint operator can control the timing of the reversal of the temporary difference and its reversal is not probable.

In relation to deferred tax assets, they are only recognised in relation to:

i. the deductible temporary differences which are expected to be reversible in the future, or

ii. when deferred tax liabilities exist, the reversal of which is estimated to occur at the same time as deferred tax assets.

The temporary differences underlying the assets and liabilities are reviewed periodically in order to recognise or adjust them according to their expectation of future recovery, in line with the current tax law, taking into account any uncertainties in tax treatment, as provided in IFRIC 23.

Potential tax benefits arising from business combinations which fail to meet the initial recognition criteria may come to be recognised as follows:

i. when they result from new information about facts and circumstances that existed at the acquisition date, they must be recognised against goodwill, except if goodwill does not exist, in which case the tax will be recognised in the Separate Profit and Loss Statement; and

ii. when they result from subsequent events stemming from other facts, they will be recognised in the Separate Profit and Loss Statement.

Deferred tax assets and liabilities will only be offset against one another if:

i. there is an obligation to offset current tax assets against current tax liabilities; and

ii. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either, or it likely that the assets and liabilities originating the temporary differences will be realised on a net basis.

In March 2014, the IP Group adopted the Special Tax System for Groups of Companies (RETGS).

For tax purposes, the IP Group includes the companies resident in Portugal that are 75% or more owned by IP (parent company of IP Group), and which meet the conditions of article 69 of the Corporate Income Tax (CIT) Code. These are presented below:

- Infraestruturas de Portugal, S.A.

- IP Património - Administração e Gestão Imobiliária, S.A.

- IP Telecom - Serviços de Telecomunicações, S.A.

- IP Engenharia, S.A.

The companies included in the IP tax group determine and record their income tax on an individual basis. However, the liabilities calculated are recognised as due to IP, which will be responsible for the overall calculation and settlement of the tax.

Any benefit arising from the application of the RETGS is received by IP and reduced to the future tax that the subsidiary companies will incur.

2.2.11. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognised in the Statement of Financial Position when the Company becomes a party to the respective contractual relation.

Therefore, pursuant to IFRS 9, financial assets are initially recognised in one of the following categories:

i. Amortised cost – If the financial asset is held within the scope of a business model whose purpose is to hold the financial asset in order to collect contractual cash flows that are established in capital repayments and interest on outstanding capital;

ii. Fair value through other comprehensive income – If the financial asset is held within the scope of a business model whose objective is achieved through the collection of contractual cash flows and the sale of financial assets, where the contractual terms of the financial asset give rise, on defined dates, to cash flows that are only repayments of principal and payment of interest on principal which is outstanding;

iii. Fair value through profit or loss – Except if measured at amortised cost or at fair value through other comprehensive income. However, there is the irrevocable option of initial recognition of certain investments in equity instruments that are considered at fair value through profit and loss.

IP's financial assets consist of the following:

Financial investments

These concern holdings in Workers Compensation Funds and holdings in other entities, where there is no control, estimated at fair value through profit or loss and at fair value through other comprehensive income, respectively.

Borrowings granted

These concern accessory capital provided to Group entities.

Grantor - State - Accounts receivable

Following the spin-off of the railway activity in Portugal in 1997, IP (formerly REFER) was assigned the responsibility of building and renovating long duration railway infrastructures. This activity is carried out according to Government directives. Its financing is guaranteed through the share capital, by State and European subsidies and loans. The majority of the loans are secured by the State, and IP plays the role of "agent".

Applying this understanding, the effects of this activity are recognised and measured in accordance with IFRIC 12 – Concession Arrangements.

Therefore, for the purposes of IFRIC 12, the Investment Activity in Long Duration Infrastructures (LDI) is considered to represent a concession granted by the State (Public Body) to IP (equivalent to a Private Body even though the State is the only shareholder), with IP taking the role of "Concessionaire" in this activity.

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

- The services to be provided by the concession holder (through the use of infrastructure), to whom and at what price; and

- Any residual interests over the infrastructure at the end of the contract.

IFRIC 12 applies to infrastructures:

- Built or acquired by the operator from third parties; and

- That already exist and to which the operator is given access.

In this way, and given what is described above, it is IP's understanding that the existing railway concession is included within the scope of this IFRIC for the following reasons:

- IP is a for-profit body subject to the application of the Commercial Companies Code; although its shareholder is the State, it is constituted by the regime provided for in the legislation applicable to the



public business sector (Decree-Law No. 133/2013 of 3 of October) having equity and financial independence from its shareholder, thus waiving the application exclusion of IFRIC 12 in accordance with its §4;

- The Decree-Law which created IP may, in substance, be considered as a concession agreement, since the State as Grantor, controls and governs the public services provided by IP, as concessionaire of the infrastructures belonging to the national public railway domain or which may come to be included in the public railway domain in the future, and defines for whom the services are to be provided and at what price; and

- The State, through its ownership, controls the infrastructure, as this belongs to the State's public domain, leasing to IP the right to access the same in order to provide the public service, by charging a tariff to passenger and freight transport operators.

This interpretation establishes the generic principles for the recognition and measurement of rights and obligations under the concession contracts with the above-mentioned characteristics.

Given the typology of the models, it was considered that the one that best translates the corporate object attributed to the railway activity is the Financial Asset model, since according to the legislation in force, the State (Public Entity) will fully bear the charges associated with investments in national railway infrastructures, thus IP has an unconditional right to receive money from the State for the investments made in LDI. This right is granted both by article 11 of the Land Transportation Framework Law for rail transport (LBTT), by Decree-Law No. 141/2008 of 22 July, and by the 2011-2015 Strategic Transport Plan (PET) and finally, in 2014, by the Strategic Plan for Transport and Infrastructures (2014-2020) (PETI3+).

As regards the Financial Asset, resulting from the application of this standard, it was framed in accordance with the provisions of IAS 32, IFRS 7 and IFRS 9.

Trade (Clients) and other accounts receivable

Includes current accounts with several entities, which are initially recorded at fair value and subsequently measured at amortised cost, less impairment losses. When impairments occur, they have a direct impact on results.

Cash and cash equivalents

The amounts included in the item cash and cash equivalents correspond to the amounts in cash, bank deposits and other treasury applications, which include cash at the Treasury and Public Debt Agency – IGCP, E.P.E. (IGCP), maturing in less than 3 months, and which can be immediately mobilized with risk of insignificant change in value.

Accounting overdrafts are presented in the Statement of Financial Position, under current liabilities, under the item "Loans " and included in the balance of the Cash Flow Statement.

Regarding financial liabilities, the existing categories are:

i. Amortized cost;

ii. Fair value through profit or loss.

In the Company's case, all its financial liabilities (bank and shareholder financing, suppliers and others) are considered in the "Amortised cost" category.

Borrowings

The Company recognises non-current loans obtained as a financial liability in accordance with IFRS 9. These financial liabilities are recorded as follows:

(i) initially at fair value less transaction costs incurred; and

(ii) subsequently at amortised cost, based on the effective interest rate method.

IP has borrowings in the form of bilateral loans and bond and shareholder loans to fund the construction of Long Duration Railway Infrastructures (LDI), the Railway Infrastructure Management activity and the Road Network Management activity.

Trade payables and other accounts payable

The balances of suppliers and other accounts payable are measured initially at fair value and subsequently recorded at amortised cost, using the effective rate method. Usually, the amortised cost of these liabilities does not differ from their nominal value.

2.2.12. INVENTORIES

At its warehouses IP has materials purchased for the sole specific purpose of its Long Duration Infrastructures Investment Activity.

Inventories are registered at cost, which includes all purchase costs, conversion costs and other costs incurred to place the inventories in their location and in their current condition. The quantities existing at the end of the period are determined from the accounting records, and confirmed by physical inventory taking. The outflows from warehouses (consumption) are measured at the weighted average cost, in accordance with IAS 2 – Inventories.

Therefore, we only consider impairment in these assets when they are damaged or when they become totally or partially obsolete for their use, with the loss being recognised in the Separate Income Statement.

2.2.13. GRANTS/SUBSIDIES

Grants received from the Portuguese State, the European Union or similar bodies are recognised at their fair value when there is reasonable certainty that the conditions for receiving the grant will be met, with the exception of grants received for investment in Long Duration Infrastructures (LDI), which are recognised when actually received.

Non-refundable subsidies obtained for investment in tangible and intangible fixed assets are recognised as deferred income. These subsidies are subsequently credited to the profit and loss statement, under the item "Other income and gains", pro-rata to the depreciation/amortisation of the assets with which they are associated.

Grants/subsidies obtained for financing assets acquired/built into Long Duration Infrastructures are recognised in the Statement of Financial Position under the "Grantor - State - Account Receivable" item since, as they are allocated within the scope of the concessioned railway activity, they represent a repayment of part of the expenses incurred and are deducted from the amount receivable from the Grantor. The subsidies obtained to finance the investment in associates are deducted from the investment itself, as IP was directly mandated by a Resolution of the Council of Ministers to apply the subsidy received in the acquisition of the investment concerned.

Non-refundable operating grants are recognized in the Separate Income Statement under the item "Other income and gains" on a systematic basis and in the same period in which the associated costs are incurred.

2.2.14. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised by IP when there is a current obligation arising from past events and it is probable that an expenditure of future domestic resources will be required to settle that obligation and the amount of that obligation can reasonably be estimated. When any of the foregoing conditions are not met, the Company discloses these contingent liabilities.

Contingent liabilities are not recognised in the Financial Statements but are disclosed in the notes to the Financial Statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

Provisions are reviewed at the date of each reporting period and adjusted in accordance with the best estimate on that date.

Provisions are measured at the present value of the estimated expenditures to settle the obligation using a pre-tax discount rate that reflects the market assessment for the discount period and the risk of the liability in question.



2.2.15. REVENUE

Revenue corresponds to the fair value of the consideration received or receivable from transactions with trade receivables (clients) during the ordinary course of IP's business activity. Revenue is income net of taxes, discounts and other costs incurred to realise them, at the fair value of the amount received or receivable.

In accordance with IFRS 15, revenue is recognised on the date control is transferred to the customer, and the value of the transaction is allocated to the different performance obligations undertaken with the customer, and adjusted in its measurement whenever the consideration is variable or subject to a significant financial effect, in accordance with the methodology that is embodied in:

- 1) Identifying the contract(s) with the customer(s);
- Identify separate performance obligations to be met in the contract;
- 3) Determining the transaction price;
- 4) Allocating the transaction price; and
- 5) Recognising revenue.
- IP's revenue essentially consists of:

In the context of railway infrastructure management, tariffs for the use of infrastructure, traction energy, manoeuvres, unused requested capacity, and other services established in the Network Directory available on the IP website, in compliance with the provisions of Decree-Law No. 217/2015 and Decree-Law No. 270/2003, republished by Decree-Law No. 151/2014 (in the part maintained in force by Decree-Law No. 217/2015), in particular with the provisions of Article 27 and Annex IV of Decree-Law No. 217/2015.

The Network Directory aims to provide to applicants, authorities, and any interested party the general terms and conditions to acquire capacity and the services provided by the national railway network.

In addition to describing the characteristics of the network, the Network Directory states the conditions for access, describes the services provided by IP and discloses charging principles and tariffs, including the methodology, rules and scales used to apply them.

Road activity revenue is derived from the road concession contract (hereinafter "Contract") which the State entered

into with the former EP on 23 November 2007. The bases were approved in an annex to Decree-Law No. 380/2007 of 13 November, amended by Law No.13/2008 of 29 February, Decree-Law No. 110/2009 of 18 May, and Decree-Law No. 44-A/2010 of 5 May.

This Contract, which ends at midnight on December 31, 2082, has as its object the concession by the Portuguese State to the now extinct EP of the following:

- Design, construction, financing, maintenance, operation, repair and extension of the routes that integrate the National Road Network;
- Design, construction, financing, maintenance, operation, repair and extension of the routes that integrate the Future National Road Network;
- Financing, operating, maintenance, upgrading and extending the roads that are part of the National Road Network or the Future National Road Network but also form part of the Concession Network; however, these responsibilities are subject to the initial period of the concession contracts currently in force between the State and third parties. The initial period also marks the end of the assumption by the Company of all payments to be made by the State and the receipts to be collected by it, under the aforementioned contracts.

Under the concession contract, which was entered into for a period of 75 years starting in 2008, the following, among others, are IP's own revenues:

i. Road Service Contribution (RSC)

The RSC created by Law No. 55/2007 of 31 August, represents the consideration paid by users for the use of the national road network. It is levied on gasoline and road diesel, according to the ISP (tax on oil and energy products). In 2014, the RSC was extended to LPG for vehicles that were exempted.

Meanwhile, by virtue of Law No. 24-E/2022 of 30 December, the RSC was terminated, with a simultaneous increase in the ISP rate corresponding to the amount of the RSC and the creation of the Road Service Consignment. Thus, as of 2023, the financing of IP that was ensured by this Contribution will be ensured through this Consignment.

The cash inflow is made with a mismatch relative to the collection date, through which the revenue is recognised on an accrual basis.

ii. Other Revenue from the Concession Contract

In order to pursue its corporate object, the Company must provide construction services in connection to the development of the national road infrastructure network.

The result of the construction of each new component of the national road infrastructure network is registered in accordance with the completion percentage method.

The amount of revenue to be recognised results from the product between the percentage of completion and total value of the works. The total value of the works is the amount agreed with the Grantor (the State), or, when an amount has not been agreed, the sum of both the internal and external expenditure components specifically concerning the works in question.

The amount receivable from the provision of construction services under the Concession is replaced by the Concession Right.

In the case where the total value of the work is agreed with the Grantor, whenever the sum of the specific costs incurred and to be incurred exceeds the agreed revenue, the estimated loss is immediately recognised in profit or loss.

iii. The value of toll fees - Roads under IP management or sub-concessioned

Toll collection on roads included in the network managed by the company or the sub-concession network is recognised in the year's profit or loss according to the actual tolls in the period, in far as these tolls are charged in roads over which IP already has the full operational Right of Concession.

iv. The value of toll fees – Roads under sub-concessioned management

Toll collection on roads included in the Concession Network is recognised according to the actual tolls in the period, with the resulting amount being deducted to IP's investment in the acquisition of rights over the said Concession Network, as stipulated in the Concession Contract entered into with the Portuguese State.

IP recognises revenue relating to the rendering of services in accordance with that provided for in IFRS 15, taking into account that the client simultaneously receives and uses the benefits generated by IP.

2.2.16. EMPLOYMENT BENEFITS

Personnel expenses are recognized when the service is provided by employees, regardless of their payment date.

The former EP granted temporary early retirement pensions and supplements to retirement pensions and survivors' benefits to a restricted and closed group of employees.

These post-employment supplements are paid by Caixa Geral de Aposentações to employees, which then charges them to IP, until those employees are in a position to retire in accordance with the general law.

The liabilities related to the payment of these benefits are reviewed on an annual basis. The present value of the obligation is determined using the immediate life annuities method, by discounting the future benefit payments that are perfectly identifiable, using the interest rate of highly rated bonds denominated in the same currency in which the benefits will be paid and with a maturity approximating that of the liability assumed.

Liabilities recognised in the Separate Statement of Financial Position correspond to the present value of the benefit obligation determined on the date of the Statement of Financial Position.



IP assets are assessed for impairment purposes when an event or change in circumstances suggests that the carrying amount may not be recoverable.



The recoverable amount of an asset corresponds to the higher of the asset's fair value less costs to sell and its value in use.

The value in use of the asset is calculated based on the present value of the future cash flows estimated by management, arising from continued use and from the sale of the asset at the end of its useful life. For the determination of future cash flows, the assets are allocated to the lowest level for which there are separate identifiable cash flows (cash-generating units), when such assessment is not possible for each asset on an individual basis.

The Company recognises impairment losses in results for the year whenever the book value of an asset or cash-generating unit exceeds its recoverable amount, unless the loss offsets a revaluation surplus recognised in equity.

Non-financial assets for which impairment losses have been recognised are assessed on each reporting date for the possible reversal of impairment losses. The reversal of impairment losses is recognised in the Separate Profit and Loss Statement, except for the assets which were revalued, in which case the reversal will correspond to an increase in revaluation. The reversal of impairment losses is recognised up to the limit of the amount (net of amortisation or depreciation) that would have been recognised if no impairment loss had been recognised in previous years.

2.2.18. RELATED PARTIES

The revision of IAS 24 – Disclosures of related parties, established the obligation to disclose existing transactions with the State and with entities that are considered to be related parties, because they are also owned by the State.

After internal review the Executive Board of Directors, considering its activity as a whole, did not deem relevant the disclosure of balances and transactions with other entities, except those indicated below.

Related parties are entities which IP controls (subsidiary companies) or is controlled (Portuguese State strictly speaking), which exerts significant influence (associated companies) or in which it exercises joint control (joint operations) and other entities (Railway Operators owned by the Portuguese State).

IP discloses balances and transactions with related entities in Note 26.

2.2.19. SUBSEQUENT EVENTS

Events occurring after the date of the Separate Statement of Financial Position and the date when the Financial Statements were approved by the Executive Board of Directors, which provide additional information on conditions that existed at the date of the Statement of Financial Position, are reflected in the IP's Financial Statements.

Events occurring between the date of the Statement of Financial Position and the date of approval by the Executive Board of Directors of the Financial Statements, which are indicative of conditions that arose after the date of the Statement of Financial Position, if material, are disclosed in Note 33.

2.3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

In preparing IP's Separate Financial Statements in accordance with IFRS, the Executive Board of Directors is required to make judgements, estimates and assumptions that affect the amounts of assets, liabilities, income, financial flows as well as the disclosure of contingent liabilities. Judgements, estimates and assumptions are assessed continuously and are based on past events and other factors, including expectations for future events likely to be probable given the circumstances on which the estimates were based.

The estimates were determined based on the best information available at the date of preparation of the consolidated financial statements. However situations may occur in subsequent periods that are not foreseeable at the time and were not considered in these estimates, and may result in relevant changes in the future financial position, performance and cash flows of the Company, which will be considered prospectively in the profit or loss for the year.

Additionally, Note 12.4 discloses a set of risks to which the Company is exposed.

The most significant judgements, estimates and assumptions reflected in the financial statements are:

Investments in subsidiaries

Investments in subsidiaries are recorded at cost taking into account their strategic nature within the scope of the organisation of the Group's railway and road activities.

Intangible Assets - Concession Right

IP amortises its road concession right by the equivalent production units method. This amortisation is based on: i) the estimate of total income generated by the concession until its end and on ii) the recovery of total investments to be made by IP.

These two parameters are defined in accordance with the typology of the assets and businesses in question, also considering practices adopted by sector companies at the international level.

Grantor - State - Account receivable

This is shown on the Separate Statement of the Financial Position as a current balance as there is no defined maturity, as a result of the absence of a formalised concession contract. As a result, it is assumed that the amounts receivable become due on the debit date. Consequently, as of that date, the concessionaire (IP) is deemed to be owed interest on the amount owed. The way this interest is calculated is based on the same conditions as the financing obtained to directly finance this activity. This way, interest and other financial expenses incurred with loans obtained for financing the concession are debited.

Grants/Subsidies

Railway and road activities have been financed by means of investment subsidies.

The railway assets under concession are shown in the Financial Statements net of the respective subsidies, as it is the model that best represents the way in which it is expected to be reimbursed for these investments made.

Subsidies associated with the road concession right are shown in the Financial Statements in the item deferred income, under deferred liabilities.

Tangible Assets, Intangible Assets and Investment Properties - Useful Lives

The determination of useful lives of the assets as well as the depreciation/amortisation method to be applied is essential to determine the amount of depreciation/ amortisation to be recognised in the Separate Profit and Loss Statement for each year.

These two parameters are defined in accordance with the best estimate of the Executive Board of Directors for the assets and businesses in question, while also considering the practices adopted by companies in the sector.

Equity holdings in associates

Financial investments in associated companies are included in the Financial Statements using the equity method, from the date on which the Company acquires significant influence until the moment it ends. The existence of significant influence on the part of the Company is normally demonstrated in one or more of the following ways:

- Representation on the Executive Board of Directors or equivalent management body;
- Equity holding of 20% to 50%;
- Material transactions between the Company and the associated entity;
- · Participation in policy-making processes;
- Management exchange; and
- Provision of essential technical information.

Joint operations

The two European Groupings of Economic Interest of which IP is a member are considered joint operations as provided for in IFRS 11.

The determination of the typology of agreement is based on the judgement made by the entities involved, taking into account the rights and obligations arising from the agreements, in considering the:

 Structure and legal form of the agreement – Both agreements in question were structured through a separate vehicle, and in these circumstances, in accordance with the applicable regulations (IFRS 11), we are faced with a joint operation when the legal



form of the said instrument does not confer separation between the parties and the separate vehicle, which happens in the cases in question because the bylaws of both Groupings mention the existence of unlimited and joint and several liability on the part of those involved in the Grouping, which makes them liable for the credits claimed by third parties, as well as the fact that in the event of losses, the Meeting has the right to ask those involved to contribute proportionally, according to the percentage of participation of each member, to the liquidation of the Grouping's debts, which indicates that the parties are given obligations for the liabilities originated by the agreement.

 The terms agreed by the parties – Both agreements provide that the projects will be deemed as undivided assets of members.

Estimated Pattern of Revenues (within the scope of the calculation of the equivalent units method)

The amount and timing of future revenue is essential to determine the equivalent units method on which the calculation of the amortisation of the Road Concession Right is based.

IP prepares a multi-annual financial model that is reviewed annually, and its assumptions are maintained or adjusted based on recent history and the best prospects of the Executive Board of Directors for the future, and this is the basis for calculating the Estimated Revenue Pattern which supports the calculation of the annual amortisation of the intangible asset related to the road concession right.

The estimated annual revenue was calculated based on the main assumptions:

- The Road Service Contribution (RSC), until 2023, takes the best management estimate for those years. From 2024 onwards, the RSC will evolve based on the assumption that the annual consumption of gasoline and road diesel will increase by 0% and the unit price per litre consumed will increase in accordance with the CPI (2%/year).
- Toll revenues from ex-SCUT concessions and sub-concessions are based on the base cases, or on more recent traffic studies carried out by specialised consultants, available at the time of the review and approval of the economic and financial flows for the Concession period, assuming, from 2026 onwards, an evolution of the collection model in some of these concessions, with the resulting efficiency gains. Following these contracts reverting to IP, the growth rate is considered in line with the CPI, based on the latest year of these studies and baseline cases;
- However, the effect of the reduction in toll charges on various concessions (ex-SCUT) and discounts on other highways in the Company's own network, as determined by

articles 425 and 426 of Law No. 75-B/2020, regulated by Ordinance No. 138-D/2021, which came into force at the beginning of the second half of 2021, was considered until the end of 2025, the planning horizon for the 2023-2025 ABP, and because it is understood that, in accordance with the provisions of sub-paragraph c) of Clause 87.1 of the Concession Contract entered into between the Grantor and IP on 23 November 2007, a mechanism capable of ensuring compensation for the loss of revenue associated with the aforementioned toll discounts will be considered until the end of 2025, in coordination between the Grantor and IP;

- In the State Concessions under an actual toll regime, it was considered, as of 2026, that in relation to the stretches on which IP already has the right arising from the toll collection in its Concession Contract, this regime would be applied, with recognition of the revenue arising therefrom. After the reversion of the State Concessions to IP, the latter will be the holder of all the respective toll revenues, considering their growth in accordance with the CPI, based on the last year of the respective base cases, when applicable, or on traffic studies carried out by IP's specialized technicians;
- Overall, the remaining operating income (revenue from service areas, telematics and others) was estimated in 2022, as part of the revision of the economic and financial model for Concession period.

The company also made a sensitivity analysis of the evolution of IP revenues over the Contract's life and their impact on the amortisation for the year. The analyses carried out were based on the following scenarios, drawn up on the basis of the base scenario mentioned above:

- a) Real growth in toll revenues after the initial end of the Concession Agreements would be 1% up to 2039 and 0% after 2040 and the real growth of the RSC would be in accordance with the Base assumptions until 2024 and after 2024 it would be 0.5%, with growth remaining in line with the CPI;
- **b)** Real growth in toll revenues after the initial end of the Concession Agreements would be 1% and the real growth of the RSC would be in accordance with the Base assumptions until 2024 and after 2024 it would be 1%, with growth remaining in line with the CPI;
- c) It was considered that the real growth in toll revenues after the initial end of the Concession Contracts would be 0% and the real growth of RSC would be in accordance with the Base assumptions up to 2024 and after 2024 it would be 0%, with growth remaining in line with the CPI. It was also considered that the new reduction regime introduced by articles 425 and 426 of the 2021 State Budget Law would remain in force until the end of the Concession Contract without any compensatory measure;

d) It was considered that the real growth in toll revenues after the initial end of the Concession Contracts would be 0% and the real growth of RSC would be in accordance with the Base assumptions up to 2024 and after 2024 it would be 0%, with growth remaining in line with the CPI. It was also considered that the new discount regime introduced by articles 425 and 426 of the State Budget Law 2021 would remain be in force until the end of the Concession Agreement without any compensatory measure and that no revenue enhancing measures foreseen in the base scenario will be implemented in 2026. In the first two scenarios, the universal reduction in force since July 2021 in Ex-Scut motorways was considered, without any compensatory measure until 2025. In the last two scenarios it was considered that the discount system would be maintained throughout the Concession, without any compensatory measure on the part of the State

The result of these different scenarios for 2022 is shown in the table below:

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SENSITIVITY ANALYSIS OF GROWTH OF RSC AND ROLL REVENUE	BASE Scenario	SCENARIO a)	SCENARIO b)	SCENARIO c)	SCENARIO d)
Amortisation of the year	-266	-251	-232	-281	-292
Amortisation of grants	66	63	59	69	71
	-200	-187	-172	-213	221
Difference		12	27	-13	-22

Amortisable value of the concession right

The value taken as the depreciation value of the Concession Right must take into account the value of works and maintenance scheduled up to the end of the concession.

The estimated total investment of the Concession was based on the following main assumptions:

- The annual costs with the ex-SCUT concessions are effective until 2032 and represent the best estimate based on the results obtained with the renegotiated contracts between the Negotiation Committee and the Concessionaires;
- Expenses on construction present in Sub-concession contracts in force valued at cost for each base case;
- The costs of modernising and maintaining IP's own network;
- The remaining investments consist of the installation and improvement of assets and studies, projects, supervision and assistance;

- Expenses with regular maintenance reflect the revision of study made in 2019, based on the implementation of the business plan;
- The 2000 National Road Plan will be implemented until 2052.

Changes in planned, contracted and executed values may vary due to factors outside the Company's control, impacting the amortisation value to be recorded in the future.

Regular maintenance of roads and engineering structures

Based on technical surveys of repair needs and control of the average quality index of the roads and structures, an annualised cost is calculated for the programmed maintenance to be carried out that will allow, in accordance with the provisions of the IP Concession Contract, the average quality index of the network to be maintained at the values at which it was received.



Railway concession

As there is no formal concession agreement for the Long Duration Infrastructures Investment Activity, only the Programme Contract for the Railway Infrastructure activity, which was in force until 30 June 2022, awaiting the approval of a new contract, according to the proposal already made to the Government, IP accepts the following assumptions for the determination of the concession value, in accordance with the financial asset model, based on the substance over form principle and existing legislation, namely:

- The Land Transportation Framework Maintenance and Supervision Law No.10/90 – which establishes in point 3 of article 11 the compensation payable by the State for shouldering in full the infrastructure construction, maintenance and supervision costs, in accordance with rules to be approved by the Government.
- In the Strategic Transport Plan (RCM 45/2011):

"The investment necessary for the construction of transport infrastructure, as goods and assets in the public domain, is the responsibility of the State as set out in the General Land Transportation Law. Nevertheless, in the last decades, the companies in the State's business sector of land public transport and railway infrastructure have assumed the burden of bearing in their Financial Statements — through debt issuance — the charges arising from that investment, on behalf of the State"; and

"The historic debt of State-Owned Enterprises (SEE) operating in the public railway transport and infrastructures sector, results in part from the development of investment projects which are the State's responsibility, (...)".

• PETI3+ - Plano Estratégico de Transportes e Infraestruturas (2014-2020).

PETI3+ "...is a revision of PET 2011-2015, including a second phase of structural reforms to be made in this sector, as well as a set of investments in transport to be carried out until the end of this decade. It is estimated that 61% of priority railway projects can be financed through community funds and 39% through the public counterpart. Where any assets are withdrawn from the public railway domain, the gains or losses will be allocated to this activity, as established in each withdrawal order."

Therefore, the costs borne with LDIs assume the form of "accounts receivable" (financial asset) charged to the "State grantor" body, being initially recognised at fair value.

The financial assets correspond to the investment in concession assets, which include the railway public domain properties and IP only has access to them in order to provide the "Infrastructure Management" services, less the return on assets and subsidies received and plus interest on borrowings, charged to the concession and not paid by the Grantor. As there is no defined maturity, as a result of the absence of a formalised concession contract, the amounts receivable are assumed to become due on the debit date. Consequently, as of that date, the concessionaire (IP) is deemed to be owed interest on the amount owed. The way this interest is calculated is based on the same conditions as the financing obtained to directly finance this activity. This way, interest and other financial expenses incurred with loans obtained for financing the concession are debited..

Long Duration Infrastructures (LDI)

Concessioned assets classified as Long Duration Infrastructures belong to the public railway domain, and IP only has access to them so as to provide the services associated with Railway Infrastructure Management. Accordingly, they are recorded under the "Statement of Financial Position, "Grantor – State – Account receivable" item, as they constitute an unconditional right to receive money from the State for the investments made. These assets, in addition to acquisitions and buildings after the spin-off of the CP assets, include the assets of the former Divisions, freight terminals and property transferred from that company, which have the nature of "public domain goods".

Construction by means of sub-concessions

Construction by means of Sub-concession Contracts is recognised to reflect the physical evolution of the works, based on percentage of completion data obtained from the sub-concessionaires and validated by IP.

Provisions

IP regularly analyses any obligations arising from past events and which must be recognised or disclosed.

The subjectivity inherent to the determination of the probability and amount of future internal resources necessary for the payment of obligations may lead to significant adjustments, either through variation of the assumptions used or by the future recognition of provisions previously disclosed as contingent liabilities.

Provisions resulting from lawsuits in progress are periodically assessed by IP's internal and external lawyers in charge of those proceedings.

As regards the Provision for Declassified Roads, IP has carried out a comprehensive survey of the declassified roads still under its responsibility and has checked, on the basis of technical analyses of the cost of preparing them to hand over to the municipalities, if the recorded value of this provision is appropriate.

As a result of the developments in the VAT process described in Note 10, a provision in the amount corresponding to the estimated impact of an unfavourable decision to the former EP (the entire VAT deducted by EP in activities financed by the RSC) has been set up.

Impairment of non-monetary assets

For tangible and intangible assets with defined useful life, any indication of impairment losses is verified, namely through the discontinuing/destruction of assets.

For inventories held to be used in production, these will not be reduced below cost as they are integrated in the infrastructure, and will be debited to the grantor always at acquisition price. The only exception to this concerns materials that are obsolete or technically depreciated and which cannot be used for the Company's activity, which will however be adjusted taking into account their recoverable value from their sale as waste.

For investments in subsidiaries and associates, the existence of possible restrictions on the recovery of the investment has been verified, and it is the Company's policy, with regard to financial applications, to recognise impairment whenever the value of the investment exceeds the net assets of those invested in terms of liquidation of the latter. This is deemed to be the most appropriate model for these bodies, which exist from a standpoint of segmentation of service rendering activities within the Group.

Impairment of financial assets

Borrowings granted - any need to recognise impairment is verified taking into consideration the subsidiaries' capacity to generate future cash flows, by analysing their budget projects as well as their business plans.

Sundry debtors - based on the evaluation by the Executive Board of Directors of the probability of recovering such receivables, the seniority of the balances, cancellation of debts and other factors. Other circumstances and facts that may alter the estimated impairment losses of accounts receivable in relation to the assumptions considered are also considered, including changes in the economic climate, sector trends, the determination of the credit situation of the main receivables (clients) and significant defaults.

All this evaluation process is subject to various estimates and judgements. Changes in these estimates may imply the determination of different levels of impairment and, consequently, different impacts on profit and loss.

For debts from trade receivables (clients) from the Infrastructure Management and High Performance segments, in general, they have not been subject to impairment given the specific characteristics of the clients (railway operators partly held by the State and client tolls).

Income tax

Deferred tax assets are recognised only when there is reasonable expectation that there will be future taxable income available to offset against temporary differences, or when there are deferred tax liabilities, the reversal of which is expected to occur in the same period in which the deferred tax assets are reversed. The assessment of deferred tax assets is made by the Executive Board of Directors at the end of each reporting period, taking into account the expected future performance of IP. Deferred taxes are determined based on current tax legislation or legislation published for future application. Changes in tax legislation can influence the value of deferred taxes and these are analysed carefully when determined by management.



ANNUAL REPORT 2022

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See accounting policy 2.2.1.

IP has the following business segments:

- High Performance;
- Road Infrastructure Management Activity;
- Long Duration Infrastructures Investment Activity;
- Railway Infrastructure Management Activity.

The "High Performance" segment corresponds to the entire activity related to High Performance Roads and includes all roads currently managed under Public-Private Partnerships (PPP), namely State Concessions and Sub-concessions, as well as the remaining high service roads currently managed directly by IP.

The Road Infrastructure Management segment includes the management of the entire National Road Network, not included in the previous segment, and includes the construction and improvement of roads and engineering structures, as well as the management, conservation and safety improvement of the network. The 'Long Duration Infrastructure Investment Activity' segment includes the set of investments associated with new infrastructures and/or network expansion, modernisation and improvement, with the introduction of new technologies in the operating mode and replacement, which includes changes that introduce improvements of a lasting nature or which are likely to increase the value and/or useful life of the asset without changing the operating conditions.

As described above, the financing required for the investments made is obtained by IP and this may be in the form of loans with financial institutions and the financial market, shareholder contributions or obtaining subsidies.

The 'Railway Infrastructure Management Activity' segment corresponds to the provision of a public service, including functions such as the conservation and maintenance of infrastructure, capacity management, management of regulation and safety, traffic command and control system, including other ancillary activities for infrastructure management.

The information relating to the results from 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, assets and liabilities for the periods ended 31 December 2022 and 31 December 2021 of the identified segments is as follows:

2022	ATIV. INV.INFRA	ATIV. MANAGEMENT ACTIV. RAILWAY	HIGH PERFORMANCE	ATIV. MANAGEMENT ROAD INFRAST.	TOTAL
Sales and services	32 199	91 687	305 726	708 824	1 138 436
Impairments	-	873	-	-	873
Provisions	-	6 180	-	- 19 556	- 13 376
Other income	-	76 333	33 9.294 74.688		160 315
Other expenses	- 31 283	- 230 680	- 316.880 - 200 933		- 779 775
EBITDA	916	- 55 607	- 1860	563 023	506 472
Amortisation and depreciation	- 916	- 3 121	- 267	537	- 271573
EBIT	0	- 58 727	293	627	234 899
Financial expenses	- 59 214	- 368	- 190	833	- 250 416
Financial Income	59 214	-		1	59 216
EBT	0	- 59 095 102		794	43 699
Income tax for the period	-		4 085		4 085
Net Income	0		47 784		



2021	ATIV. INV.INFRA	ATIV. MANAGEMENT ACTIV. RAILWAY	HIGH PERFORMANCE	ATIV. MANAGEMENT road infrast.	TOTAL
Sales and services	32 106	81 181	292 357	667 027	1 072 672
Impairments	-	- 1166	-	-	- 1166
Provisions	-	3 214	-	- 18 820	- 15 606
Other income	-	78 079	9 646	68 289	156 013
Other expenses	- 31 158	- 206 944	- 289 874	- 187 164	- 715 140
EBITDA	949	- 45 636	12 129	529 331	496 773
Amortisation and depreciation	- 949	- 3200	- 246	6 635	- 250 784
EBIT	0	- 48 836	294	826	245 989
Financial expenses	- 59 676	- 21559	- 199	9 019	- 280 254
Financial Income	59 676	-	3		59 679
EBT	0	- 70 395	- 70 395 95 810		25 414
Income tax for the period	-		- 11 881		- 11 881
Net Income	0		13 533		

2022	ATIV. INV.INFRA Long duration	ATIV. MANAGEMENT ACTIV. RAILWAY	HIGH PERFORMANCE	ATIV. MANAGEMET ROAD INFRAST.	TOTAL
Assets					
Concession right	-	-	21 35	9 029	21 359 029
Grantor	4 474 940	-	-	-	4 474 940
Other assets	69 788	204 589	42 133	2 724 504	3 041 013
Total Assets	4 544 727	204 589	24 125 666		28 874 983
Liabilities					
Borrowings	1 599 235	-	2 547 115	-	4 146 350
Grants/Subsidies	-	-	9864	4 495	9 864 495
Other liabilities	3 287	140 350	1 872 071	1 400 264	3 415 972
Total Liabilities	1 602 521	140 350	15 683 945		17 426 817

2021	ATIV. INV.INFRA	ATIV. MANAGEMENT ACTIV. RAILWAY	HIGH PERFORMANCE	ATIV. MANAGEMENT ROAD INFRAST.	TOTAL
Assets					
Concession right	-	-	21 07	73 314	21 073 314
Grantor	4 136 729	-	-	-	4 136 729
Other assets	46 820	166 017	30 530	2 440 250	2 683 617
Total Assets	4 183 549	166 017	23 54	4 094	27 893 660
Liabilities					
Borrowings	1 702 598	13 004	2 564 088	-	4 279 690
Grants/Subsidies	-	-	9 913	3 880	9 913 880
Other liabilities	2 568	95 041	2 139 143	1 344 930	3 581 682
Total Liabilities	1 705 166	108 045	5 15 962 041		17 775 253





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ANNUAL REPORT 2022



See accounting policy 2.2.4.

At 31 December 2022 and 31 December 2021 changes in this item were as follows:

	31-12-2022	31-12-2021
Opening balance		
Acquisition cost	44 952	44 952
Cumulative impairment	- 29 449	- 30 757
Net value	15 503	14 195
Change for the year		
Impairment	399	1 308
Total	399	1 308
Closing balance		
Acquisition cost	44 952	44 952
Cumulative impairment	- 29 050	- 29 449
Net value	15 902	15 503

The change recorded in the item Impairments is justified by the reversal of the adjustment of the holding in IP Património, in the amount of \in 399 thousand (2021: \in 1.308 thousand as a consequence of the positive result recorded in 2022 (Note 23).

Investments in subsidiaries have resulted in the following holdings:

Companies	31-12	-2022	31-12-2021		
	% holding	Value of equity holding	% holding	Value of equity holding	
IP Engenharia, S.A. Rua José da Costa Pedreira nº11 - Lisbon	98,43	2 589	98,43	2 589	
IP Património - Administração e Gestão Imobiliária, S.A. Av. de Ceuta - Estação de Alcântara Terra - Lisbon	99,9968	12 313	99,9968	11 914	
IP Telecom - Serviços e Telecomunicações, S.A. Rua José da Costa Pedreira nº11 - Lisbon	100,00	1000	100,00	1 0 0 0	
		15 902		15 503	





See accounting policy 2.2.5.

On 23 September 2021, a non-profit association was created under private law, called "Associação Centro de Competências Ferroviário" (hereinafter RCC), with head office at Parque Oficinal de Guifões, Rua do Ferroviário, Gatões, 4460-020 Guifões.

The IP Group holds a 31.65% stake in RCC, the object of which is the promotion and exercise of initiatives and activities involving technical training, research, development and innovation (R&D) in technology, particularly in the area of railways and railway equipment, promoting and encouraging specialised training, cooperation and technology transfer between companies, universities, organisations and other public and private entities.

Additionally, it should also be noted that the Group, through IP, was mandated by Resolution of the Council of Ministers No. 99/2021 to carry out the necessary expenditure for the financial holding, for which it received a subsidy in 2021 of the total amount to be subscribed.

The following table provides a summary of the financial information concerning RCC.

	31-12-2022	31-12-2021
Non-current assets	9	-
Current assets	6 362	6 320
Current liabilities	- 22	-
Total Equity	6 349	6 320
IP Holding (31.65%)	2 009	2 000
Grants/Subsidies	- 2 000	- 2 000
Value of the financial contribution	9	0

Current assets include cash and cash equivalents (99,82%).



ANNUAL REPORT 2022

6. INTANGIBLE ASSETS

See accounting policy 2.2.7.

In the years ended 31 December 2022 and 31 December 2021, the movement in the value of gross assets, as well as in accumulated amortisation and impairment losses, was as follows:

INTANGIBLE ASSETS	Concession right	Other	Total	
Gross Assets				
31 December 2020	23 925 252	31 603	23 956 854	
Acquisitions	488 780	606	489 387	
31 December 2021	24 414 032	32 209	24 446 241	
Acquisitions	551 608	18	551 626	
Other changes	-	- 707	- 707	
31 December 2022	24 965 640	31 5 2 0	24 997 160	
Amortization and Impairment				
31 December 2020	- 3 095 723	- 27 505	- 3 123 228	
Amortisation for the year	- 244 994	- 49	- 245 043	
31 December 2021	- 3 340 717	- 27 554	- 3 368 271	
Amortisation for the year	- 265 893	- 36	- 265 929	
31 December 2022	- 3 606 611	- 27 589	- 3 634 200	
Net value				
31 December 2021	21 073 315	4 655	21 077 970	
31 December 2022	21 359 029	3 931	21 362 960	

The value of intangible assets refers essentially to the right resulting from the Road Concession Contract.

Assets are calculated according to the percentage of completion of each of the works, regardless of whether this construction is directly carried out by IP or under Public-Private Partnerships (PPP).

Of the investments during the year, approx. € 500.998 thousand (2021: € 470.949 thousand) correspond to net payments of receipts from tolls from State concessions, and € 40.289 thousand (2021: € 28.457 thousand) related to IP's own work (Note 17).

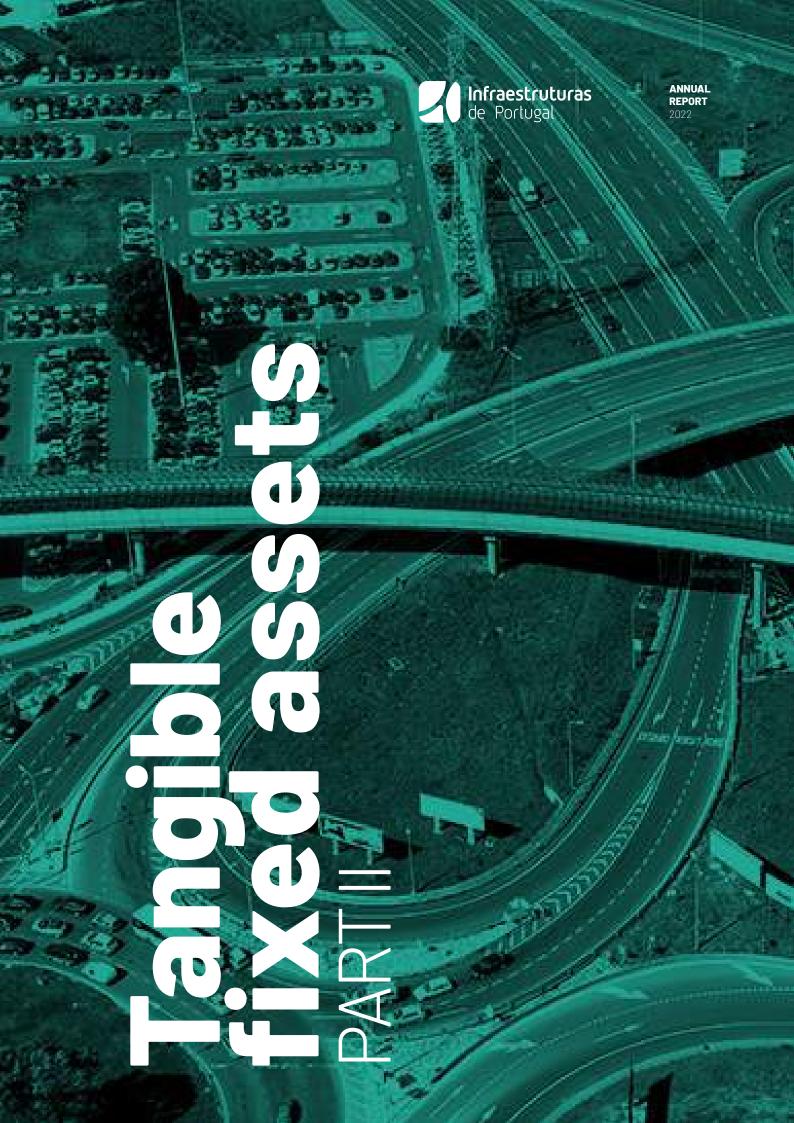
These figures include capitalised financial charges amounting to about \in 10.658 thousand (2021: \in 10.959 thousand) in 2022 (Note 15).

Amortisation for the year is calculated under IFRIC 12 by the equivalent unit method and refers to the

value of the total investment that has already been made or will be made in the future, in the context of the Concession between IP and the State, based on the economic and financial flows for the Concession period. These values have the same basis as IP's multi-annual financial model, the main assumptions of which are described in Note 2.3.

On the basis of these assumptions, the amortisation recorded amounted to ≤ 265.893 thousand. As mentioned in the sensitivity analysis presented in point 2.3, in a pessimistic scenario in which no mechanism is guaranteed to ensure compensation for the loss of revenue associated with toll discounts, the value of the annual amortisation recorded would increase by about \leq 13 thousand, a situation that would be repeated throughout the Concession.

The remaining intangible assets mainly concern contractual rights on computer software (licences).





See accounting policy 2.2.8.

In the years ended 31 December 2022 and 31 December 2021, the movement in the value of gross assets, as well as in accumulated depreciations and impairment losses, was as follows:

	Land and Natural Resources	Building Other Construction	Basic Equip- ment	Transport Equipment	Administrative equipment	Other Tan- gible Fixed Assets	Work in progress	Right of Use	Total
Gross Assets									
31 December 2020	5 940	74 042	39 988	12 037	19 572	6 186	4 030	8 121	169 915
Acquisitions	-5	0	1 076	91	435	58	3 817	65	5 537
Disposals / Corrections	-	-	-	-	- 238	-	-	-	- 238
31 December 2021	5 935	74 042	41 063	12 127	19 769	6 244	7 846	8 187	175 214
Acquisitions	-	-	1 198	103	633	-	6 276	-	8 209
Transfers	-	2 489	-	-	-	-	- 2489	-	0
Disposals / Corrections	-	-	- 301	-	- 32	-	-	-	- 333
31 December 2022	5 935	76 530	41 961	12 230	20 370	6 244	11 633	8 187	183 090
Depreciation and Impairment									
31 December 2020	0	- 42 501	- 34 303	- 11 474	-18508	- 6 079	0	- 1447	- 114 312
Depreciation for the year	-	- 1489	- 1436	- 152	- 594	- 16	-	- 2048	- 5736
Depreciation - Write-downs/ Corrections	-	-	-	-	238	-	-	-	238
31 December 2021	0	- 43 990	- 35 739	- 11 626	- 18 865	- 6 095	0	- 3495	- 119 809
Depreciation for the year	-	- 1559	- 1279	- 154	- 512	- 8	-	- 2 050	- 5562
Depreciation - Write-downs/ Corrections	-	-	301	-	32	-	-	-	333
31 December 2022	0	- 45 549	- 36 717	- 11 780	- 19 344	- 6 103	0	-5.546	- 125 039
Net value									
31 December 2021	5 935	30 051	5 325	501	905	149	7 846	4 692	55 404
31 December 2022	5 935	30 982	5 243	450	1026	141	11 633	2 641	58 051

IP owns several plots of lands resulting from land expropriations in connection with construction of the National Road Network (NRN). Since the possibility of their use or commercialisation is dependent on various legal and/or commercial contingencies, the Company considers that these surplus parcels represent contingent assets and does not record or disclose them until it is probable that they will generate an inflow of economic benefits for the Company.



ANNUAL REPORT



See accounting policy 2.2.10.

The balances recognised on deferred taxes are presented in the Statement of Financial Position at their gross value, at 31 December 2022 and 31 December 2021.

The Executive Board of Directors is of the belief that the tax results generated in the future will enable the reversal of all deferred tax assets recorded.

The impact on the profit/loss of movements in deferred tax items in the financial years was as follows:

	NOTES	31-12-2022	31-12-2021
Impact on the comprehensive income statement			
Deferred tax assets		36 178	26 183
Deferred tax liabilities		-	27
	25	36 178	26 210

Changes occurring in the items deferred tax assets and liabilities during the years were as follows:

DEFERRED TAX ASSETS

	FINANCING EXPENSES	PROVISION FOR DECLASSIFIED ROADS	VAT Provision	REGULAR MAINTENANCE	PENSIONS	AMORTISATION OF THE CONCESSION RIGHT	OTHER Adjustments	TOTAL
31 December 2020	0	1951	85 235	101 164	350	88 892	790	278 382
Set-up/((Reversal))	13 482	-	6 448	6 678	- 51	- 374	-	26 183
31 December 2021	13 482	1 951	91 683	107 842	299	88 518	790	304 565
Set-up/((Reversal))	24 121	-	7 232	3 187	- 85	1724	-	36 178
31 December 2022	37 603	1 951	98 915	111 029	214	90 242	790	340 744



DEFERRED TAX LIABILITIES

Deferred tax liabilities	Tax losses	Total	
31 December 2020	27	27	
Set-up / ((Reversal))	- 27	- 27	
31 December 2021	0	0	
Set-up / ((Reversal))	0	0	
31 December 2022	0	0	

OTHER DIFFERENCES NOT GIVING RISE TO DEFERRED TAXES

At 31 December 2022 there were other temporary differences, for which no reversal is expected in future years, and therefore no deferred tax assets have been recognised. Note should be made of existing impairments on subsidiaries, other accounts receivable and inventories.

The reconciliation of the tax rate is presented in Note 25.





ANNUAL REPORT 2022

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9. INVENTORIES

See accounting policy 2.2.12.

At 31 December 2022 and 31 December 2021, this heading comprises the following:

	31-12-2022	31-12-2021
Raw-material, subsidiary materials & consumables	117 843	78 830
Advances on account of purchases	645	0
	118 487	78 830
Cumulative impairment	- 164	- 673
	118 324	78 156

The raw materials and consumables item refers to the various types of materials that are incorporated into the maintenance and construction of railway infrastructures.

On the date of reporting of accounts, a physical inventory was taken with the aim of quantifying the adjustment of inventory losses. Therefore, impairment concerns materials that are obsolete and technically depreciated and cannot be used for IP's activities, and which might be sold should an interested buyer emerge, which led to the impairment reversals in this financial year. In the current financial year, there was a relevant increase in raw materials compared to the same period of the previous year, due to the current investment effort, which, given the type of goods in question, implies a need to ensure a timely supply of these.

Expenses with the consumption of railway materials amounted to \notin 21.178 thousand (2021: \notin 20.992 thousand), (note 17).

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ANNUAL REPORT 2022

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10. GOVERNMENT AND OTHER PUBLIC BODIES (ASSETS AND LIABILITIES)

At 31 December 2022 and 31 December 2021 this item had the following details:

	31-12-2022	31-12-2021
Debit balances		
CIT	1 513	0
Current tax assets	1 513	0
VAT	2 048 074	1844222
Other taxes and fees	0	347
Government and other public bodies	2 048 074	1 844 569
Credit balance		
CIT	0	13 832
Current tax liabilities	0	13 832
Contributions to SS, CGA and ADSE health systems	5 250	5 686
Personal Income Tax - Withholdings	1584	1 618
Other taxes and levies	15	16
Government and other public bodies	6 849	7 319

For the periods presented, the corporate income tax CIT debit/credit balance was made up as follows:

	31-12-2022	31-12-2021
СІТ		
Advance tax payment	32 502	22 948
RETGS benefit	498	397
Withholdings	36	33
Tax estimate	-31 523	-37 210
Current tax assets	1 513	0
Current tax liabilities	0	-13 832

The balance of Personal Income Tax - Withholdings correspond to December 2022 wages which were processed in the year but settled in January 2023.

Contributions to the Social Security, *Caixa Geral de Aposentações* and ADSE welfare schemes, include

liabilities for holiday pay and holiday subsidies to be settled in 2023 relating to Social Security, as well as the processed values from December 2022 and already settled in 2023, relating to the Social Security, *Caixa Geral de Aposentações* and ADSE welfare schemes.



The balance of VAT receivables comprises the amount of \leq 2.048.074 thousand to be received by IP, where an amount of \leq 227.562 thousand was already claimed in 2009, relating to the period of January 2008 to October 2009. This balance to be recovered results mainly from VAT deducted in its road activity by the former EP and by IP, due to the fact that IP considers it is entitled to this deduction because the State has collected VAT on a revenue of its own – the Road Service Contribution – which, according to the legally established mechanisms for its settlement and collection, was handed over to it, albeit indirectly, by the fuel distributors.

IP has two ongoing legal cases, of which the first concerns the application for a VAT refund up to June 2009 and the second concerns the request for the refund of VAT from July to September and its deduction of October 2009.

The first process, relating to the VAT refund request until June 2009, was rejected by the Tax and Customs Authority (AT), which issued notifications of additional VAT assessments and interest in the amount of \notin 277.124 thousand and \notin 11.697 thousand, respectively.

Disagreeing with those assessments as being undue, on 30 November 2010, the former EP filed a judicial challenge against the rejection of the Hierarchical Appeal before the Administrative and Tax Court of Almada, and the request of the former EP was considered unfounded at first instance in January 2013. The former EP did not agree with the decision and filed an appeal on 6 March 2013.

The second case, with respect to the request for the refund of VAT for July to September and deduction of October 2009, which was also rejected by the AT, also resulted in the issue of additional demands for VAT and interest payments of \in 64.506 thousand and \in 763 thousand, respectively. On 29 July 2011, the former EP filed a claim with the Administrative and Tax Court of Almada against the ruling of the Hierarchical Appeal. This claim from the former EP was deemed inadmissible in the court of first instance, in January 2013. The former EP, not agreeing with the decision, filed an appeal on 11 March 2013.

In this second case the appeal was upheld and IP was notified on 17 October 2017 of the Ruling that revoked the contested sentence and considered EP's legal challenge to be fully upheld and annulled in full the additional settlements issued by the AT. A number of nullities were alleged by the Treasury in respect of this Ruling, all of which were held to be unfounded on 26 January 2018.

The Tax Authority on 1 March 2018 filed an appeal with the Supreme Administrative Court, which was accepted for consideration purposes. This is a review appeal, of an exceptional nature, which provides that the decision issued by the Southern Administrative Central Court (TCAS) may be reviewed whenever it concerns the assessment of a question which, due to its legal or social relevance, is of fundamental importance or when admission is necessary for a better application of the law. This appeal was dismissed by the TCAS on 18 October 2018.

An appeal lodged by the Public Treasury was also admitted by the Supreme Administrative Court (SAC). On 9 December 2021, as there were no new closing arguments after the hearing of witnesses in the court of appeal, the SAC decided on the annulment of the Ruling and the lowering of the case to the Administrative and Tax Court of Almada to address this nullity. IP presented new allegations on 25 February 2022, and the case is awaiting a decision.

In the course of the usual annual tax inspection process, the AT has been making corrections on the same bases as those described for the above processes, and IP has followed the complaint process, maintaining its position also under the terms described above, and the status of the proceedings for each year inspected is as follows:

Year	Proceedings phase	Phase date	Additional tax settlements	Interest
2011	Judicial Challenge to the Rejection of the Appeal	22-05-2018	195 514	29 412
2012	First instance decision in favour of EP	28-02-2023	188 756	2 867
2013	Judicial Challenge to the Rejection of the Appeal	28-02-2020	171 213	13 300
2014	Judicial Challenge to the Rejection of the Appeal	30-10-2020	248 308	12 475
2015 (January to May) a)	Judicial Challenge to the Rejection of the Appeal	11-11-2020	121 043	4 164
2015 (June to December) b)	Judicial Challenge to the Rejection of the Appeal	27-12-2021	139 415	9 484
2016	Judicial Challenge to the Rejection of the Appeal	29-06-2022	286 873	10 349
2017	Hierarchical Appeal	07-01-2023	287 993	32 495
2018	Hierarchical Appeal	07-01-2023	283 926	34 756
2019	Start of Tax Inspection	21-04-2022		-

a) For the period before the merger (TPN ex.EP)b) Referring to the post-merger period

As a result of the evolution of the VAT process described above, during 2022 IP increased this provision in the amount of \in 33.449 thousand, bringing its accumulated value at 31 December 2022 to \in 482.700 thousand, which corresponds to the VAT that IP estimates it would no longer receive from the AT if it were considered that the RSC is not revenue subject to VAT (Note 14).

Additionally, it should be noted that the amounts corrected by the Portuguese Tax Authorities (AT) and not provisioned by IP result mainly from VAT deducted on the State Concession Network, so that, should the AT's thesis be accepted in Court, the counterpart of the additional cost for IP will always be an increase in its Intangible Asset, with no direct impact on the profit/loss for the year and only having an impact on the results of future years through an increase in the amortization of this same asset.



5

ANNUAL REPORT



See accounting policy 2.2.13.



At 31 December 2022 and 31 December 2021, this heading comprises the following:

	31-12-2022	31-12-2021
CURRENT EXPENSES TO RECOGNISE		
Other services	4 148	3 852
	4 148	3 852



At 31 December 2022 and 31 December 2021, this heading comprises the following:

	NOTES	31-12-2022	31-12-2021
Non current income to recognise			
Investment Subsidies - Road Concession Right	11.2.1	9 864 495	9 913 880
Term Sale - Brisa Concession		152 300	152 300
Douro Litoral Concession Fee		84 562	92 249
Greater Lisbon Concession Fee		15 166	16 333
		10 116 523	10 174 763
Current income to recognise			
Douro Litoral Concession Fee		7 687	7 687
Greater Lisbon Concession Fee		1 167	1 167
Other income		272	420
		9 126	9 274



11.2.1. INVESTMENT SUBSIDIES -ROAD CONCESSION RIGHT

This item includes investment subsidies received by IP to finance the intangible asset relating to the Road Concession Right and not yet recognised via profit/loss. The movements which occurred during the periods ended 31 December 2022 and 31 December 2021 are as follows:

	NOTES	INVESTMENT SUBSIDIES
31 December 2020		9 975 333
Increases		0
Imputation to income	21	- 61 452
31 December 2021		9 913 880
Increases		16 963
Imputation to income	21	- 66 349
31 December 2022		9 864 495

The increases in 2022 relate to the execution of the amounts received under the Recovery and Resilience Plan.





12. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

See accounting policy 2.2.11.

12.1. CATEGORIES UNDER IFRS 9

The breakdown of financial assets and financial liabilities by category in accordance with IFRS 9 for the years ended 31 December 2022 and 31 December 2021 is as follows:

31-12-2022	NOTES	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	NON-FINAN- CIAL ASSETS AND LIABILI- TIES	TOTAL
Assets						
Financial Investments		-	100	32	-	132
Grantor - State - Account receivable	12.2.1	4 474 940	-	-	-	4 474 940
Trade receivables	12.2.3	28 205	-	-	-	28 205
Other accounts receivable	12.2.4	142 942	-	-	42 627	185 569
Cash and cash equivalents	12.2.5	236 334	-	-	-	236 334
		4 882 420	100	32	42 627	4 925 179
Liabilities						
Trade payables	12.3.3	38 853	-	-	-	38 853
Borrowings	12.3.1	1 812 073	-	-	1 610	1 813 683
Shareholder funding/ borrowings	12.3.2	2 332 667	-	-	-	2 332 667
Other accounts payable	12.3.4	2 037 544	-	-	103 818	2 141 362
		6 221 137	0	0	105 428	6 326 564



31-12-2021	NOTES	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	NON-FINAN- CIAL ASSETS AND LIABILI- TIES	TOTAL
Assets						
Financial Investments		-	64	32	-	96
Grantor - State - Account receivable	12.2.1	4 136 729	-	-	-	4 136 729
Trade receivables	12.2.3	63 457	-	-	-	63 457
Other accounts receivable	12.2.4	106 882	-	-	38 468	145 350
Cash and cash equivalents	12.2.5	167 923	-	-	-	167 923
		4 474 991	64	32	38 468	4 513 555
Liabilities						
Trade payables	12.3.3	40 275	-	-	-	40 275
Borrowings	12.3.1	1941544	-	-	5 479	1947 023
Shareholder funding/ borrowings	12.3.2	2 332 667	-	-	-	2 332 667
Other accounts payable	12.3.4	2 238 895	-	-	54 086	2 292 982
		6 553 382	0	0	59 566	6 612 947

Non-financial assets are mainly related to:

- Surety bonds provided € 31.105 thousand (2021: € 30.909 thousand) – Note 12.2.4
- Supplier debtor balances € 7.651 thousand (2021: € 5.059 thousand) – Note 12.2.4
- VAT, credit notes pending deduction and reversal of the taxable person € 1.967 thousand (2021: € 1.524 thousand) – Note 12.2.4, and
- Shareholder debts (RETGS, Dividends and debtor balances) in the amount of € 1.737 thousand (2021: € 927 thousand) – Note 12.2.4.

Regarding non-financial liabilities, the following stand out:

 Accounting overdrafts of € 1.610 thousand (2021: € 5.479 thousand) – Note 12.2.5;

- Receipts relating to the RRP for which the investment has not yet been executed, amounting to € 39.521 thousand (2021: € 835 thousand) Note 12.3.4;
- Advances on account of sales of approximately € 25.699 thousand (2021: € 21.623 thousand);
- Guarantees amounting to € 18.939 thousand (2021: € 12.270 thousand) note 12.3.4;
- Debts with employment benefits (remunerations and other debts) of € 13.620 thousand (2021: €13.144 Thousand);
- Advances on subsidies of € 2.653 thousand (2021: €2.753 thousand), and;
- RETGS in the amount of € 1.945 thousand (2021: € 1.945 thousand).

12.2. FINANCIAL ASSETS

12.2.1. GRANTOR – STATE – ACCOUNT RECEIVABLE

The breakdown of the Financial Asset underlying the rail concession at 31 December 2022 and 31 December 2021 is as follows:

	31-12-2022	31-12-2021
Concession assets (LDI)	10 399 099	9 965 616
Interest charged	1 881 418	1822 204
Grants/Subsidies	- 4 857 911	- 4 709 657
Receipts	- 2 623 854	- 2 623 854
Impairments	- 305 200	- 305 200
Return on assets	- 18 612	- 12 380
	4 474 940	4 136 729

Assets under Concession, known as Long Duration Infrastructures (LDI), form part of the Public Railway Domain, with IP having access to these to provide the public service Infrastructure Management. Accordingly, they are recorded under the "Statement of Financial Position – Grantor – State – Account receivable" item, as they constitute an unconditional right to receive money from the State for the investments made.

These assets, in addition to the acquisitions and constructions subsequent to the split-off of CP - Comboios de Portugal, E.P.E., through the publication of Decree-Law No. 104/97, of 29 April, also include the assets of the former Offices (Lisbon Railway Node Office, Porto Railway Node Office and Office for the Management of the Railway Installation Works on the Tagus Bridge) and assets transferred from that company, which constitute public railway domain assets.

Of the increase resulting from subsidies directly attributed to IP for the development of the railway

infrastructure, the increase of \leq 148.407 thousand from European Structural and Investment Funds (\leq 4.000 thousand from FEDER, \leq 64.556 thousand from the Cohesion Fund, \leq 67.674 thousand from CEF-Cohesion and \leq 12.177 thousand from CEF-GERAL), corresponding to reinforcements of advances and reimbursements of applications approved in the 2014-2020 and 2021-2027 programming periods (Programmes COMPETE 2020, POSEUR, CEF 1 and CEF 2), stands out.

The Return on Assets item is the result of the obligation, expressed in the joint Orders of the Ministries of Finance and Economy, to authorise the public railway domain separation and the results of the sales to be deducted from the amounts receivable from the Grantor).

In the current financial year, the Grantor was debited interest in the amount of \leq 59.214 thousand (2021: \leq 59.676 thousand), with the corresponding entry under the item Financial Gains – interest earned – Grantor – State (Note 24).



When REFER was set up, its statutory capital was paid up in kind through the delivery of railway infrastructure, then valued at \in 62.350 thousand. From 1998 to 2001, the Portuguese State increased REFER's statutory capital by a total of \in 242.850 thousand, allocating these increases, as stated in each joint approval order, to the financing of investments in long-duration infrastructures forming part of the public railway domain.

On the date of incorporation, public domain assets were recorded as fixed assets (tangible fixed assets under the then accounting standards – POC) of REFER, so the counterpart of the capital contribution was the recognition of those assets. With the adoption of IFRIC 12, these amounts take the form of the reimbursement made in due time to the investments made in the long duration infrastructure by the Concessionaire REFER, totalling \in 305.200 thousand (initial contribution in kind, plus the

capital increases that took place between 1998 and 2001).

Consequently, this amount will no longer be reimbursed by the State/Grantor, with the amount of \notin 305.200 thousand being recorded as an impairment.

12.2.2. BORROWINGS GRANTED

The movements relating to loans granted to subsidiaries for the periods ended 31 December 2022 and 31 December 2021 are as follows:

	31-12-2022	31-12-2021
Borrowings granted		
Opening balance	10 805	10 805
Closing balance	10 805	10 805
Cumulative impairment		
Opening balance	- 10 805	- 10 805
Closing balance	- 10 805	- 10 805
Initial book value	0	0
Final book value	0	0

All the loans granted were in favour of IP Património.

These loans reflect the supplementary capital provided at the time of the merger of Gare Intermodal de Lisboa, S.A. (GIL) into IP Património which aimed to guarantee the neutrality of IP Património's equity after the integration of GIL's assets and liabilities into IP Património.

The constitution of these supplementary contributions was carried out through the conversion of shareholder loans, recorded as impairment.



On 31 December 2022 and 31 December 2021 this item breaks down as follows:

	NOTES	31-12-2022	31-12-2021
Non Current			
Sundry		-	5 258
		0	5 258
Current			
Sundry		16 157	18 223
Tolls		7 993	8 329
Other related parties	26.4	3 330	31 0 32
Subsidiaries	26.3	1 817	2 158
		29 297	59 741
Cumulative impairment		- 1093	- 1542
		28 205	58 199
		28 205	63 457

This item is composed of current balances, so it is close to its fair value.

The exposure of these balances to credit risk is shown in note 12.4.1.

12.2.4. OTHER ACCOUNTS RECEIVABLE

For the years ended 31 December 2022 and 31 December 2021 the details of Other receivables is as follows:

	Notes	31-12-2022	31-12-2021
Accounts receivable for accrued income			
Road Service Contribution	26.2	80 092	78 690
Compensatory allowances		31 549	4 021
Other related parties	26.4	8 679	822
Subsidiaries	26.3	3 100	765
Other		870	1 558
		124 290	85 856
Surety deposits	12.1	31 105	30 909
Other accounts receivable			
Sundry		36 867	38 538
Subsidiaries	12.1 - 26.3	1737	927
		38 604	39 465
Cumulative impairment		- 8429	- 10 880
		185 569	145 350



Debtors due to income accruals include, among others:

- The revenue collected by the AT and not yet delivered to IP related to the Road Service Contribution;
- Amounts receivable related to outstanding compensatory allowances, the last extension of which occurred in June 2022, through Council of Ministers Resolution No. 13/2022 (Note 16);
- In the caption other related entities, we highlight the substations traction energy, to be invoiced to the railway operator in the amount of € 5.497 thousand (2021: € 822 thousand); and
- In the subsidiaries, of Note is the concession fees for the 4th quarter of 2022 owed by IP Telecom and IP Património.

The Escrow Deposits relate essentially to the provision of a suitable guarantee in relation to the VAT process in the amount of \in 28.126 thousand, and; Other debtors – sundry, net of impairment, include, among others, protocols with various municipal-

ities for the construction and upgrading of various infrastructures, in particular the municipalities of Fundão, Cascais, Lisbon, Águeda and Espinho, of approximately € 10.000 thousand (2021: € 10.000 thousand), supplier debit balances, in the amount of approx. € 7.651 thousand (2021: € 5.059 thousand) and recoverable VAT arising from credit notes and VAT inversion of the taxpayer in the amount of approximately € 1.967 thousand (2021: € 1.524 thousand), as per Note 12.1.

The exposure of these balances to credit risk is shown in note 12.4.1.



The components of cash and cash equivalents shown in the Statement of Cash Flows for the years ended 31 December 2022 and 31 December 2021 are reconciled to the amounts shown under the items of the Statement of Financial Position as follows:

DESCRIPTION	NOTES	31-12-2022	31-12-2021
Other investments		161 248	157 262
Bank deposits		75 034	10 560
Cash		51	101
Cash and Cash Equivalents in the Statement of Financial Position		236 334	167 923
Accounting Overdrafts	12.1-12.3.1	- 1 610	- 5 479
Cash and Cash Equivalents in the Cash Flow Statement		234 724	162 444

Accounting overdrafts in the Statement of Financial Position are recorded under liabilities, under the item "Borrowings".

According to the DGO information of 20 December 2021, the funds received under the RRP and not

used (\notin 39.521 thousand) were converted into offbudget operations, so as of 31 December 2022, these amounts are not available to be moved.

The exposure of these balances to credit risk is shown in note 12.4.1.

12.3. FINANCIAL LIABILITIES

12.3.1. BORROWINGS

The breakdown of current and non-current Loans obtained as of 31 December 2022 and 31 December 2021 is as follows:

	31-12-2022	31-12-2021
Non-current borrowings		
Borrowings	1 636 752	1 795 355
Current borrowings		
Borrowings	176 931	151 668
	1 813 683	1947 023

The repayment terms and periods of these loans are detailed below:

ACTIVITY	NAME	SIGNATURE	PRINCIPAL AMOUNT	AMOUNT OUTSTANDING	AMORTIZATION SCHEDULE		INTEREST RATE REGIME	INTEREST RATE	REST TE PERIODICITY	
					START DATE	END DATE	PERIODICITY			
Railway	CPIII/2 L. Norte-B	02/06/2004	200 000	110 000	15/12/2014	15/12/2023	Anual	variável BEI, não podendo exceder Euribor 3M+0,15%	2,176%	15/mar 15/jun 15/set 15/dez
Railway	Suburban	28/10/2004	100 000	33 333	15/06/2009	15/06/2024	Anual	variável BEI, não podendo exceder Euribor 3M+0,15%	2,176%	15/mar 15/jun 15/set 15/dez
Railway	Suburban B	14/12/2005	100 000	38 095	15/09/2010	15/09/2025	Anual	Fixa Revisível	3,615%	15/set
Railway	Suburban C	12/10/2006	55 000	23 571	15/03/2011	15/03/2026	Anual	Fixa Revisível	4,247%	15/mar
Railway	CP III 2 North-C line	11/12/2006	100 000	70 000	15/06/2017	15/06/2026	Anual	Fixa Revisível	1,100%	15/jun
Railway	CP III 2 North-D line	12/07/2007	100 000	70 000	15/12/2017	15/12/2026	Anual	Euribor 3M-0,096%	1,950%	15/mar 15/jun 15/set 15/dez
Railway	BEI- Roads 2009-2019	17/12/2009	200 659	86 952	15/06/2014	15/06/2029	Semestral	Fixa	2,189%	15/jun 15/dez
Railway	Refer V	04/08/2008	160 000	88 000	15/03/2014	15/03/2033	Anual	Fixa Revisível	2,653%	15/mar
Railway	Refer VI	10/09/2009	110 000	55 000	15/09/2013	15/09/2032	Anual	Fixa Revisível	2,271%	15/set
Railway	Eurobond 06/26	10/11/2006	600 000	599 506	16/11/	2026	Bullet	Fixa	4,047%	16/nov
Railway	Eurobond 09/24	16/10/2009	500 000	499 254	16/10	2024	Bullet	Fixa	4,675%	16/out
Road	Eurobond 10/30	09/07/2010	125 000	122 060	13/07	/2030	Bullet	Fixa	6,450%	13/jul
	External Financing	TOTAL		1795 772						
	Accrued interest			16 301						
	Accounting overdrafts			1 610						
	TOTAL			1 813 683						

The interest associated with these loans is paid, in arrears, on a quarterly, half-yearly or annual basis.

In borrowings from the EIB, the principal is repaid periodically after the grace period. The remaining loans (Eurobonds) will be repaid in full upon maturity (bullet). At 31 December 2022, the loans backed by a State guarantee amounted to a nominal value of \in 1.674.952 thousand (2021: \in 1.804.298 thousand).

The exposure of these balances to liquidity risk is shown in note 12.4.2.



12.3.2. SHAREHOLDER FUNDING / SHAREHOLDER BORROWINGS

As at 31 December 2022 and 31 December 2021, the item shareholder borrowings/supplementary capital was broken down as follows:

	31-12-2022	31-12-2021
Current borrowings		
State borrowings	2 332 667	2 332 667
	2 332 667	2 332 667

These shareholder borrowings contracts with the State were intended to meet the financing needs of the ex-EP between 2011 and 2013.

The DGTF granted a new moratorium for State loans allocated to motorways in the amount of

€ 2.332.667 thousand (€ 2.215.578 thousand in amortisation and € 117.089 thousand in interest), moving their maturity to 31 November 2023. Deferrals granted in this context are not subject to the payment of interest.

These borrowings pay interest at various fixed annual nominal rates, as agreed with the DGTF according to the amount and dates of the disbursements. Details are shown below:

ACTIVITY	NAME	SIGNATURE DATE	PRINCIPAL AMOUNT	CAPITAL OUTSTANDING	AMO	AMORTIZATION SCHEDULE		INTEREST RATE REGIME	NTEREST TE REGIME RATE	
					STARTED DATE	END DATE	PERIODICITY			PERIODICITY
Road	Portuguese State Loan	30/12/2011	1 705 000	852 500	31/05/2013	30/11/2016	Half-yearly	Fixed	2,770%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	204 000	153 000	31/05/2014	30/11/2017	Half-yearly	Fixed	3,690%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	230 000	172 500	31/05/2014	30/11/2017	Half-yearly	Fixed	3,440%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	75 000	56 250	31/05/2014	30/11/2017	Half-yearly	Fixed	2,930%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	28 000	21 000	31/05/2014	30/11/2017	Half-yearly	Fixed	2,690%	31/mai 30/nov
Road	Portuguese State Loan	30/05/2012	44 000	33 000	31/05/2014	30/11/2017	Half-yearly	Fixed	2,690%	31/mai 30/nov
Road	Portuguese State Loan	30/05/2012	80 000	60 000	31/05/2014	30/11/2017	Half-yearly	Fixed	2,700%	31/mai 30/nov
Road	Portuguese State Loan	30/05/2012	33 500	25 125	31/05/2014	30/11/2017	Half-yearly	Fixed	1,980%	31/mai 30/nov
Road	Portuguese State Loan	26/09/2012	156 800	117 600	31/05/2014	30/11/2017	Half-yearly	Fixed	1,810%	31/mai 30/nov
Road	Portuguese State Loan	29/10/2012	16 000	12 000	31/05/2014	30/11/2017	Half-yearly	Fixed	1,710%	31/mai
Road	Portuguese State Loan	29/10/2012	13 300	9 975	31/05/2014	30/11/2017	Half-yearly	Fixed	1,590%	31/mai 30/nov
Road	Portuguese State Loan	29/01/2013	85 000	85 000	31/05/2015	30/11/2020	Half-yearly	Fixed	2,750%	31/mai 30/nov
Road	Portuguese State Loan	29/01/2013	135 600	135 600	31/05/2015	30/11/2020	Half-yearly	Fixed	2,420%	31/mai 30/nov
Road	Portuguese State Loan	29/01/2013	17 400	17 400	31/05/2015	30/11/2020	Half-yearly	Fixed	2,150%	31/mai 30/nov
Road	Portuguese State Loan	08/03/2013	25 654	25 654	31/05/2015	30/11/2020	Half-yearly	Fixed	2,150%	31/mai 30/nov
Road	Portuguese State Loan	08/03/2013	266 405	266 405	31/05/2015	30/11/2020	Half-yearly	Fixed	2,180%	31/mai 30/nov
Road	Portuguese State Loan	08/03/2013	28 042	28 0 4 2	31/05/2015	30/11/2020	Half-yearly	Fixed	2,610%	31/mai 30/nov
Road	Portuguese State Loan	04/09/2013	26 202	26 202	31/05/2015	30/11/2020	Half-yearly	Fixed	2,190%	31/mai 30/nov
Road	Portuguese State Loan	04/09/2013	25 000	25 000	31/05/2015	30/11/2020	Half-yearly	Fixed	2,180%	31/mai 30/nov
Road	Portuguese State Loan	04/09/2013	17 943	17 943	31/05/2015	30/11/2020	Half-yearly	Fixed	2,070%	31/mai 30/nov
Road	Portuguese State Loan	09/10/2013	3 688	3 688	31/05/2015	30/11/2020	Half-yearly	Fixed	2,100%	31/mai 30/nov
Road	Portuguese State Loan	09/10/2013	21805	21805	31/05/2015	30/11/2020	Half-yearly	Fixed	1,870%	31/mai 30/nov
Road	Portuguese State Loan	09/10/2013	49 891	49 891	31/05/2015	30/11/2020	Half-yearly	Fixed	1,970%	31/mai 30/nov
	Total shareholde	er financing		2 215 578				1		
	Accrued interes	t		117 089						
	TOTAL			2 332 667						



Fixed-rate financing

The fair value of fixed-rate financing at 31 December 2022 is shown below:

The exposure of these balances to liquidity risk is shown in note 12.4.2.

NAME	NOMINAL VALUE	CAPITAL OU	TSTANDING	INTEREST RATE
		NOMINAL VALUE	FAIR VALUE	
EIB - Suburban B	100 000	38 095	38 250	3,615%
EIB - Suburban C	55 000	23 571	24 129	4,247%
EIB - REFER V	160 000	88 000	85 737	2,653%
EIB - REFER VI	110 000	55 000	51 548	2,271%
EIB- CPIII2 North Line C	100 000	70 000	68 057	1,887%
BEI- Roads 2009-2019	200 659	86 952	84 182	2,189%
Eurobond 06/26	600 000	600 000	616 987	4,047%
Eurobond 09/24	500 000	500 000	512 887	4,675%
Eurobond 10/30	125 000	125 000	147 468	6,450%
Portuguese State Loan	1 705 000	852 500	828 357	2,770%
Portuguese State Loan	204 000	153 000	148 667	3,690%
Portuguese State Loan	230 000	172 500	167 615	3,440%
Portuguese State Loan	75 000	56 250	54 657	2,930%
Portuguese State Loan	28 000	21 000	20 405	2,690%
Portuguese State Loan	44 000	33 000	32 065	2,690%
Portuguese State Loan	80 000	60 000	58 301	2,700%
Portuguese State Loan	33 500	25 125	24 413	1,980%
Portuguese State Loan	156 800	117 600	114 270	1,810%
Portuguese State Loan	16 000	12 000	11 660	1,710%
Portuguese State Loan	13 300	9 975	9 693	1,590%
Portuguese State Loan	85 000	85 000	82 593	2,750%
Portuguese State Loan	135 600	135 600	131 760	2,420%
Portuguese State Loan	17 400	17 400	16 907	2,150%
Portuguese State Loan	25 654	25 654	24 927	2,150%
Portuguese State Loan	266 405	266 405	258 860	2,180%
Portuguese State Loan	28 042	28 042	27 2 4 8	2,610%
Portuguese State Loan	26 202	26 202	25 460	2,190%
Portuguese State Loan	25 000	25 000	24 292	2,180%
Portuguese State Loan	17 943	17 943	17 434	2,070%
Portuguese State Loan	3 688	3 688	3 583	2,100%
Portuguese State Loan	21 805	21 805	21 187	1,870%
Portuguese State Loan	49 891	49 891	48 478	1,970%
TOTAL	5 238 887	3 802 197	3 782 078	

12.3.3. TRADE PAYABLES

At 31 December 2022 and 31 December 2021 this item breaks down as follows:

	NOTES	31-12-2022	31-12-2021
General suppliers		35 094	38 815
Subsidiaries	26.3	1 3 3 8	1447
Other related parties	26.4	2 421	13
		38 853	40 275

The exposure of these balances to liquidity risk is shown in note 12.4.2.

12.3.4. OTHER ACCOUNTS PAYABLE

For the years ended 31 December 2022 and 31 December 2021 the details of Others payable is as follows:

	NOTES	31-12-2022	31-12-2021
Non-Current			
Accounts payable for accrued expenses			
Sub-concessions		1 073 431	1 228 480
		1 073 431	1228 480
Leases		742	2 920
		1 074 173	1 231 400
Current			
Accounts payable for accrued expenses			
Sub-concessions		495 155	596 551
Regular Road Maintenance		355 293	345 095
Other Accounts payable for accrued expenses		47 212	29 119
Subsidiaries	26.3	2 998	109
Other related parties	26.4	238	829
		900 895	971 702
Investment Suppliers		58 633	31 2 32
RRP	12.1	39 521	-
Advances to be forwarded to Sales	12.1	25 699	21 623
Surety bonds	12.1	18 939	12 270
Remuneration payable		13 455	12 952
Other Creditors		5 897	8 209
Leases		2 204	2 080
RETGS - Subsidiaries	12.1 - 26.3	1945	1 513
		1 067 189	1 061 582
		2 141 362	2 292 982



Creditors for accrued expenses include:

The amount of IP's liabilities to the sub-concessionaires for the construction, operation and maintenance services already carried out by them and pending invoicing, remunerated at rates between 5% and 11% (Note 24).

This liability is measured annually and represents the Executive Board of Directors' best estimate of the value of the services already provided by the sub-concessionaires, based on the estimated future financial flows of these contracts, regardless of their nature, including those resulting from contingencies and litigation;

 Regular road maintenances resulting from IP's responsibility to maintain or restore the road infrastructure to certain levels of service, which is established over the period that elapses until the scheduled date of execution of the works;

The change in the item Regular Road Maintenance results from the increase in the theoretical annual cost for the scheduled maintenance to be carried out in the amount of approximately \notin 55.665 thousand (Note 18) deducted from the Conservation execution, for the year, of approximately \notin 45.467 thousand; and

Of Note in Other creditors, among other aspects, are the amounts payable by IP regarding the Concession Contract with the State, in the amount of € 24.000 thousand (2021: € 24.000 thousand), traction energy and other uses, in the amount of € 13.105 thousand (2021: € 2.215 thousand), current road maintenance totalling around € 3.539 thousand, the contract for the provision of data and information and communication technology services totalling € 1.614 thousand, the contract for the Beira Alta Line totalling around € 1.253 thousand and cleaning services totalling € 714 thousand.

The item Investment Suppliers refers mainly to the amounts invoiced for the performance of own works.

With regard to the Recovery and Resilience Plan (RRP), during 2022, an amount of \notin 56.485 thousand was received, of which \notin 16.963 thousand was executed.

The exposure of these balances to liquidity risk is shown in note 12.4.2.

12.4. FINANCIAL RISK MANAGEMENT POLICIES

IP's activity is exposed to financial risk factors such as credit risk, liquidity risk, interest rate risk associated with cash flows arising from loans and capital risk.

Decree-Law No. 133/2013 of 3 October introduced changes to the autonomy of reclassified public entities (EPR) regarding access to funding with the financial system, and the use of derivative financial instruments for risk management purposes.

Article 29 of the said DL provides that EPR access to commercial banking funding is prohibited, except for banks having a multilateral nature (e.g. the European Investment Bank). Article 72 enshrines the transfer of these companies' derivatives portfolios to the Public Debt and Treasury Management Agency (*Agência de Gestão da Tesouraria e da Dívida Pública* – *IGCP, EPE*). (IGCP).

These risks are managed by the Finance and Markets Division according to the risk mitigation policies stipulated by the Executive Board of Directors.

12.4.1. CREDIT RISK

Credit risk is associated with the risk of another party failing to comply with its contractual obligations resulting in a financial loss for IP.

Credit risk is mainly associated with the likelihood of recovering trade receivables from clients, as well as other accounts receivable, and deposits and applications with financial institutions and the IGCP.

In order to minimize exposure to this risk, the Company obtains credit guarantees from clients in the form of bonds, surety bonds or bank guarantees. Note 12.1 details the maximum exposure of the Company to credit risk.

With regard to customer debts, a brief characterisation is presented according to the invoicing intervals:

31-12-2022	[> 1000 m[[999 m <10 m[[10m>0]	Total
Number of Trade receivables (Clients)	6	25	186	217
Railway	6	-	20	26
Non tolled roads	-	25	166	191
Tolls	-	-	Various	-
Debt	24 042	1562	3 693	29 297
Railway	24 042	-	- 4541	19 501
Non tolled roads	-	1 562	240	1802
Tolls	-	-	7 993	7 993
31-12-2021	[> 1000 m[[999 m <10 m[[10m>0]	Total
31-12-2021 Number of Trade receivables (Clients)	[> 1000 m[7	[999 m <10 m[27	[10m>0] 268	Total 302
Number of Trade receivables (Clients)	7	27	268	302
Number of Trade receivables (Clients) Railway	7 6	27	268 20	302
Number of Trade receivables (Clients) Railway Non tolled roads	7 6	27 1 26	268 20 248	302
Number of Trade receivables (Clients) Railway Non tolled roads Tolls	7 6 1 -	27 1 26	268 20 248 Various	302 27 275 -
Number of Trade receivables (Clients) Railway Non tolled roads Tolls Debt	7 6 1 - 54 295	27 1 26 - 2 082	268 20 248 Various 8 622	302 27 275 - 64 999

At 31 December 2022, IP has a portfolio of 217 customers (2021: 302 customers), of which 6 (2021: 6) have balances greater than 1 thousand euros corresponding to about 82% (2021: 84%) of the amounts outstanding. be noted, notwithstanding the increase in invoicing in the two-year period under analysis.

The weight of toll debts in relation to the total customer balance also rose to 27% (2021: 13%), justified by the decrease in the total debt.

In the analysis of debt evolution, the decrease in the railway operators' debt (-155% compared to 2021) resulting from the settlement of historical debt should

The age of trade receivables (clients) balances is shown below:

31-12-2022]0-30[[30-60[[60-90[[90-360[[360]	GRAND TOTAL
Tolls	7 993	-	-	-	-	7 993
Intra group entities	353	-	635	785	43	1 817
Railway operators	8 058	3 448	104	384	5 684	17 678
Public entities	34	-	-	-	25	59
Other debtors	49	-	39	332	1 3 2 9	1 750
	16 488	3 448	778	1502	7 081	29 297
Impairment	-	-	-	- 323	- 770	- 1093
	16 488	3 448	778	1 179	6 311	28 205
	0,00%	0,00%	0,00%	21,50%	10,87%	3,73%

31-12-2021]0-30[[30-60[[60-90[[90-360[[360]	GRAND TOTAL
Tolls	8 329	-	-	-	-	8 329
Intra group entities	1 0 5 5	1 059	-	-	43	2 158
Railway operators	17 843	7 714	7 198	109	14 666	47 530
Public entities	-	-	-	-	25	25
Other debtors	8	9	2	7	6 933	6 958
	27 234	8 782	7 200	115	21 668	64 999
Impairment	- 323	-	-	-	- 1219	- 1542
	26 911	8 782	7 200	115	20 449	63 457
	1,19%	0,00%	0,00%	0,00%	5,63%	2,37%



The credit risk associated with IP's customer debts shows the following characteristics:

Road Activity - The most relevant component of customer debts is tolls, which have a diversified customer base and comprise low value operations, which, in the event of default, will be subject to collection by the Tax Authority (AT), and therefore do not present a significant associated credit risk.

Railway Activity - With regard to customer debts, the risk is essentially related to non-compliance with the responsibilities assumed by the railway operators. CP - Comboios de Portugal, E.P.E. has been the main counterpart as the exclusive passenger operator on the entire network, with the exception of the 25 de Abril Bridge crossing, which is operated by Fertagus. In the current year it should be noted that CP has paid off a large part of its debt.

With regard to intra-group entities and public entities, no relevant credit risk is perceived.

With regard to other customers, known as "other debtors", a number of low value balances are included (2022: 214 customers and 2021: 299 customers), with negligible weight in the customer portfolio, which have been subject to impairment tests on a case-by-case basis according to risk analysis, and the Executive Board of Directors believes that the impairments considered are appropriate. With regard to the credit risk associated with other receivables, the most important is the Road Service Contribution (RSC), which is collected and paid to IP by the Tax Authority (AT) and the debts of the Municipalities for which, given their public nature, the associated credit risk is not considered relevant, since it is considered that, despite possible defaults, the probability of recovery is total. In the remaining cases, impairments are recognised when the balances are more than 720 days past their due date.

In relation to credit risk associated with financial activity, IP has exposure to the national banking sector, translated by the balances on demand deposits. This exposure is reduced due to the application of the legislation relating to the Principle of Unity of the State Treasury, which provides for the concentration of cash and cash equivalents and financial applications with the IGCP. IP currently holds 99% of its cash and cash equivalents with the IGCP.

To date, IP has not incurred any impairment resulting from the non-fulfilment of contractual obligations entered into with financial entities.

The following table shows a summary of the credit rating of the Company's deposits, by entity, and the respective rating notation as attributed by Standard and Poor's at the reporting dates:

	31-12-2022		31-12	-2021
	RATING	BALANCES	RATING	BALANCES
IGCP(*)	BBB+	236 200	BBB	167 560
BANK BPI	BBB+	40	BBB	97
BBVA	А	32	А	64
SANTANDER BANK	Δ+	5	Δ+	61
CGD	(-)	3	(-)	36
Novo Banco	(-)	1	(-)	0
CBI	(-)	0	(-)	0
BCP	BB+	-	BB	3
		236 283		167 822

(*) In 2022 this includes € 161.248 thousand (2021: € 157.262 thousand) of CEDIC applications.

12.4.2. LIQUIDITY RISK

This type of risk is measured by the capacity to obtain financial resources to meet the responsibilities assumed with the different economic agents that interact with the Company, such as suppliers, banks, the capital market, etc. This risk is measured by the liquidity available to the Company to meet its liabilities and its capacity to generate cash flow in the course of its business. The Company seeks to minimise the probability of defaulting on its commitments through rigorous and planned management of its activity. Prudent liquidity risk management implies maintaining an adequate level of cash and cash equivalents to meet the assumed responsibilities. As IP is financed directly by the Portuguese State, the liquidity risk is considerably low.

The following table shows IP's liabilities by contractual maturity intervals. The amounts shown represent the undiscounted forecast cash flows as at 31 December 2022 and 31 December 2021.

31-12-2022	LESS THAN 1 YEAR	1TO 5 YEARS	+ THAN 5 YEARS
Borrowings			
- Repayment of Borrowings	159 020	1 447 243	193 689
- Interest on Borrowings	69 068	165 310	20 631
- Repayment of shareholder funding / Shareholder's Borrowings	2 215 578	-	-
- Interest on shareholder funding / Shareholder's Borrowings	117 089	-	-
- Surety	3 347	7 054	357
Trade payables and other accounts payable	1 002 393	1074024	-
	3 566 494	2 693 632	214 676

31-12-2021	LESS THAN 1 YEAR	1TO 5 YEARS	+ THAN 5 YEARS
Borrowings			
- Repayment of Borrowings	129 345	1 579 386	220 566
- Interest on Borrowings	65 840	216 631	30 957
- Repayment of shareholder funding / Shareholder's Borrowings	2 215 578	-	-
- Interest on shareholder funding / Shareholder's Borrowings	117 089	-	-
- Surety	3 502	10 216	542
Trade payables and other accounts payable	1 048 064	1 2 3 1 4 4 7	-
	3 579 419	3 037 680	252 065

12.4.3. INTEREST RATE RISK

IP is subject to interest rate risk while keeping in its portfolio loans obtained from the (national and international) financial system and from the State and which seek to finance its activity.

The main goal of interest rate risk management is to protect against rising interest rates, since the Company's revenues are immune to this variable and, therefore, a natural hedge is not possible. Currently, no financial instruments are used to hedge interest rate risk.

Currently, the goal of the interest rate risk management policy is essentially to monitor the interest rates that influence the financial liabilities contracted on the basis of Euribor.



Sensitivity test to change in interest rate

IP periodically uses sensitivity analyses to measure the impact on results of interest rate variations on the fair value of loans. These analyses have been one of the aids for interest rate risk management decisions. The sensitivity analysis is based on the following assumptions:

i. As at 31 December 2022, IP had not recognised any borrowings obtained at fair value;

ii. Changes in the fair value of loans and financial liabilities are estimated by discounting future cash flows using market rates at the reporting times;

iii. On the basis of these assumptions, at 31 December 2022, a 0,5% increase or decrease in the Euro interest rate curves would result in the following changes in the fair value of loans with potential impact on profit and loss:

CHANGE IN THE INTEREST RATE CURVE				
	-0,50%	0,50%		
Impact on fair value of borrowings	36 579	-35 697		
Potential impact on results	-36 579	35 697		

12.4.4. CAPITAL RISK

The Company's goal in terms of capital risk management, which is a broader concept than the capital shown on the Statement of Financial Position, is to safeguard its ongoing business operation.

The basic instrument for managing this risk is the financing plan (or financial plan) of IP through which the sources of financing are identified and monitored, highlighting the policy of strengthening the capital promoted by the shareholder and materialised through cash capital reinforcement operations. IP was set up with a share capital of € 2.555.835 thousand, represented by 511.167 shares with a nominal value of € 5 thousand each. On 31 December 2022, share capital amounted to € 11.512.155 thousand, represented by 2.230.431 shares with a nominal value of € 5 thousand each.

Capital increases were carried out in 2022, in cash, in the amount of \leq 1.281.975 thousand (Note 13), as shown in the table below:

	31-12-2022	31-12-2021
Share capital increases	1 281 975	1612650
Investment	1 081 239	891 129
Debt service	199.736	721 521

12.5. CHANGES IN LIABILITIES DERIVING FROM FINANCING ACTIVITIES

The reconciliation of the liabilities with flows affect financing activities is presented below:

	BORROWINGS	SHAREHOLDER'S Borrowings	LEASES
31 December 2021 (1)	1947 023	2 332 667	5 000
Cash			
Interest	- 66 488	-	- 207
Amortisation (2)	- 129 345	-	- 2 041
Other financial expenses	- 3 796	-	-
Non Cash			
Effective rate (3)	417	-	-
Specialised interest (4)	- 505	-	-
Other financial expenses (5)	- 37	-	-
Other expenses (6)	- 3869	-	- 13
31 December 2022 (1) + (2) + (3) + (4) + (5) + (6)	1 813 683	2 332 667	2 946

	BORROWINGS	SHAREHOLDER'S Borrowings	LEASES
31 December 2020 (1)	2 577 593	2 343 354	6 879
Cash			
Interest	- 88 098	-	- 319
Amortisation (2)	- 629 288	-	- 2042
Other financial expenses	- 4101	-	-
Non Cash			
Effective rate (3)	806	-	-
Specialised interest (4)	- 1350	- 21	-
Other financial expenses (5)	- 37	-	-
Other expenses (6)	- 700	- 10 667	162
31 December 2021 (1) + (2) + (3) + (4) + (5) + (6)	1947 023	2 332 667	5 000



1

ANNUAL REPORT 2022

13. SHARE CAPITAL AND RESERVES

i) SHARE CAPITAL

The share capital is represented by registered shares in book-entry form, belonging to the portuguese state and held by the general directorate of treasury and finance.

On 31 december 2021, the share capital was \in 9.870.180 thousand, fully subscribed and paid up by

its shareholder, corresponding to 1.974.036 shares with a nominal value of \in 5 thousand each.

During 2022 the share capital was increased as follows:

MONTHS	31-12-2022		
	NO. OF SHARES	AMOUNT	
January	8 000	40 000	
February	69 894	349 470	
March	19 290	96 450	
Мау	24 981	124 907	
June	26 333	131 663	
August	24 832	124 160	
September	17 000	85 000	
October	14 400	72 000	
November	32 965	164 825	
December	18 700	93 500	
	256 395	1 281 975	

On 31 December 2022, this will total \leq 11.152.155 thousand, corresponding to 2.230.431 fully subscribed and paid-up shares.

The basic /diluted earnings per share are as follows:

	31-12-2022	31-12-2021
Profit attributable to shareholder (in euros)	47 783 531	13 532 696
Average number of shares during the period	2 120 861	1 793 296
Average number of diluted shares during the period	2 120 861	1 793 296
Basic earnings per share (in euros)	22,53	7,55
Diluted earnings per share (in euros)	22,53	7,55

Basic and diluted earnings per share are 22,53 euros as there are no dilution factors.



IP calculates its basic and diluted earnings per share by using the weighted average of the shares in circulation during the reporting period, as follows:

	31-12-2022
January	1 982 036
February	2 051 930
March	2 071 220
April	2 071 220
May	2 096 201
June	2 122 534
July	2 122 534
August	2 147 366
September	2 164 366
October	2 178 766
November	2 211 731
December	2 230 431
Average number of outstanding shares	2 120 861

ii) RESERVES

Reserves are made up as follows:

	31-12-2022	31-12-2021
Legal reserve	278 981	278 981
Merger reserves	4	4
	278 985	278 985

With regard to legal reserves, commercial legislation establishes that at least 5% of the annual net income is allocated to increase the legal reserve until it represents at least 20% of the share capital. This reserve is not available for distribution, except upon liquidation of the Company, but can be used to absorb losses once the other reserves have been exhausted, or to increase capital.





ANNUAL REPORT 2022

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14. PROVISIONS

See accounting policy 2.2.14.

The evolution of provisions for other risks and charges as of 31 December 2022 and 31 December 2021 was as follows:

	GENERAL RISKS	LAND Expropriations	CONTRACT WORKS	EMPLOYEE BENEFITS	DISQUALIFIED ROADS	VAT PROCEE- DINGS	TOTAL
31 December 2020	38 602	15 121	53 783	1 121	408 402	422 377	939 406
Increase/ Reinforcement	Expropriations	4 988	2 016	-	-	26 874	37 659
Reduction/ Utilisation	Contract	- 994	- 7914	- 164	- 2613	-	- 20 495
31 December 2021	works	19 115	47 885	957	405 789	449 251	956 571
Increase/ Reinforcement	Employee	1548	580	-	-	33 449	38 697
Reduction/ Utilisation	benefits	- 2204	- 8625	- 273	- 4155	-	- 28 027
31 December 2022	Disqualified	18 459	39 840	684	401 634	482 700	967 240

PROVISIONS FOR ONGOING LEGAL PROCEEDINGS

GENERAL RISKS:

Following analysis made by the Legal Affairs and Compliance Department, this provision concerns potential liabilities with litigation unrelated to employment contracts.

LAND EXPROPRIATIONS:

This provision was set up to deal with the risk of IP having to make additional payments in connection with land expropriation proceedings in litigation. The provision was set up following consultations with external and internal lawyers of the cases conducted by the Legal Department.

It should be noted that, by its nature, the total increases and reductions in this provision are offset by the intangible asset – Concession Right.

CONTRACT WORKS:

Provision set up relating to general litigation proceedings arising from road contract works.

It should be noted that increases /decreases in this provision are made against the intangible asset – Concession Right.

VAT PROCEEDINGS:

In 2010 it was decided that, for conservative reasons, and in light of the developments in the VAT proceedings described in Note 10, it was decided to set up a provision for the estimated impact of an unfavourable decision against IP concerning these VAT proceedings.



As the issue which originated the dispute between the extinct EP and the AT was the acceptance or not of the RSC as an income subject to VAT, a provision equivalent to the total VAT deducted by the extinct EP and IP on activities financed by the RSC was made. It should also be noted that the consideration of this provision was based on the accounting classification of the expense that gave rise to the deductible VAT, i.e. VAT deducted from expenses in the year was provisioned against expenses, in the amount of € 23.143 thousand (2021: € 20.635 thousand) and the VAT deducted regarding the acquisition or construction of assets was provisioned against intangible assets – Concession rights, in the amount of € 6.239 thousand).

PROVISIONS FOR OTHER NON LITIGATION SITUATIONS

EMPLOYEE BENEFITS:

IP grants temporary early retirement benefits and retirement and survival pension benefits to its employees.

The complementary retirement and survival pension benefits attributed to the employees constitute a defined benefit plan under which IP pays early retirement pensions to a closed group of employees covered by the plan until such time as they retire under the Caixa Geral de Aposentações system.

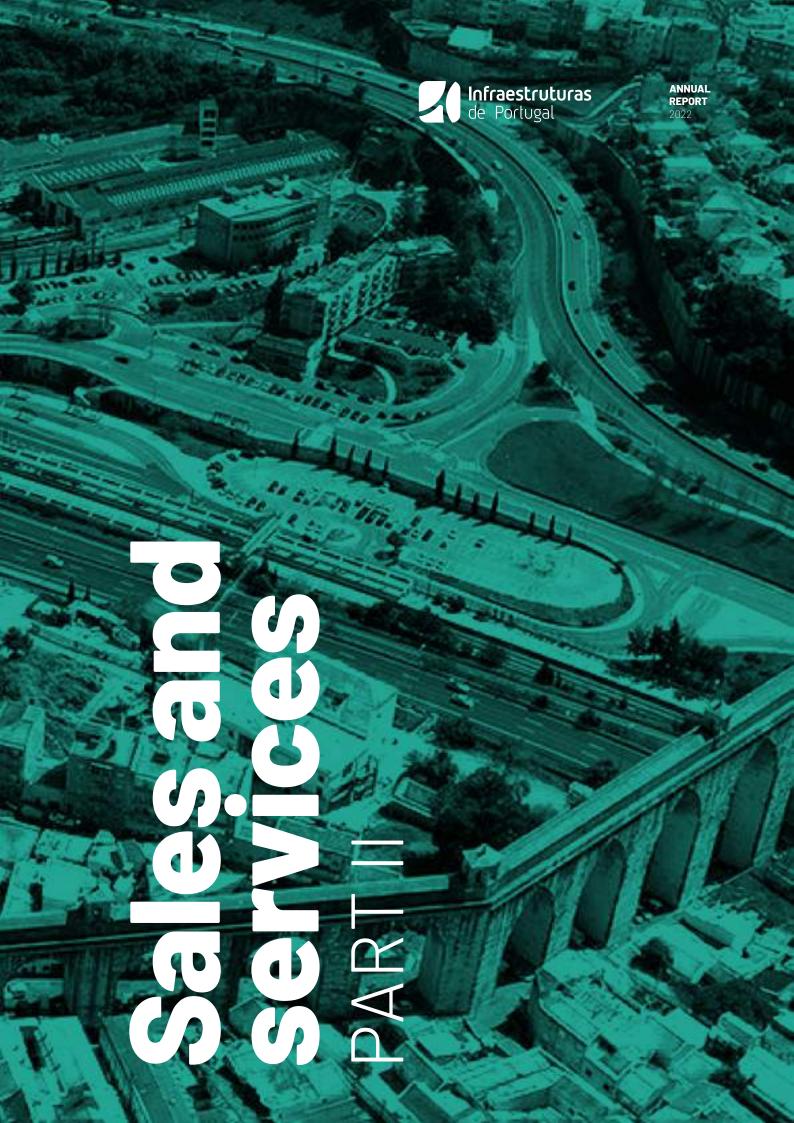
This provision relates to liabilities on benefits attributed to an already limited group of 27 beneficiaries (2021: (28) for a limited period of time. It was therefore the opinion of the Executive Board of Directors that it was not necessary to have the annual liabilities assessed by a specialised firm, as this could be done internally.

The movement in the year corresponded to the revision of the estimated provision to be paid in subsequent periods, with a direct impact on results in the amount of \in 116 thousand (2021: 0) and the use of provision in accordance with payments in the period, amounting to \in 157 thousand (2021: \notin 157 thousand).

PROVISION FOR DECLASSIFIED ROADS:

IP is required to transfer declassified roads within the National Road Plan to become the responsibility of Municipalities, having set up a provision which reflects the best estimate to fulfil the obligations of renovating declassified roads still under the Company's responsibility. The implementation of the Transfer Protocols for the Local Authorities led to the use of this provision amounting to € 4.155 thousand in 2022 (2021: €2.613 thousand).





15. SALES AND SERVICES

See accounting policy 2.2.15.

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, the details of services rendered were as follows:

	NOTES	2022	2021
Road Service Contribution	26.2	665 501	636 392
Tolls		294 646	264 225
Use of slots (fees)		67 582	66 377
Construction contracts		50 947	56 370
Construction of new infrastructures	6, 17	40 289	28 457
Subconcessionned network - construction (revision of estimates)	17	-	16 953
Capitalized financial expenses	6	10 658	10 959
State Grantor - Revenue LDI	26.2	32 199	32 106
Other		27 562	17 201
		1 138 436	1072 672

The unit values of the Road Service Contribution (RSC - fee paid by users for use of the road network) for 2022 remained unaltered compared to 2021, at € 87/1,000 litres for gasoline, € 111/1,000 litres for road diesel and € 63/1,000 litres for LPG vehicles.

In comparison with the same period of the previous year, there was an increase in the RSC (+4,6%). This positive change can be explained by the lifting of restrictions linked to the COVID-19 pandemic which, at the beginning of 2021, led to the adoption of strong containment measures with a significant impact on road traffic and consequently lower fuel consumption.

With regard to Tolls, the increase in comparison with the same period of the previous year (€30.421 thousand) was essentially due to the increase in road traffic to levels slightly above the pre-COV-ID-19 period. Reference should be made to the new discount scheme in the ex-SCUT Concessions, which came into force on 1 July 2021, resulting in a 50% reduction in toll tariffs. If on the one hand this

translates into a potential loss of revenue, on the other, motivated by the effect of the price reduction, it may provide a stimulus to circulation.

The largest share of toll income results from the use of the State Concessions network, in which IP is the holder of the revenue from the collection of toll fees, reaching around \in 233.894 thousand (2021: \notin 208.433 thousand)

The item Use of slots (fees) refers mainly to income from the Infrastructure User Fees (UF). Passenger tariffs reached \in 60,572 thousand and Freight \in 7.268 thousand, which represented an increase of 3,23% and a decrease of 0,01%, respectively, compared to the same period.

Construction Contracts reflect IP's income from its NRN construction activity, as stipulated in the Concession Contract. This includes all IP's construction activities, whether carried out directly or through sub-concession.



The amounts corresponding to the construction of New Infrastructure concern construction activities under IP's direct management, and are calculated based on monthly monitoring reports indicating the physical evolution of the works and the expenses directly attributable to preparing the asset for its intended use.

The construction of the Sub-concession Network is determined based on the construction values contracted for each sub-concession and the percentage of completion reported to IP by each sub-concessionaire. It therefore reflects the physical evolution of the works and is independent from the revenue flow. In 2021, taking into account the new contract signed with the Baixo Tejo sub-concessionaire, on 29 July 2021, which reflects the non-construction of some sections provided for in the initial contract, it became necessary to review the value of the construction estimate of this sub-concession and this amount is shown in the item sub-concession Network – Construction (Revision of estimates).

Capitalized financial expenses correspond to the financial expenses incurred by IP during the road construction phase and consist of the financial expenses used to finance the acquisition of the State Concession Network.

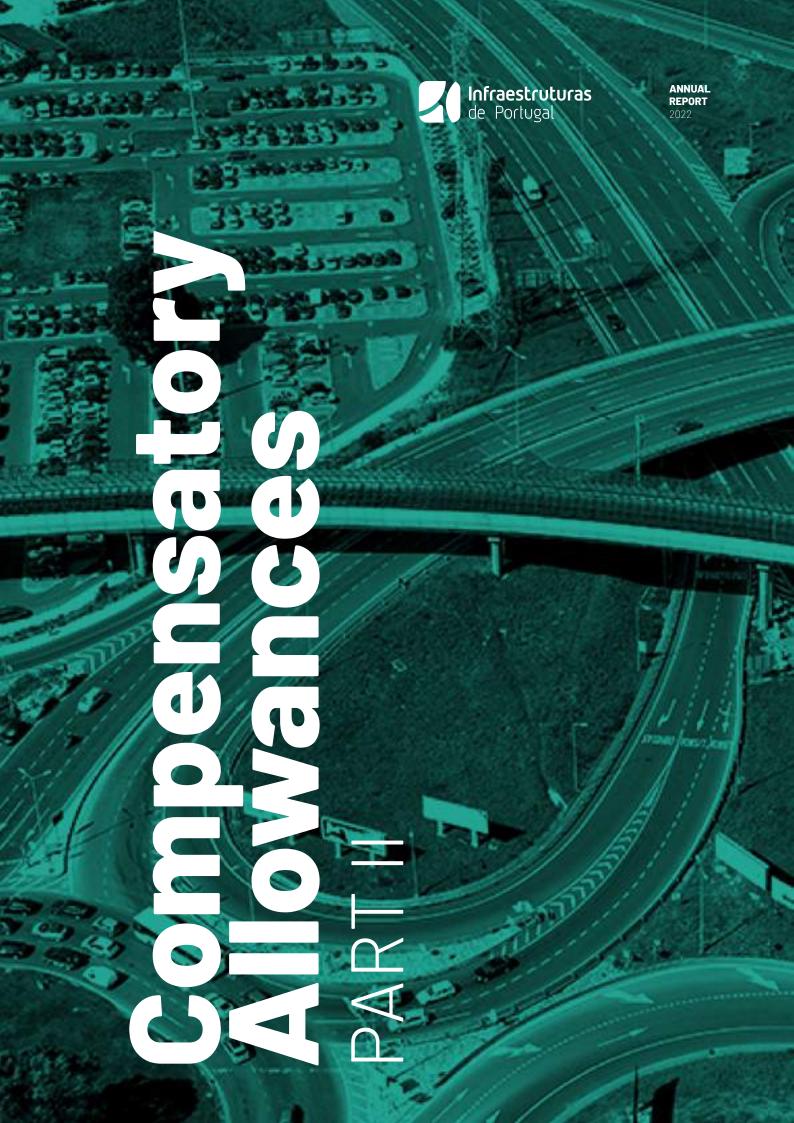
The item State Grantor – LDI Revenue, corresponds to the repayment of expenses incurred with Long Term Infrastructure to the Grantor, namely, materials and labour for Investment and the respective structural expenses, under the terms of IFRIC 12.

In summary, in 2022, the increase in Services Rendered, with a direct impact on results, of about + \in 36.375 thousand compared to December 2021, should be highlighted, being related to RSC (+ \notin 29.109 thousand), IP tolls (+ \notin 4.959 thousand), Rail fare (+ \notin 1.205 thousand) and other miscellaneous items (+ \notin 1.102 thousand).

Additionally, and although without impact on the result, there were increases in revenues from tolls on State Concessions ($+ \notin 25.461$ thousand), own construction contracts ($+ \notin 11.831$ thousand) and

traction energy (+ \leq 9.051 thousand), but whose effects are offset under the cost of goods sold and materials consumed (- \leq 36.723 thousand and in supplies and external services (- \leq 9.846 thousand).





16. COMPENSATORY ALLOWANCES

See accounting policy 2.2.13.

In compliance with Decree-Law No. 217/2015 of 7 October which transposed into Portuguese Law Directive No. 2012/34/EU, of the Parliament and of the Council, of 21 November 2012 and through the Resolution of the Council of Ministers No. 10-A/2016, of 11 March, the Programme Contract between the Portuguese State and IP was entered into on 11 March 2016 (retroactive to 1 January 2016), in which the terms and conditions of the provision, by IP, of the public service obligations for the management of the infrastructure that is part of the National Railway Network are defined and regulated, including the setting of the compensatory indemnities, to be paid by the State, during the 2016-2020 period.

The attribution of financial compensation by the State is sustained by the fact that IP's activity consubstantiates the provision of a service of public interest, which, by its nature, is distinct from activities of an economic nature that the Company would undertake if it were considering its commercial interests, and which is intended to ensure the coverage of specific costs resulting from the fulfilment of public service obligations.

As it has not yet been possible to conclude the negotiations for the new Programme Contract, this was extended until the first half of 2022 through 3 amendments:

- two amendments entered into in 2021, through Resolution of the Council of Ministers No. 117/2020 relating to the 1st half of the year and Resolution of the Council of Ministers No. 104/2021 relating to the 2nd half of the year;
- one amendment entered into in 2022, through Resolution of the Council of Ministers No. 13/2022 for the 1st half of 2022.

All amendments were made within a logic of applying twelfths in relation to what the 2016-2020 Programme Contract stipulated for 2020. By 31 December 2022, a new amendment extending the period of force to the second half of 2022 had not been received. Therefore, from a perspective of continuity with this Programme Contract, IP recognised the amount relative to this period in results based on the value attributed in the 1st half of 2022.

In view of the above, the amount allocated in 2022, within the scope of the Program Contract, was \in 55.055 thousand, an equal mount to the same period in the previous year.



ANNUAL REPORT 2022

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17. COST OF GOODS SOLD AND MATERIALS CONSUMED

See accounting policy 2.2.12.

From 1 January 2022 to 31 December 2022 and in the same period of 2021, the details of this item is as follows:

	NOTES	2022	2021
Capitalization Concession Tolls		219 118	192 739
Construction of new infrastructures	6, 15	40 289	28 457
Railway equipment	9	21 178	20 992
Subconcessioned network - Estimate Revision		-	16 953
		280 585	259 142

As mentioned in Note 2.2.15 (revenue) the amounts received from tolls on State concessions (net of collection costs) are deducted from IP's investment in the acquisition of rights over that same concessioned network.

This deduction is offset in this item. The change in this item results from the verified increase in toll revenues from State concessions net of toll collection costs (\notin 26.379 thousand).

The amounts corresponding to the construction of New Road Infrastructures concern construction activities under the direct management of IP and are calculated based on monthly monitoring reports stating the physical evolution of the works. The variation in the current year is essentially due to the construction work on the stretch of the bypass of the EN 14 between Maia and Trofa (\leq 14.794 thousand). Expenses with railway materials concern mainly various types of materials included in the investment and in the maintenance of railway infrastructures.

The new contract signed with the sub-concession holder Baixo Tejo on 29 July 2021, which reflects the nonconstruction of some stretches foreseen in the initial contract, justified the need to review the estimated construction value of this sub-concession, which justifies the value of the item Sub-concession Network - Estimate Revision in 2021.



ANNUAL REPORT

PART

18. EXTERNAL SUPPLIES AND SERVICES

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, external supplies and services were detailed as follows:

	NOTES	2022	2021
Railway maintenance		80 145	75 680
Current Maintenance and Road Safety		70 918	64 673
Regular road maintenance		55 665	55 665
Operation and Maintenance Sub-concessions		53 125	42 360
Electricity		33 337	14 430
Toll collection costs		17 896	18 904
Collection costs RSC	26.2	13 310	12 728
Cleaning, Hygiene and comfort		7 348	6 012
Surveillance and Safety		6 808	6 733
Specialised works		4 615	3 927
Software licences		3 517	3 351
Insurance		3 486	1 614
Fuel		2 582	1923
Maintenance and repair		2 365	1 743
Other		4 433	4 039
		359 550	313 781

The costs of railway maintenance relate essentially to the outsourcing of maintenance services for:

i) track in the amount of \in 33.785 thousand (\notin 32.760 thousand in 2021);

ii) signalling in the amount of \in 13.024 thousand (\in 11.409 thousand in 2021);

iii) railway telematics which rose to \leq 8.818 thousand (\leq 10.428 thousand in 2021);

iv) deforestation in the amount of \in 5.960 thousand (€ 5.519 thousand in 2021);

v) building construction in the amount of \in 5.946 thousand (\notin 3.550 thousand in 2021); and

vi) catenary totalling \in 5.508 thousand (\in 5.342 thousand in 2021);

vii) low voltage which rose to \in 2.322 thousand (\notin 1.969 thousand in 2021);

viii) use of the first aid train in the amount of \in 1.590 thousand (\in 1.454 thousand)

The Current Maintenance and Road Safety item contains the year's expenditure on regular maintenance of roads and engineering structures and road safety.



Regular Road Maintenance corresponds to the recognition of the increase in the responsibility of the IP Group with the costs needed to maintain the service level of the routes and road engineering structures which is required of it by the Concession Contract. This value does not correspond to a need for investment in conservation in the period but rather the average annual investment needed to maintain the service level of the network.

Operating costs and maintenance of sub-concessions result from the accounting recognition of the operation and maintenance carried out by sub-concessionaires under the Sub-concession Contracts in force.

Electricity costs showed an increase of about 130% compared to 2021, as a result of the significant adjustments in market tariffs, which not only represented a price increase, but also made it difficult for IP to enter into longer-term contracts, as was previously the case.

The expenses for collecting the RSC correspond to 2% of the RSC withheld by the Tax Authority for provision of the service of the calculation and collection of the RSC (Note 26.2).





ANNUAL REPORT

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19. EMPLOYEE BENEFITS EXPENSE

See accounting policy 2.2.16.

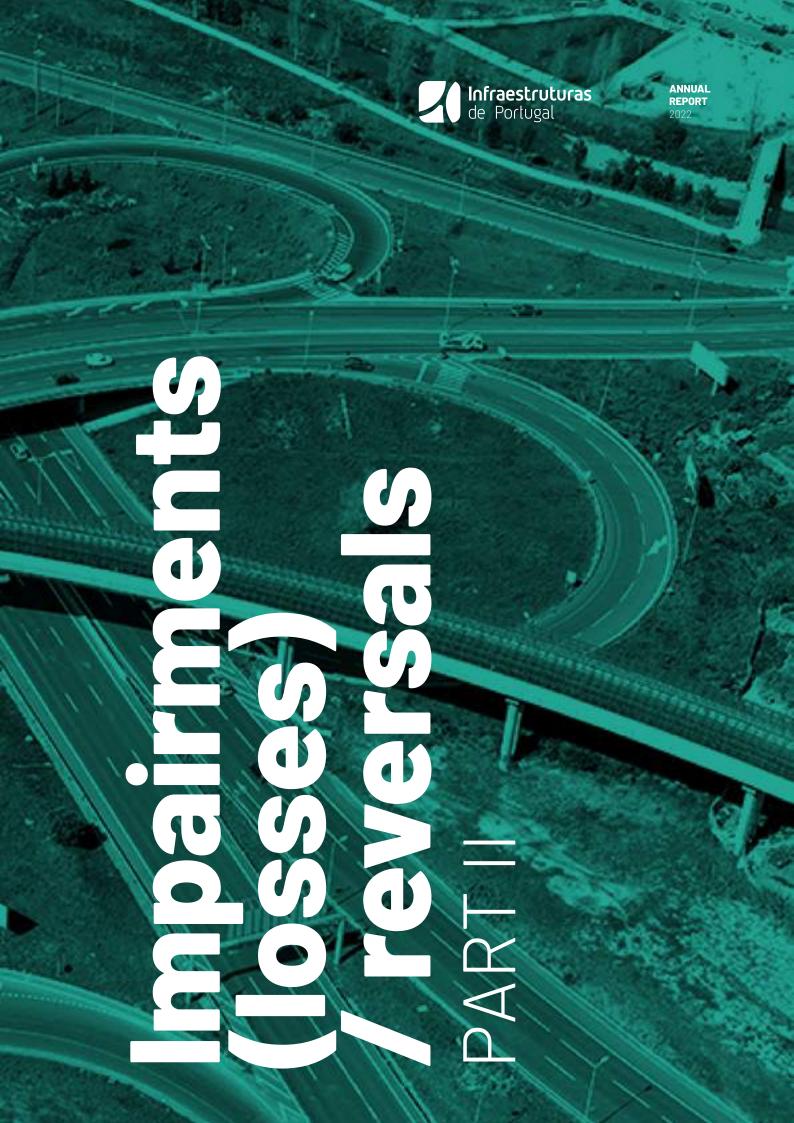
From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, personnel costs were detailed as follows:

	2022	2021
Wages	103 307	102 347
Wage expenses	23 365	23 157
Other Personnel Expenses	3 721	3 534
Occupational accidents insurance	799	988
Social security expenses	514	547
Remuneration of members of governing bodies	533	542
	132 239	131 114

In 2022, IP employee benefits expense (\leq 132.239 thousand) increased by approx. \leq 1.125 thousand compared to 2021 (+0,86%), when such costs were \leq 131.114 thousand.

The Company's average workforce was made up of 3.414 workers, as against 3.431 in 2021.

Despite this reduction in staff, Wages and Staff Related Expenses increased \in 1.168 thousand (+0,93%), resulting from the application of the Collective Bargaining Agreement, translating into wage rises as provided in the Career System and cash payments associated with different work formats.



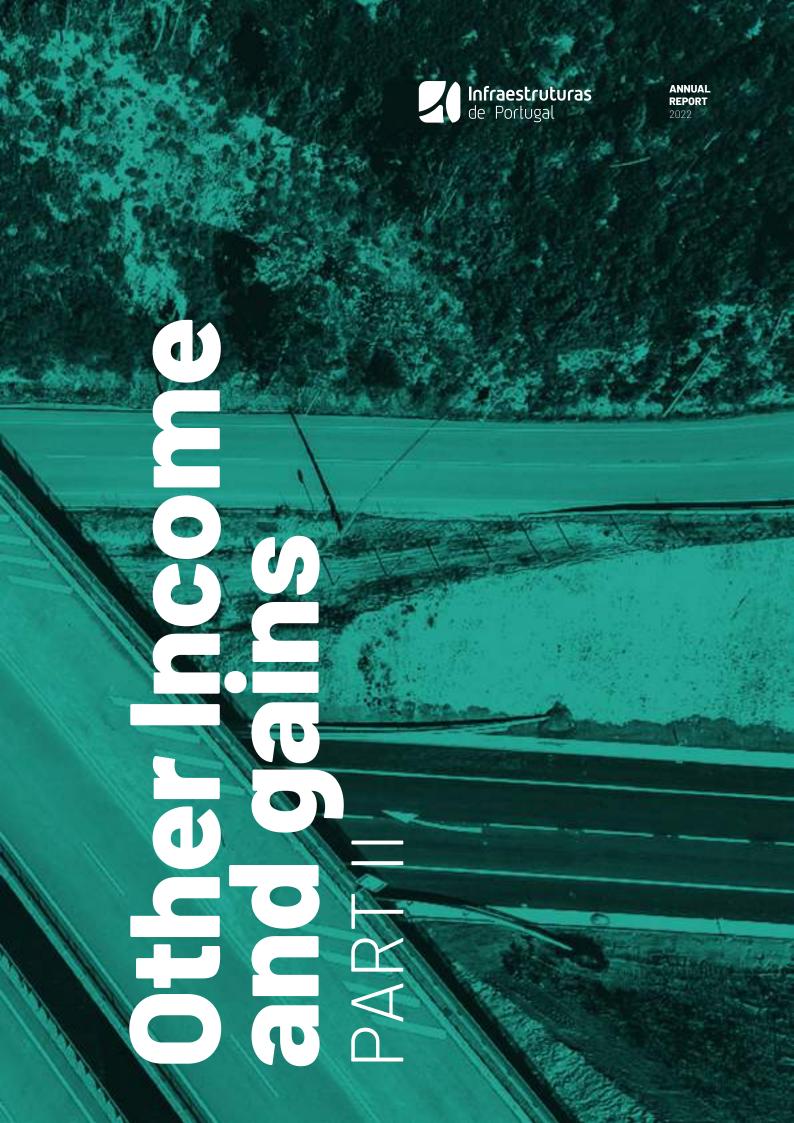


See accounting policy 2.2.17.

The evolution of impairment for the years ended at 31 December 2022 and 31 December 2021 was as follows:

NOTES	INVENTORIES	GRANTOR	TRADE RECEIVABLES (CLIENTS)	OTHER ACCOUNTS RECEIVABLE	TOTAL
	9	12.2.1	12.2.3	12.2.4	
Balance as at 31 December 2020	1 3 9 5	305 200	1343	9 2 2 6	317 164
Increase / (Reversal)	- 721	-	199	1688	1 166
Used	-	-	-	- 34	- 34
Balance as at 31 December 2021	673	305 200	1542	10 880	318 296
Increase / (Reversal)	-509	-	-449	86	- 873
Used	-	-	-	- 2536	- 2 536
Balance as at 31 December 2022	164	305 200	1 093	8 429	314 886

Of note were the movements which occurred in inventories, concerning the reversal of materials sold as scrap (Note 21) and in other receivables, concerning the Write-off of balances that were fully adjusted.



21. OTHER INCOME AND GAINS

Other income and gains from 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021 can be broken down as follows:

	Notes	2022	2021
Allocation of investment grants	11.2.1	66 349	61 452
Income from concession fees		8 854	8 854
Concessions for use and licences		7 860	7 575
Telecommunications		5 285	4 865
Gains on the sale of waste/used materials		3 011	1563
Other unspecified		1 713	4 835
Accidents		1 618	1 4 7 9
Operating grants		1 3 9 6	132
Other		5 097	8 514
		101 182	99 269

Income is recorded in Allocation of Investment grants and determined according to the period of the Road Concession, at the same amortisation rate as the related asset.

The item Concession Signature Fees refers to the amount recognised in 2022 of the Fee assigned when signing the Grande Lisboa and Douro Litoral Concessions, which have been deferred throughout the period of these concessions.

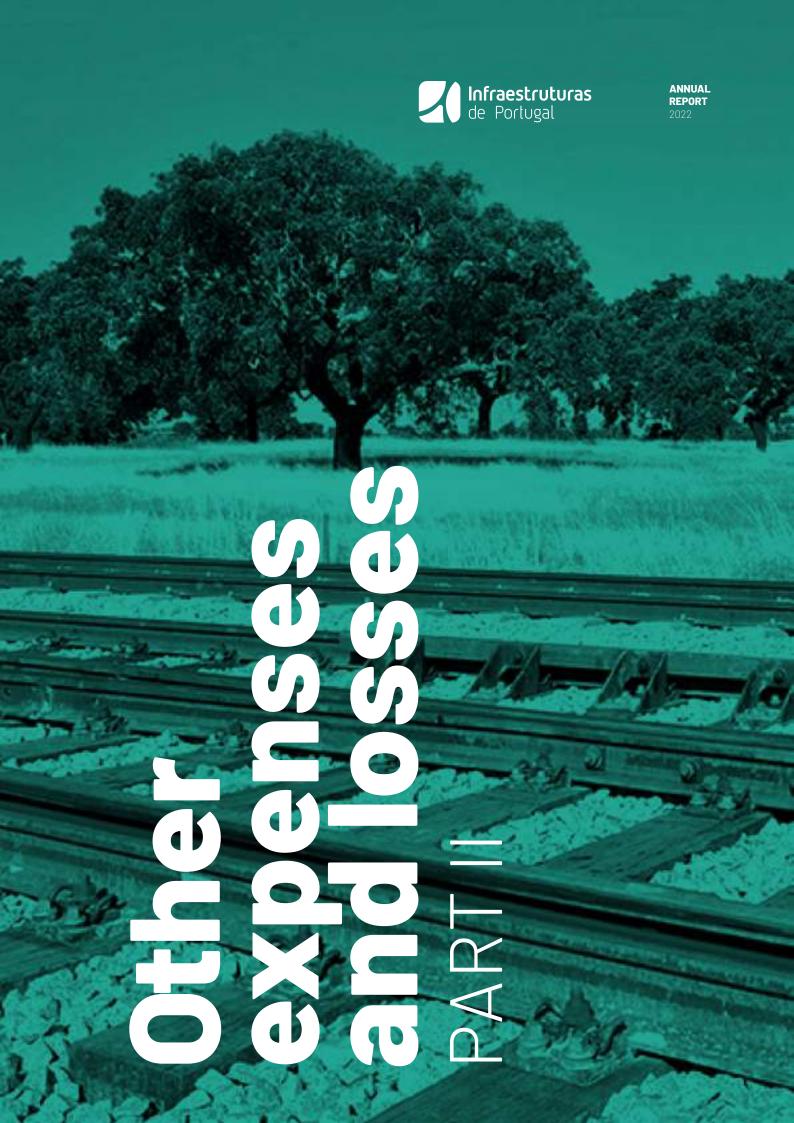
With regard to the item Concessions for use and licences, of Note is the rent associated with the Concession Agreement for the Operation of Assets on the Railway Public Domain and Management of Assets of the Private Domain of IP entered into with IP Património amounting to \leq 6.011 thousand (2021: \leq 4.328 thousand).

The Telecommunications item includes the value of the Sub-concession Contract for the Operation of the Telecommunications Infrastructure integrated in the Public Road and Railway Domain, entered into with IP Telecom, which includes the current sub-concession for the operation of the telecommunications infrastructure as well as the operation of the Technical Road Channel built or to be built under the administration and management of IP.

In the item Gains from the sale of waste/used materials, the most relevant value is related to the sale of ferrous waste in the amount of \notin 2.871 thousand (2021: \notin 1.365 thousand) in which part of these materials were impaired in previous years (Note 20). This item includes, among others, the sale of obsolete materials that were impaired.

The item "others not specified" essentially records the reversal of a supplier debt which was in litigation as the proceedings which closed with a favourable decision for the Company in the amount of \notin 1.170 thousand.

The Accidents item corresponds to the revenue resulting from the reimbursement of damages caused on the National Road Network.



22. OTHER EXPENSES AND LOSSES

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, other expenses and losses were as follows:

	2022	2021
Road and Rail Activity Regulatory Fees	2 929	1 441
Indirect taxes and other charges	1280	811
Other indemnities	760	2 023
Donations and contributions	643	595
Losses on inventories	569	5 486
Compensation for material damages	378	401
Irrecoverable debt	239	77
Compensatory interest	-	109
Other	603	159
	7 402	11 103

The amount recorded in the item Road Activity Regulation Fees relates to the Road Infrastructure Regulation Fee, which is due to the AMT – Autoridade da Mobilidade e dos Transportes, I.P (Note 26.2).

The item indirect taxes and other fees includes, among others, the fee related to the mobile land service, the fees paid to the Portuguese Environment Agency, the stamp tax related to civil liability, automobile, health and accidents at work insurance.



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ANNUAL REPORT



See accounting policy 2.2.4.

The breakdown of income/ (expenses) in subsidiaries for the periods ended 31 December 2022 and 31 December 2021 was as follows:

	NOTES	2022	2021
Dividends from subsidiaries	26.3	3 669	381
(Increase)/ Reversals of impairments	4	399	1 308
Gains / (Losses) from the application of the equity method* in associated companies		9	-
		4 077	1689

*Equity method

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ANNUAL REPORT 2022

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24. FINANCIAL LOSSES AND GAINS

See accounting policy 2.2.11.

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, the financial gains and losses were as follows:

	NOTES	2022	2021
Financial losses		250 416	280 254
Interest paid:			
Borrowings		65 983	86 909
Sub-concessions		174 407	184 399
Leases		208	319
Other interest paid		21	20
Other financial losses		9 797	8 607
Financial gains		59 216	59 679
Other interest earned		1	3
Interest earned - State Grantor	12.2.1	59 214	59 676
Financial results		- 191 200	- 220 576

Interest paid on borrowings relates to interest incurred with the debt contracted for the High-Performance Road, Railway Infrastructure Investment Activity and Railway Infrastructure Management Activity business segments.

Expenses from the financial updating of debts to sub-concessionaires for the works / services provided are recorded in the interest paid by Sub-concessions, which will be invoiced in the future, in accordance with the terms stipulated in the respective Sub-concession Contracts. This amount is the result of IP's liability to the sub-concessionaires for the road construction and operation and maintenance services already provided but not yet paid, in the amount of \notin 1.568.586 thousand (Note 12.3.4, indirect management debt), which bears interest in accounts at rates between 5% and 11%.

The lowering compared to 2021 is essentially due to the decrease in interest on borrowings through the reduction of debt and the decrease in sub-concession interest, through reducing the debt to Subconcessionaires.

The increase in other financial losses is due to the provision of new bank guarantees provided within the scope of the VAT proceedings with the AT (Note 10).

The item interest earned includes interest charged to the State grantor (Note 12.2.1) which is calculated based on the same financing terms as the activity of investing in long-duration infrastructure. The maintenance of the debt stock refinancing policy through capital increase operations contributed to reducing this item.

Other financial losses relate to the charges incurred with the fees for the guarantee made by the Portuguese government, bank commissions and the accrual of charges associated with bond issues.





See accounting policy 2.2.10.

The breakdown of the tax amount for the year recognised in the Separate Comprehensive Income Statement for the periods ending at 31 December 2022 and 31 December 2021 is as follows:

	NOTES	2022	2021
Impact on the comprehensive income staten	nent		
Current income tax		- 32 094	- 38 092
Deferred income tax	8	36 178	26 210
		4 085	- 11 881

The tax rate used to determine the amount of tax for the year in the Financial Statements is as follows:

	2022	2021
Nominal tax rate	21,00%	21,00%
Municipal surcharge	1,25%	1,25%
State surcharge (1)	7,51%	9,00%
Income tax	29,76%	31,25%
Taxable temporary differences	31,25%	31,25%
Deductible temporary differences	31,25%	31,25%
Tax losses	21,00%	21,00%

(1) 3% on taxable income between € 1.5 million and € 7.5 million/5% on taxable income between € 7.5 million and € 35 million / 9% when taxable income exceeds € 35 million.



The reconciliation of the effective tax rate for the periods under review is shown below:

	%	2022	%	2021
PROFIT BEFORE TAX		43 699		25 414
CIT - Nominal rate + Municipal Surcharge + State Surcharge	-31,25	- 13 656	-31,25	- 7 942
State surcharge - Amount to be deducted / added	3,65	1 595	6,28	1595
Tax losses and RETGS benefits	1,14	498	1,56	397
Corrections of previous years estimates	-0,24	- 105	-2,58	- 655
Deductible permanent differences	3,39	1 482	3,45	877
Permanent taxable differences	-2,24	- 981	-6,40	- 1 627
Undercapitalisation	36,34	15 882	-15,55	- 3 951
Autonomous taxation	-1,44	- 630	-2,26	- 575
CIT – Effective Rate	9,35	4 085	-46,75	- 11 881

In both years, the change between the effective rate and the nominal rate is mainly explained by the impact of the non-acceptance of net financing expenses (Subcapitalisation).

ed future decrease in the weight of the Company's financial results, due to both the future maturity of borrowings and the expected decrease in interest from subconcessions.

Since 2021 these financing costs have been considered as a temporary difference, and the expectation of their future deduction is estimated according to the Company's Activity Plan and Budget, when this estimate is updated and reviewed.

The amounts of net financing costs accrued in previous periods, respective expiry periods and expected recovery amounts are presented below.

The evolution of these costs reflects the expect-

ACCRUED YEAR	LAST YEAR OF DEDUCTION	ACCRUED AMOUNTS	AMOUNTS TO DEDUCT
2017	2022	28 316	-
2018	2023	23 245	-
2019	2024	40 985	10 667
2020	2025	97 664	35 954
2021	2026	55 785	47 342
2022	2027	26 364	26 364
		272 359	120 328





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ANNUAL REPORT 2022

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See accounting policy 2.2.18.

26.1. SUMMARY OF RELATED PARTIES

Entities identified as related parties of IP at 31 December 2022 and 31 December 2021, under the provisions of IAS 24 – Related Parties, are as follows:

	RELATIONSHIP	% HOLDING (2022)	% HOLDING (2021)
Subsidiaries			
IP Engenharia	Field	98,4300%	98,4300%
IP Património	Field	99,9968%	99,9968%
IP Telecom	Field	100,0000%	100,0000%
Associate companies			
CCF (Centro de Competências Ferroviário)	Significant influence	31,6500%	31,6500%
Joint operations			
AVEP	-	50,0000%	50,0000%
AEIE, CFM4	-	25,0000%	25,0000%
Other related entities			
AMT	Regulatory entity	-	-
Portuguese State (*)	Shareholder / Grantor	-	-
CP	Control relationship - State (Railway operator)	-	-
Members of governing bodies			

(*) Strictly speaking

26.2. SIGNIFICANT BALANCES AND TRANSACTIONS WITH PUBLIC ENTITIES

IP is fully owned by the Portuguese State. The shareholder functions are carried out by the Directorate-General of the Treasury and Finances; the company is under the joint authority of the Ministry of Infrastructures and the Ministry of Finance.

The following table shows the main balances and transactions between IP and the State and the Public Entities in the financial years ending on 31 December 2022 and 31 December 2021:



31-12	2-2022	NOTE	AS	SETS	LIABII	LITIES	INVESTMENT	INCOME	EXPENSES
NATURE	CAPTION NON CURRENT		CURRENT	NON CURRENT	CURRENT	NON CURRENT			
Rail operator fee	Clients/ Suppliers	12.2.3/12.3.3	3 330	-	2 421	-	3 638	70 951	3 637
Rail operator fee	Other accounts receivable - Sundry	12.2.4/12.3.4	8 679	-	357	-	-	-	-
Compensator y Allowances	Compensatory Allowances	16	-	-	-	-	-	55 055	-
Grantor - State - Account Receivable	Grantor - State - Account Receivable	12.2.1	4 474 940	-	-	-	-	-	-
State Grantor - Revenue LDI	Rendered services	15	-	-	-	_	-	32 199	-
Grantor	Interest earned - State Grantor	24	-	-	-	_	-	59 214	-
TRIR/F	Other income and gains / Other expenses and losses	22	-	-	-	-	-	-	2 929
RSC	Rendered services	15	-	-	-	-	-	665 501	-
RSC	Other accounts receivable - accruals	12.2.4	80 092	-	-	-	-	-	-
RSC - collection costs	External supplies and services	18	-	-	-	-	-	-	13 310
RSC	Other accounts payable - Accruals		-	-	1602	-	-	-	-
Shareholder's Borrowings	Shareholder funding/ Borrowings	12.3.2	-	-	2 332 667	-	-	_	-
Shareholder's Borrowings - Interest	Interest paid - Borrowings	24	-	-	-	-	-	-	-
			4 567 041	0	2 337 046	0	3 638	882 920	19 876

31-12	2-2021	NOTE	AS	SETS	LIABII	LITIES	INVESTMENT	INCOME	EXPENSES
NATURE	CAPTION NON CURRENT		CURRENT	NON CURRENT	CURRENT	NON CURRENT			
Rail operator fee	Clients/ Suppliers	12.2.3/12.3.3	31 0 32	-	13	-	321	59 933	3 474
Rail operator fee	Other accounts receivable - Sundry	12.2.4/12.3.4	822	-	945	-	-	-	-
Compensator y Allowances	Compensatory Allowances	16	-			-	-	55 055	-
Grantor - State - Account Receivable	Grantor - State - Account Receivable	12.2.1	4 136 729		-				
State Grantor - Revenue LDI	Rendered services	15	32 106		32 106	-			
Grantor	Interest earned - State Grantor	24	-	596		59 676	-		
TRIR/F	Other income and gains / Other expenses and losses	22	-	-	-	-	-	2 941	1441
RSC	Rendered services	15	-	6363		636 392	-		
RSC	Other accounts receivable - accruals	12.2.4	78 690	-	-	-	-	-	-
RSC - collection costs	External supplies and services	18	-	-	-	-	-	-	12 728
RSC	Other accounts payable - Accruals		-	-	1574	-	-	-	-
Shareholder's Borrowings	Shareholder funding/ Borrowings	12.3.2	-	-	2 332 667	-	-	-	-
Shareholder's Borrowings - Interest	Interest paid - Borrowings	24	-	-	-	-	-	-	162
			4 247 273	0	2 335 199	0	321	846 103	17 805



26.3. BALANCES AND TRANSACTIONS WITH SUBSIDIARIES

At 31 December 2022 and 31 December 2021, balances with subsidiaries were made up as follows:

	NOTES	31-12-2022	31-12-2021
BALANCES RECEIVABLE			
Non current			
Borrowings granted	12.2.2	10 805	10 805
IP Património		10 805	10 805
Current			
Trade receivables	12.2.3	1 817	2 158
IP Património		1 816	2 143
IP Telecom		1	15
Other accounts receivable		4 836	1692
Shareholders	12.2.4	1737	927
IP Engenharia		975	106
IP Telecom		761	811
IP Património		-	10
Accounts receivable for accrued income	12.2.4	3 100	765
IP Património		1 659	757
IP Telecom		1 3 3 7	8
IP Engenharia		103	-
		17 458	14 654

	NOTES	31-12-2022	31-12-2021
BALANCES PAYABLE			
Current			
Trade Payables	12.3.3	1338	1447
IP Engenharia		-	191
IP Património		584	-
IP Telecom		754	1256
Other accounts payable	12.3.4	5 392	2 930
Suppliers of investment		181	1 139
IP Engenharia		181	1 139
Shareholders		1945	1 513
IP Património		1945	1 513
Creditors for accruals	12.3.4	2 998	109
IP Engenharia		230	109
IP Património		1 155	-
IP Telecom		1 614	-
Other accounts payable		267	168
IP Telecom		267	168
Deferred liabilities		72	272
IP Telecom		72	272
		6 801	4 649

Transactions carried out with subsidiaries from 1 January 2022 to 31 December 2022 and 1 January 2021 to 31 December 2021 were as follows:

	NOTES	31-12-2022	31-12-2021
Investments		2 796	4 153
IP Engenharia		2 796	4 153
Rendered services		165	63
IP Património		85	63
IP Telecom		79	-
Other income		12 477	11 183
IP Engenharia		58	220
IP Património		6 856	5 251
IP Telecom		5 563	5 712
Dividends received	23	3 669	380
IP Engenharia		1 0 6 1	380
IP Património		1 308	-
IP Telecom		1 300	-
External supplies and services		7 427	8 3 4 7
IP Engenharia		157	183
IP Património		1 101	885
IP Telecom		6 170	7 279
Personnel expenses		11	0
IP Telecom		11	-
Other expenses		66	78
IP Engenharia		65	76
IP Telecom		1	2



The main intra-group transactions are related essentially to the following services rendered/received:

Investimentos / IP Engenharia - Development of studies and projects, management, coordination and supervision, and advisory services.

Other income / IP Património – Concession contract between IP and IP Património, which gives IP Património the power to administer, manage and explore the assets of the public railway domain not allocated to railway exploration, and the assets of IP's private domain.

Other income / IP Telecom - Shared services protocol and concession contract in place.

Supplies and services / IP Telecom – Maintenance services, within the scope of the sub-concession contract, for the maintenance and provision of communications service on the use of fibre optics installed in the public railway and road domain.

26.4. BALANCES AND TRANSACTIONS WITH RAILWAY OPERATORS

The balances with railway operators at 31 December 2022 and 31 December 2021 are as follows:

	NOTES	31-12-2022	31-12-2021
BALANCES RECEIVABLE			
Current			
Trade receivables	12.2.3	3 330	31 0 32
Other accounts receivable	12.2.4	8 679	822
Accounts receivable for accrued income		8 679	822
		12 009	31 854
BALANCES PAYABLE			
Current			
Trade payables	12.3.3	2 421	13
Other accounts payable		287	945
Creditors for accruals	12.3.4	238	829
Surety bonds		49	49
Investment Suppliers		-	68
		2 707	958

The detail of transactions with railway operators for the periods from 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021 is presented below:

	31-12-2022	31-12-2021		
Investment	3 638	321		
	3 638	321		
Rendered services	70 711	59 932		
Other income	240	1		
	70 951	59 933		
Supplies and services	2 136	2 488		
Personnel expenses	1249	849		
Other expenses	252	137		
	3 637	3 474		

The main transactions with railway operators refer essentially to the following services rendered/received:

The amounts under the investment item result from road transfers that were carried out following various works/repairs/rehabilitations on the railway line, which caused it to become unusable.

The services provided refer mainly to the use of railway infrastructure, requested and unused capacity, traction energy from substations, parking of rolling stock, use of stations and halts and utilities consumption.

Supplies and services essentially comprise the supply of electric power and traction, maintenance of rail vehicles and equipment and the provision of services related to the Train Socorro under the scope of the CP/IP Protocol;

The amount under the heading staff costs relates to transport concessions billed under the Contract on "Use of CP Transport by ex-REFER employees and beneficiaries";

26.5. JOINT OPERATIONS

The impacts of jointly controlled operations on the Financial Statements of IP as at 31 December 2022 and 31 December 2021 are presented below:

	31-12-2022	31-12-2021
Assets	130	952
Liabilities	7	83

	31-12-2022	31-12-2021		
Rendered services	-	127		
Profit/(Loss) for the period/year	26	10		



26.6. REMUNERATION OF THE MEMBERS OF THE CORPORATE BODIES

GENERAL ASSEMBLY BOARD

President: (*)

Vice-Chairman: (**) Paulo Miguel Garcês Ventura Secretary: Maria Isabel Louro Carla Alcobia

(*) The previous Chairman of the Board of the General Meeting resigned on 24 January 2020 and has not been replaced to date.

(**) The Vice-Chairman of the Board of the General Meeting resigned on 19 December 2022.

The members of the Board of the General Meeting were elected for the 2018-2020 term and hold office without remuneration.

EXECUTIVE BOARD OF DIRECTORS

Composition of the EBD for the period from 1 January to 25 August 2022

No Chairman due to the resignation of António Carlos Laranjo da Silva on 31.12.2021.

Vice-Chairman: José Serrano Gordo and Carlos Alberto João Fernandes

Voting members: Vanda Cristina Loureiro Soares Nogueira, Alberto Manuel de Almeida Diogo and Alexandra Sofia Vieira Nogueira Barbosa

The terms of office and the remuneration status associated with the positions were established at a general meeting held on 29 March 2018.

Composition of the EBD for the period from 26 August to 31 December 2022

Chairman: Miguel Jorge de Campos Cruz. **Vice-Chairman:** Carlos Alberto João Fernandes e Maria Amália Freire de Almeida.

Voting members: Vanda Cristina Loureiro Soares Nogueira e Alexandra Sofia Vieira Nogueira Barbosa e Ana Isabel Mota da Silva Coelho.

The terms of office and the remuneration status associated with the positions were established at a general meeting held on 26 August 2022.

The remuneration status having been defined, the 5% reduction foreseen in article 12 of Law No. 12-A/2010, of 30 June was applied to the gross values calculated.

No variable performance remuneration was awarded to its managers.

The accumulation of functions by the Chairman of the Executive Board of Directors, Miguel Jorge de Campos Cruz is authorised, under the terms and pursuant to the provisions of Article 20(3)(c) of the Articles of Association, for the exercise of teaching activities at public higher education or public interest establishments.

The annual remuneration received by the members is presented below:

(Figures in Euro)

		2022	2021		
	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION	
Carlos Alberto João Fernandes	94 188	21 943	93 724	21 847	
Alexandra Sofia Vieira Nogueira Barbosa	83 861	19 504	83 492	19 420	
Vanda Cristina Loureiro Soares Nogueira	83 793	19 504	83 447	19 420	
José Saturnino Sul Serrano Gordo	78 121	18 248	93 660	21847	
Alberto Manuel de Almeida Diogo	53 560	12 584	83 492	19 420	
Miguel Jorge de Campos Cruz	36 506	8 556	-	-	
Maria Amália Freire de Almeida	34 341	8 036	-	-	
Ana Isabel Mota da Silva Coelho	29 331	6 845	-	-	
António Carlos Laranjo da Silva	28 413	6 714	103 888	24 274	
	522 114	121 935	541 702	126 227	

GENERAL AND SUPERVISORY COUNCIL

The remunerations of the members of the General and Supervisory Board, which includes a Financial Matters Committee, were defined at the general meeting of 28 August 2015.

After requesting it, the members of this body identified below exercise their positions without remuneration:

 José Emílio Coutinho Garrido Castel-Branco, for having been appointed public manager of another entity of the State Business Sector, from the beginning of 2017 until 25 October 2022, date on which he ceased the said position of public manager that he held in accumulation.

 Duarte Manuel Ivens Pita Ferraz, due to retirement, since July 2017.

Since 26 October 2022, Mr. José Castel-Branco has held, in a remunerated capacity, the position of Chairman of the Financial Matters Committee of the General and Supervisory Board, receiving 30% of the monthly remuneration of the Chairman of the Executive Board of Directors currently in office.

(Figures in Euro)

	2	2022	2021			
	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION		
José Emílio Coutinho Garrido Castel-Branco	5 502	-	-	-		
	5 502	0	0	0		

According to article 391, No. 4 of the Commercial Companies Code, approved by Decree-Law No. 262/86, of 2 September 1986, by remission of article 435, No. 2 of the same Code, the members of the General and Supervisory Board remain in office until a new appointment is made.

CERTIFIED PUBLIC ACCOUNTANT

With regard to the Statutory Auditor, at the general meeting of 19 March 2019 (Minute of the General Meeting No. 03/2019), an amount equivalent to 35% of the overall remuneration of the Chairman of the Executive Board of Directors was set for this position, as a maximum limit for the fees to be attributed, to which VAT at the legal rate in force shall be added.

(Figures in Euro)

	2022	2021
Vítor Almeida & Associados, SROC, Lda.	35 773	35 773



ANNUAL REPORT



27. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards, interpretations and amendments with an effective date as from 1 January 2022

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements (Commission Regulation 2021/1080 of 28 June 2021)

This set of minor amendments to IFRS will be effective for annual financial periods beginning on or after 1 January 2022:

- Amendments to IFRS 3: Updating a reference in IFRS 3 to the Standard Financial Reporting Framework without changing the requirements for accounting for business combinations;
- Amendments to IAS 16: It prohibits an entity from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the entity is preparing the asset for its intended use. Instead, the entity shall recognise the consideration received from those sales and the related cost in profit or loss;
- Amendments to IAS 37: It specifies which costs an entity should include when assessing whether or not a contract is an onerous contract;
- Annual improvements with minor changes to IFRS 1, IFRS 9 and IAS 41, and the illustrative examples in IFRS 16.

These amendments are effective for annual periods beginning on or after 1 January 2022.

There were no relevant impacts of these changes.

Amendments to IFRS 16: Concessions related to COVID at the level of rents beyond 30 June 2021 (Commission Regulation 2021/1421 of 30 August 2021)

These amendments extend the practical expedient available to lessees in accounting for Covid-19 related rent concessions for one year. The practical expedient provided by the previous amendment to IFRS 16 issued in May 2020 (and endorsed by the European Union on 9 October 2020 by Commission Regulation 2020/1434) was available for reductions in lease payments affecting payments that were originally due on or before 30 June 2021. The present amendment extends that period to 30 June 2022.

Applicable to financial years beginning on or after 1 April 2021, with early adoption permitted, including financial statements that have not yet been authorised for issue by 31 March 2021.

There were no impacts of this change.

New standards, interpretations and amendments with effective dates for annual periods beginning on or after January 1, 2023

IFRS 17: Insurance Contracts (Commission Regulation 2021/2036 of 19 November 2021)

IFRS 17 addresses the comparison problem created by IFRS 4 by requiring all insurance contracts to be accounted for consistently, thus benefiting both investors and insurance companies. Insurance obligations are now accounted for using current values rather than historical cost. The information is now regularly updated, providing more useful information to the users of the financial statements.

Applicable to financial years beginning on or after 1 January 2023.

No impacts from this standard are expected.

Amendments to IAS 1 and IAS 8 (Commission Regulation 2022/357 of 2 March 2022)

The amendments to IAS 1 require entities to disclose material information about their accounting policies rather than disclosing significant accounting policies.



The amendments to IAS 8 clarify how entities should distinguish between changes in accounting policies and changes in accounting estimates. This distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other events, but changes in accounting policies are generally applied retrospectively to past transactions and other events.

Applicable to financial years beginning on or after 1 January 2023, with earlier adoption permitted.

No relevant impacts are expected from these changes.

Amendments to IAS 12: Deferred taxes relating to assets and liabilities arising from a single transaction (Commission Regulation 2022/1392 of 11 August 2022)

IAS 12 provides an exemption for entities from recognising deferred taxes when they arise from the initial recognition of assets and liabilities. However, there was some uncertainty about whether this exemption would apply to transactions such as leases and decommissioning obligations in which the entities recognise simultaneously both an asset and a liability.

This amendment clarifies that the exemption from initial recognition does not apply to those transactions that result in equal amounts of taxable and deductible differences arising on initial recognition and, therefore, entities should recognise deferred tax associated with such transactions.

Applicable for annual reporting periods beginning on or after 1 January 2023, with earlier adoption permitted.

This amendment will be the subject of our future analysis.

Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 - Comparative information (Commission Regulation 2022/1491 of 8 September 2022)

IFRS 17 and IFRS 9 have different transition requirements. For some insurers, these differences may cause accounting mismatches between financial assets and insurance contract liabilities in the comparative information that is presented in their financial statements when IFRS 9 and IFRS 17 is applied for the first time.

This amendment, through the introduction of an option for a presentation of comparative information on financial assets, helps insurers to avoid these temporary accounting mismatches and thus enhances the usefulness of comparative information for investors.

Applicable for annual reporting periods beginning on or after 1 January 2023, being permitted to apply this amendment only upon initial application of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments.

No impacts of these changes are expected.

Standards (new or revised) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) not yet endorsed by the European Union

Additionally, up to the approval date of these Financial Statements, the following standards and interpretations, not yet endorsed by the European Union, have been issued by the IASB:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued by the IASB on 11 Sep14)

This amendment clarifies the accounting treatment for transactions when a parent loses control in a subsidiary when selling all or part of its interest in that subsidiary to an associate or joint venture accounted for using the equity method. The date of application of these amendments has not yet been defined and the endorsement process by the European Union will only begin after confirmation of the date of application of the amendments by the IASB.

No relevant impacts are expected from this change.

IFRS 14: Accounting for Regulatory Deferrals (issued by the IASB on 30Jan14)

This standard allows first-time adopters of IFRSs to continue to recognise regulatory assets and liabilities in accordance with the policy followed under the previous standard. However to allow comparability with entities that already adopt IFRS and do not recognise regulatory assets / liabilities, the referred amounts have to be disclosed in the Financial Statements separately. Applicable to financial years beginning on or after 1 January 2016, the European Commission having decided not to initiate the process of endorsement of this transitional standard and to wait for the definitive standard to be issued by the IASB.

No impacts from this standard are expected.

Amendments to IAS 1 - Presentation of Financial Statements (issued by the IASB on 23Jan20 and updated on 15Jul20 and 31 October 2022)

These amendments to IAS 1 - Presentation of Financial Statements clarify the requirements that an entity applies to determine whether a liability is classified as current or as non-current. These amendments, in nature, are intended to be only a reduction in scope, clarifying the requirements of IAS 1, and not a modification to the underlying principles. Applicable to financial years beginning on or after 1 January 2024, with these changes still subject to endorsement by the European Union.

This amendment will be the subject of our future analysis.

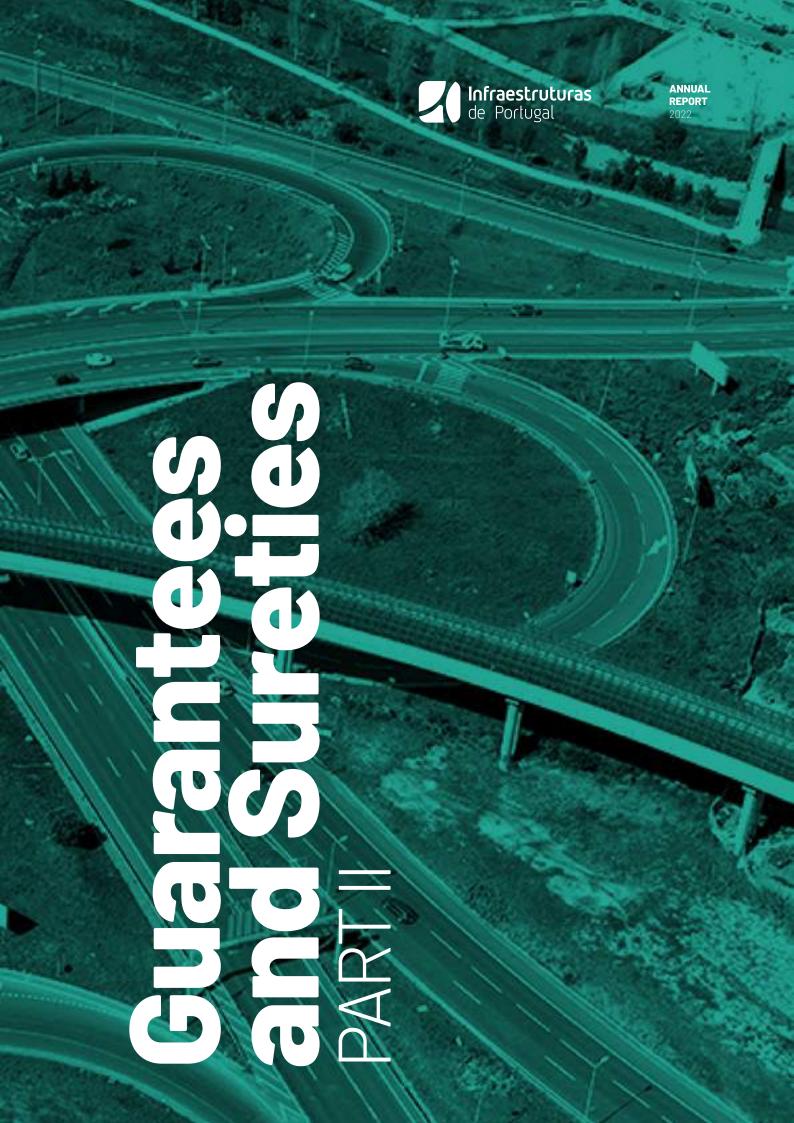
Amendments to IFRS 16 - Lease liabilities in a sale and leaseback transaction (issued by the IASB on 22 Sep 22)

The International Accounting Standards Board (IASB) has issued a limited scope amendment to the requirements for sale and leaseback transactions included in IFRS 16 Leases, adding to the existing requirements explanations on how an entity accounts for the sale and leaseback transaction after the respective transaction date.

IFRS 16 includes requirements on how an entity should account for a sale and leaseback transaction at the date when the transaction occurs. However, IFRS 16 did not specify how that transaction should be measured after that date. The amendments now issued are in addition to the sale and leaseback requirements of IFRS 16, thus supporting a consistent application of this accounting standard. These amendments do not change the accounting for leases other than those resulting from a sale and leaseback transaction.

Applicable for annual financial periods beginning on or after 1 January 2024 and still subject to endorsement by the European Union.

This amendment will be the subject of our future analysis.





28. GUARANTEES AND SURETIES

At 31 December 2022, the liabilities assumed for bank guarantees provided totalled \in 1.365.746 thousand (2021: \in 981.958 thousand), with the following detail:

- Guarantees amounting to € 1.360.994 thousand
- (2021: € 976.918 thousand) provided in favour of the Tax Authority arising from the VAT process (note 10).
- Guarantees amounting to € 4.752 thousand (2021: € 5.040 thousand) provided in favour of courts within the framework of litigation proceedings and to other entities.



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ANNUAL REPORT 2022

29. CONTINGENCIES

See accounting policy in note 2.2.14.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security) except when there have been tax losses, tax benefits have been granted, or tax inspections, claims or challenges are in progress, in which cases, depending on the circumstances, the time limits are extended or suspended. The Executive Board of Directors, based on information from its tax advisors, believes that possible tax contingencies should not have a significant effect on the Financial Statements at 31 December 2022, considering the provisions made and the expectations existing at this date, including the situation of judicial challenge regarding the VAT dispute.

COURT CASES

On 31 December 2022, ongoing legal proceedings relating to railway expropriations amounted to \leq 51.741 thousand (in 2021: \leq 19.849 thousand, which is not reflected in the Statement of Financial Position. In these cases, only when the values are decreed, are deposits made to the order of the court where the process is taking place. These deposits are equivalent to the arbitrated value and are kept by Caixa Geral de Depósitos, and their resolution does not result in a charge for the Company, but rather for the Grantor of the railway infrastructures.

There are also other actions related to accidents that occurred in railway infrastructures of which the Company is manager, and damages caused to properties belonging to others and imputable to the Company. These actions are covered by the IP's activity insurance.

GRANTS/SUBSIDIES

The subsidies allocated to the concession were awarded in accordance with the eligibility conditions applicable to the respective applications, although they are subject to audits and possible correction by the competent authorities. In the case of applications for Community subsidies, these corrections may occur over a period of five years from the payment of the balance. In the case of subsidies allocated to railway investment activity on behalf of the Grantor, the return has repercussion only on the Grantor – State – account receivable.



ANNUAL REPORT

PARI II

30. COMMITMENTS

IP's commitments result essentially from the obligation to comply with the commitments assumed in relation to the Road Subconcession Contracts and the substitution of the State in its payments and receipts of the Road Network Concession.

IP's net expenses with State Road Concessions and Sub-concessions, including toll revenues after the end

of the State Concession Agreements with the private partners, which are IP's revenues, according to the Concession Agreement, at constant prices and with VAT, according to the values sent to the Directorate General of Treasury and Finance which served as a basis for the values presented in the corresponding table in the State Budget Report for 2023, are summarized in the table below:

EXPENSES OF CONCESSIONS AND SUB-CONCESSIONS (\mathbb{CM})	2023	2024	2025	2026	2027	2028	2029	2030	2031
Gross expenses	1 414	1241	1 0 9 9	1 008	906	821	725	603	538
Revenues	- 352	- 359	- 505	- 637	- 514	- 510	- 472	- 378	- 278
Net expenses	1062	882	594	371	392	311	254	225	260

EXPENSES OF CONCESSIONS AND SUB-CONCESSIONS (€M)	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Gross expenses	379	298	287	232	159	135	154	37	11	-
Revenues	- 223	- 192	- 193	- 195	- 189	- 160	- 172	- 23	- 7	-
Net expenses	156	106	94	36	- 31	- 25	- 18	14	4	0

Source: Report on the State Budget 2023

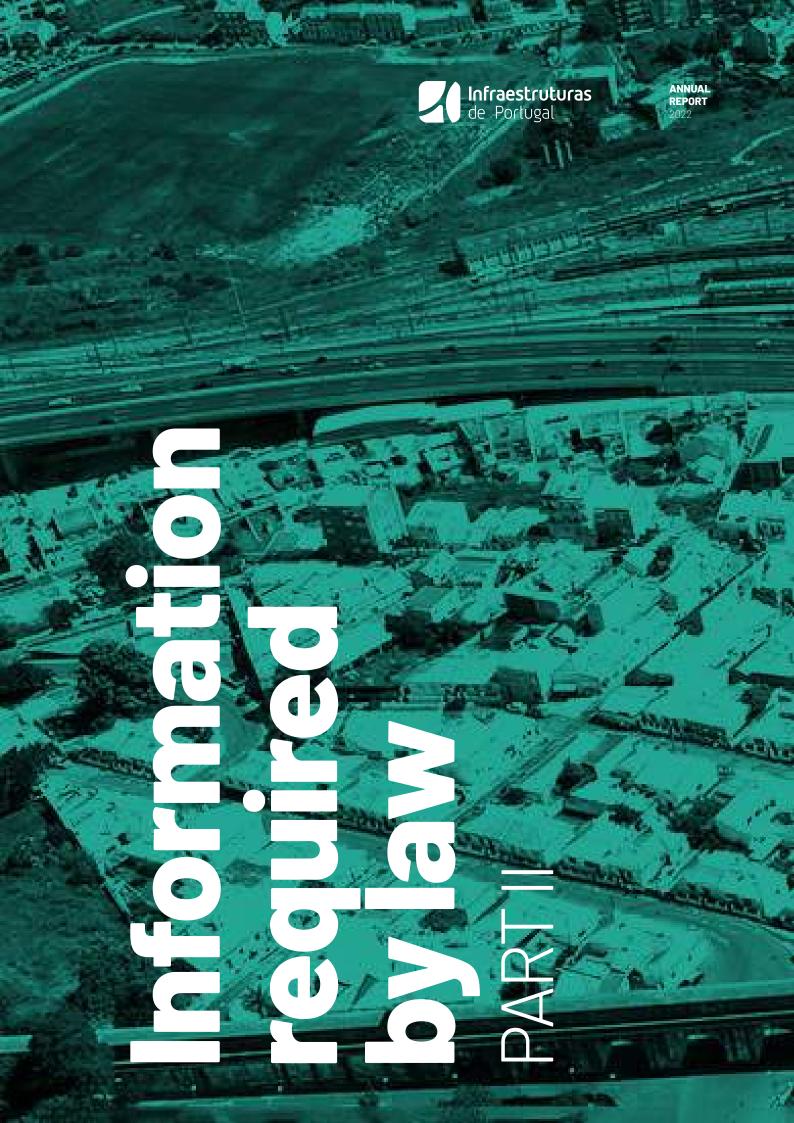
As per State Budget Report 2023:

"With regard to the values relating to road partnerships shown in the table above, the budget forecasts were based on the contracts in force and their current conditions, not considering the expectations regarding the outcome of the negotiation processes in progress.

Only the payment, in 2022, referring to the injunction decision on the arbitration action brought by Rotas do Algarve Litoral, S.A., by which IP was condemned to provisionally pay the sub-concessionaire the sum of approximately 30 million euros (on account of work already carried out by the same, paid in 2021) and a monthly amount of approximately 1.26 million euros, until the decision of the main case, having the public partner brought an action to annul the injunction decision, there being no final decision issued, at the date of drafting this report, in the main arbitration action or in the action to annul the injunction decision.

tioned, no estimates were considered regarding the resolution of this process, either in terms of value or in terms of date of resolution, and only the payments resulting from compliance with the aforementioned arbitration injunction regarding 2022 were recognised, in a global amount of about 20 million euros (amount including VAT).

In relation to the Douro Interior, Litoral Oeste and Baixo Tejo sub-concession contracts, the forecasts of the respective net charges do not include, as in previous budget years, the so-called contingent compensations, in line with the position expressed by the Court of Auditors in this regard."



31. INFORMATION REQUIRED BY LAW

- a) Under the terms of nº 1 of Article 21 of Decree-Law No. 411/91, of 17th October, the Company confirms that it does not owe any Social Security contributions. The company also informs that it does not owe any debts to the Tax Administration.
- **b)** Impact of IP's activity on National Accounts and Public Accounts (Basis 12, number 3, paragraph c) of Decree-Law No. 110/2009 of 18 May).

i. National Accounts:

After consulting the National Institute of Statistics (INE), it is understood that all IP accounting items have a direct impact on national accounts. The flows that IP establishes with units outside the general government perimeter will have a direct effect on the general government aggregates (deficit and/or debt), the effect and magnitude of which will depend on the operations in question. Thus, for example, when the PI receives interest from financial investments outside the General Government perimeter, it contributes positively to the General Government balance. When IP pays for services provided by companies outside the General Government perimeter, it increases public expenditure and, consequently, the deficit; if IP finances itself with the financial sector or the Rest of the World, it increases public debt.

By the very nature of the system of national accounts, the estimation of the impact of a single unit should be taken as indicative only. Consisting of an integrated system, to bring out the underlying economic relationships more explicitly, national accounts methodology requires that the transactions of a unit or set of units sometimes undergo transformations whose analytical effect only makes sense in the broader set of the system of accounts.

ii. Public Accounts:

The presentation of accounts in a public accounting perspective adopts the so-called cash basis, in which financial flows - payments and receipts - are recorded.

IP is now integrated in the Reclassified Public Entities and is considered to be an Autonomous Service and Fund, thus being integrated in the universe of the State Budget.

FORWARD-LOOKING INFORMATION

Table I refers to Forecast Information on the financial flows for IP as at 31 December 2022, bearing in mind the commitments already made by the Company. It should be noted that it will be necessary to make investments during the course of the IP Road Concession Contract in order to comply with the NRP 2000 whose financial flows of expenditure and revenue are not covered by the figures in the following table. The values already include the estimated impacts of the renegotiations of the Subconcession Contracts in progress.

The annual net results, annual financing requirements, dividends payable and income taxes (CIT) were projected.



FORWARD-LOOKING INFORMATION															
Figures at current prices thousand€															
		2023	2024	2025		2035		2045		2055		2065		2075	 208
Net Income		86.252	93.786	108.949		567.300		1.702.955		2.418.960		3.445.480		4.776.079	 5.893.19
Annual borrowing requirements		1.247.708	1.064.174	678.730		-		-		-		-		-	
Dividends payable	(a)	-	-	-		504.158		1.648.145		2.334.988		3.337.392		4.631.792	 5.721.61
Income tax (CIT)	(b)	(43.585)	(46.701)	(52.367)		(231.404)		(676.733)		(956.160)		(1.354.753)		(1.872.117)	 (2.301.616
Financial flows with the State	(c)	657.874	665.982	672.431		(37.819)		(1.474.334)		(2.254.338)		(3.428.280)		(4.963.265)	 (6.253.51

FORWARD-LOOKING INFORMATION															
Figures at current prices thousand€															
		2023	2024	2025		2035		2045		2055		2065		2075	 2082
Net Income		81.678	87.071	99.165		423.589		1.043.117		1.215.505		1.420.287		1.615.088	 1.734.899
Annual borrowing requirements		1.181.535	987.976	617.775		-		-		-		-		-	 -
Dividends payable	(a)	-	-	-		376.442		1.009.544		1.173.310		1.375.731		1.566.296	 1.684.386
Income tax (CIT)	(b)	(41.274)	(43.357)	(47.664)		(172.783)		(414.522)		(480.461)		(558.453)		(633.079)	 (677.573)
Financial flows with the State	(c)	622.983	618.295	612.042		(28.238)		(903.079)		(1.132.784)		(1.413.197)		(1.678.387)	 (1.840.973)

(a) For these activities exclusively and since the equity restriction exercise was not performed, it is assumed that the available cash flow, from debt repayments, can be distributed as dividend cannot be higher than the net profit for the year.

(b) On a cash-flow basis.

(c) From IPs perspective. Includes outflows: Corporate Income Tax, Road Concession Income and Dividends and Inflows: Reduction of ISP (by creation of RSC), from a cash-flow perspective.





ANNUAL REPORT

32. OTHER RELEVANT FACTS

COMPENSATION, RESERVES OF RIGHTS, REQUESTS FOR RESTORING THE FINAN-CIAL BALANCE (REF) AND CHALLENGES TO FINES IN SUBCONCESSIONS AND SER-VICE PROVISION CONTRACTS.

Under the terms of the Sub-concession Agreements even before the submission of any con-

crete request for restoration of financial balance (REF), IP's counterparty has to formulate what is called a "reservation of right", i.e. it has to inform IP that it understands that a certain fact is eligible for REF purposes. After this reservation, REF applications are or can be submitted. It should also be noted that if the reservation of rights is not made within 30 days of the event occurring, the putative and possible entitlement to REF lapses.

The following REF applications were submitted by 31 December 2022:

SUB-CONCESSION	TYPE OF REQUEST MADE	FACT GENERATING REQUEST	STOCK OF THE SITUATION
Auto-Estrada Transmontana (AEXXI)	Interest on late payment of remuneration	Interest on arrears due to late payment of remuneration	The IP Group's Executive Board of Directors suspended payments, at least until the Court of Auditors decision on AL's CSA appeal; payments were resumed but only partially.
Auto-Estrada Transmontana (AEXXI)	Interest on late payment of remuneration	Interest on arrears due to late payment of remuneration	IP did not pay the remuneration due, the deadline for which was 31 August 2021; On 7 and 10 September 2021 the situation was fully regularised.
Baixo Alentejo	Interest on late payment of remuneration	Interest on arrears due to late payment of remuneration	IP did not pay the remuneration due, the deadline for which was 31 August 2021; On 7 and 10 September 2021 the situation was fully regularised.
Litoral Oeste (AELO)	Restoring financial equilibrium (based on unilateral modification of the Reformed SCC)	IC9-Alburitel/Carregueiros e IC9 - Car- regueiros/Tomar stretches; repair of pathologies in slopes transferred to AELO	Unilateral modification of the reformed SCC, IP decision. Unilateral change in Reformed SCC, IP decision There is consensus between IP/ AEL0 about the REF and amount required; IP triggered proceedings provided in DL 111/2012, of 23 May, letter SET dated 24.10.2019; pending Government decision (regarding the setting up of negotiation committee).
Litoral Oeste (AELO)	Interest on late payment of remuneration	Interest on arrears due to late payment of remuneration	IP did not pay the remuneration due, the deadline for which was 31 August 2021; On 7 and 10 September 2021 the situation was fully regularised.
Pinhal Interior (Ascendi PI)	Interest on late payment of remuneration	Interest on arrears due to late payment of remuneration	The IP Group's Executive Board of Directors suspended payments, at least until the Court of Auditors decision on AL's CSA appeal: payments were resumed but only partially.
Algarve Litoral	Compensation lawsuit	Lawsuit proposed by financing banks	In progress
Algarve Litoral	Termination of Reformed Sub-Concession Contract	Termination of Reformed Sub-Concession Contract, for reason attributable to IP	In progress
Algarve Litoral	Injunction within the scope of proceed- ings for the rescission of the reformed Sub-Concession Contract	Injunction in the context of the ac- tion for termination of the amended Sub-concession Contract	Decision: Arbitral decision: IP was sen- tenced to pay € 30,007,923.12, added of monthly sum payable until issuing of final decision, in minimum amount of € 1,162,805.95, and € 1,262.805.95 following 45 days from said arbitral decision; IP has requested the partial annulment of the decision (in respect of the Court consider- ing itself relevant)



SERVICE PROVIDER AGREEMENT	TYPE OF REQUEST MADE	FACT GENERATING REQUEST	STOCK OF THE SITUATION
Via Livre - Norte Litoral	Reinstatement of financial balance	Specific legislative amendment - Alteration of Law 25/2006, materialised in the approval of Law 64- B/2011 of 30 December.	IP accepted the expenses presented as eligible, and these will be approved or rejected on a caseby- case basis.

"OFFSETS, RIGHTS RESERVES AND RE-QUESTS FOR FINANCIAL BALANCE REPLA-CEMENT (REF) IN STATE CONCESSIONS"

As these are State concessions that are negotiated by the State with the Concessionaires, IP is not a party to the contracts and only has knowledge of these situations through the State's representative, the IMT. Under its Concession Agreement with the State, IP may eventually be called upon to pay for REF situations, if the Grantor so determines.

In 2022, IP recorded costs in the net amount of 1,518 thousand \in of contributions, compensation and rebalancing, of which we highlight the following:

i. Compensation to the concessionaire AEDL – Auto-Estradas do Douro Litoral, in the amount of 9,020 thousand€, under the terms of the sentence of the Arbitration Court of 7 February 2017.

ii. Execution of the Financial Rebalancing Agreements with Lusoponte, resulting in a balance of 8,178 thousand€ in favour of IP.

iii. Reimbursement of the Road Infrastructure Regulation Charge (TRIR) and Electronic Transaction Fee to the various concessionaires, totalling 676 thousand€.

COVID-19

After two years heavily impacted by the COVID-19 pandemic, 2022 saw a very significant increase in the use of the road-rail network to levels identical to those seen in 2019, the last year before the pandemic broke out.

Thus, the results obtained in 2022 demonstrate that a situation of normality has returned, and for this reason it is considered that the COVID-19 pandemic no longer had an impact on the Company's economic results, especially since the costs recorded with measures to prevent and combat the pandemic were only 128 thousand€, of which 126 thousand€ in the first half of the year.

From an operational point of view, the company maintained normal activity, without any type of operational conditioning due to the pandemic context.

International Geopolitical Situation

The current international geopolitical situation, motivated by the invasion of Ukraine by Russia, has led to the escalation of the inflation rate in the year 2022, with an even more significant impact on electricity, oil and gas.

This impact was inevitably reflected in the costs of Supplies and External Services, in particular the electricity consumed by IP.

This new geopolitical scenario also had an impact on the construction sector, with its impact on the cost of materials and labour, which is reflected in the cost of construction work, both in new projects, through the adjustment of base prices, and in projects already underway, through the increase in the value of contractually established price revisions.

Another potential impact of the price increase, particularly with regard to road fuels (diesel and petrol), would be a reduction in the use of the National Road Network, with an impact on associated revenues (RSC and tolls). However, existing indicators show that this is not happening, to which we can add the fact that currently the average price of petrol and diesel are already significantly lower compared to the values practised in mid 2022.

We can thus conclude that the greatest impact on IP's activity, motivated by the global geopolitical situation, was at the level of spending on electricity and construction costs, not affecting, at least in an evident manner, the demand for the road network under IP's management.





A R I ANNUAL REPORT 2022

33. EVENTS AFTER THE REPORTING PERIOD

See accounting policy 2.2.19.

i) Share Capital Increase

Through a Unanimous Social Deliberation, dated 24 February 2023, it was decided to increase IP's share capital by \notin 422.630 thousand, corresponding to 84.526 new shares.

By unanimous Social Deliberations, dated 6 March 2023, it was decided to increase IP's share capital by \leq 88.500 thousand, corresponding to 17.700 new shares.

ii) Extension of the programme contract

As disclosed in note 16, and after three amendments, the negotiations of the new Contract Railway Programme 2023-2027 have not yet been concluded.

iii) Law No. 24-E/2022 of 30 December 2022

The approved diploma, which comes into force from 1 January 2023, determines that the RSC is incorporated into the ISP and will be consigned to the road service assigned to IP.

The law also determines that part of the revenue from the tax on oil and energy products (ISP) is transferred from the State sub-sector Budget to IP, constituting the latter's own revenue, and that this revenue is compensation for the use of the national road network, constituting a source of funding for the national road network under the responsibility of IP, with respect to the respective conception, design, construction, maintenance, operation, requalification and widening.

It is only worth mentioning that the aforementioned Law also revoked the previous article 5 of Law No. 55/2007, of 31 August, which mentioned that the liquidation and collection charges incurred by the Directorate General of Customs and Excise would be compensated through the retention of 2% of the product of the CSR, which corresponded in the current financial year to \in 13.310 thousand (note18).

iv) Increase in tolls

In accordance with the decision taken in the Council of Ministers meeting of 22 December 2022, the Government established an exceptional regime for updating toll rates for 2023, setting this update at 4.9% for rates to be borne by users, by applying a coefficient of 1.049 to the rates in force in 2022, without prejudice to the rounding-off provided for in the contract.

v) Toll compensation mechanisms

Due to the high and unpredictable increase in the inflation rate during 2022, justified by the current international situation related to the war in Ukraine, the Government decided to adopt an exceptional updating scheme for toll tariffs and fees, by setting an updating coefficient for the calculation of tariffs and toll fees for the calendar year 2023, complemented by support for the use of toll road infrastructure, consisting of a payment to be made by the State, via the State Budget, to the concessionaires of the amount corresponding to the difference between 7.7% and the coefficient now set via Decree-Law No. 87- A/2022 (4,9%).

vi) Moratorium on State borrowings originating from the highway

Under the terms of Orders from the Minister of Finance No. 77/2023/MF dated 10 April 2023, the deferral of debt service payments on Borrowings, granted by the Directorate General of Treasury and Finance (DGTF) to IP, maturing on 30 November 2022, to 30 November 2023, without additional costs, was authorised.

vii) Amendment EBD

Alteration to the constitution of the Executive Board of Directors, with registration on 31 March 2023 of the cessation of functions of the Member of the Board of Directors, Ana Isabel Mota da Silva Coelho.



Almada, 13 April 2023

THE EXECUTIVE BOARD OF DIRECTORS

Financial Director Maria do Carmo Almiro do Vale Duarte Ferreira (Digitally Signed Document) Chairman Miguel Jorge de Campos Cruz (Digitally Signed Document)

Certified Accountant Diogo Mendonça Lopes Monteiro (Digitally Signed Document) Vice-Chairman Carlos Alberto João Fernandes (Digitally Signed Document)

Vice-Chairman Maria Amália Freire de Almeida (Digitally Signed Document)

Member Vanda Cristina Loureiro Soares Nogueira (Digitally Signed Document)

Member

Alexandra Sofia Vieira Nogueira Barbosa (Digitally Signed Document)





ARTII

5

1

REPORT AND ACCOUNTS 2022

Budgetary Statements

374-387

3. Administrative Contracting

3.1. Contracts situation 3.2. Awards by type of procedure

392-458

Annexes to the Budget Statements

388-389

1. Revenue Budget Changes

388-389

2. Budgetary Amendments to Expenditure

390-391

4. Transfers and Subsidies

4.1. Transfers and subsidies granted 4.2. Transfers and subsidies obtained

459-461



REPORT AND ACCOUNTS 2022

7 1



(Amounts in thousands of euros - thousand euros)

BUDGET STATEMENTS

BUDGET PERFORMANCE STATEMENT ON 31 DECEMBER 2022 AND 31 DECEMBER 2021

Amounts in thousands of euros-€)

ITEMS RECEIVABLES	SOURCES OF FINANCING (n)										
	RP	RG	UE	EMPR	EXTERNAL ASSETS	TOTAL					
PREVIOUS MANAGEMENT BALANCE	6 158	28 868	0 000	0 000	-29 844	5 182	241 023				
Budgetary operations [1]	6 158	28 868	0 0 0 0	0 0 0 0	0 000	35 026	270 867				
Return of the budget operating balance	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 000				
Receipt of balance returned by third parties	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 0 0 0	0 000				
Treasury operations [A]	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	-29 844	-29 844	-29 844				
CURRENT REVENUE	529 715	33 859	0 538	0 0 0 0	0 000	564 112	541982				
R1 Tax revenue	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 00				
R1.1 Direct taxes	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 00				
R1.2 Indirect taxes	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 00				
R2 Contributions to social security, CGA and ADSE	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000				
R3 Fees, fines and other penalties	367 384	0 0 0 0	0 0 0 0	0 000	0 000	367 384	340 055				
R4 Property income	5 257	0 0 0 0	0 0 0 0	0 0 0 0	0 000	5 257	2 972				
R5 Current transfers and subsidies	0 0 0 0	33 859	0 538	0 0 0 0	0 000	34 397	68 131				
R5.1 Current transfers	0 0 0 0	33 859	0 538	0 0 0 0	0 000	34 397	68 131				
R5.1.1 General Government	0 0 0 0	33 859	0 0 0 0	0 0 0 0	0 000	33 859	67 718				
R5.1.1.1 Central Government - State	0 000	33 859	0 0 00	0 000	0 000	33 859	67 718				
R5.1.1.2 Central Government - Other entities	0 0 0 0	0 0 0 0	0 0 00	0 000	0 000	0 0 0 0	0 000				
R5.1.1.3 Social Security	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 00	0 0 0 0	0 0 00				
R5.1.1.4 Regional Administration	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 00				
R5.1.1.5 Local Government	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 000				
R5.1.2 Exterior - E U	0 0 0 0	0 0 0 0	0 538	0 0 0 0	0 000	0 538	0 413				
R5.1.3 Other	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 000				
R5.2 Current Subsidies	0 000	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 000				
R6 Sale of goods and services	153 161	0 0 0 0	0 0 0 0	0 0 0 0	0 000	153 161	98 803				
R7 Other current revenue	3 913	0 0 0 0	0 0 0 0	0 000	0 000	3 913	32 021				



ITEMS RECEIVABLES			SOURCES	OF FINANCING	(n)		n-1
	RP	RG	UE	EMPR	EXTERNAL ASSETS	TOTAL	
CAPITAL REVENUE	18 720	650 817	167 836	0 000	0 000	837 373	720 239
R8 Sale of investment goods	10 404	0 000	0 0 0 0	0 0 00	0 0 0 0	10 404	3 992
R9 Capital transfers and subsidies	0 000	650 817	167 836	0 000	0 0 00	818 653	701 807
R9.1 Capital transfers	0 0 0 0	650 817	167 836	0 0 0 0	0 0 0 0	818 653	701 807
R9.1.1 General Government	0 0 0 0	650 817	0 0 0 0	0 0 00	0 0 0 0	650 817	621787
R9.1.1.1 Central Government - State	0 000	650 817	0 000	0 000	0 000	650 817	619 787
R9.1.1.2 Central Government - Other entities	0 000	0 000	0 000	0 000	0 000	0 000	2 000
R9.1.1.3 Social Security	0 0 0 0	0 000	0 0 0 0	0 0 00	0 0 00	0 0 0 0	0 0 0 0
R9.1.1.4 Regional Administration	0 0 0 0	0 000	0 0 0 0	0 0 00	0 0 0 0	0 0 0 0	0 0 0 0
R9.1.1.5 Local Government	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0
R9.1.2 Exterior - E U	0 0 0 0	0 000	167 836	0 0 00	0 0 0 0	167 836	80 020
R9.1.3 Other	0 0 0 0	0 000	0 0 0 0	0 0 00	0 0 0 0	0 0 0 0	0 0 0 0
R9.2 Capital Subsidies	0 0 0 0	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0
R10 Other capital revenue	8 316	0 000	0 000	0 000	0 000	8 316	14 440
R11 Recovery not deducted from payments	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0
Effective revenue [2]	548 435	684 676	168 374	0 000	0 000	1 401 485	1 262 221
Non effective Revenue [3]	1439 237	0 000	0 000	0 000	0 000	1439 237	1612650
R12 Revenue from financial assets	157 262	0 000	0 0 0 0	0 000	0 000	157 262	0 0 000
R13 Revenue from financial liabilities	1 281 975	0 000	0 0 0 0	0 000	0 000	1 281 975	1 612 650
Sum[4]=[1]+[2]+[3]	1993 831	713 543	168 374	0 000	0 000	2 875 748	3 145 738
Treasury operations [B]	0 000	0 000	0 0 0 0	0 000	45 103	45 103	0 000

Payments, receipts, as well as balances should be itemised according to the following sources of funding:

OR - Own Revenue
 GR - General revenue
 UE - European Union funding
 EMPR - Contraction of Loans
 EXTERNAL ASSETS - Correspond to treasury operations

STATEMENT OF BUDGETARY PERFORMANCE ON 31 DECEMBER 2022 AND 31 DECEMBER 2021 (Continued)

D8.1.1 Central Government - State

D8.1.2 Central Government - Other entities

D8.1.4 Regional Administration

D8.1.3 Social Security

D8.1.5 Local Government

D8.3 Families

D8.4 Other

D8.2 Non-profit institutions

D9 Other capital expenditure

0 0 0 0

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CURRENT EXPENDITURE 527 552 33 859 0 538 0 000 0 000 D1 Personnel Expenditure 103 830 25 535 0 000 0 000 0 000 D1.1 Fixed and Permanent Remuneration 82 005 11 436 0 000 0 000 0 000 D1.2 Variable or contingent bonuses 0 000 8 485 0 000 0 000 0 000 D1.3 Social security 21 826 5 614 0 000 0 000 0 000 D2 Purchase of goods and services 297 251 8 324 0 538 0 000 0 000 D3 Interest and other charges 75 942 0 000 0 000 0 000 0 000 D4.1 General Government 0 260 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social	TOTAL 561 949 129 366 93 441 8 485 27 440	n-1 514 502 129 602 92 138 8 530
RP RG UE EMPR ASSETS T CURRENT EXPENDITURE 527 552 33 859 0 538 0 000 0 000 D1 Personnel Expenditure 103 830 25 535 0 000 0 000 0 000 D1.1 Fixed and Permanent Remuneration 82 005 11 436 0 000 0 000 0 000 D1.2 Variable or contingent bonuses 0 000 8 485 0 000 0 000 0 000 D1.3 Social security 21 826 5 614 0 000 0 000 0 000 0 000 D2 Purchase of goods and services 297 251 8 324 0 538 0 000 0 000 0 000 D3 Interest and other charges 75 942 0 000 0 00	561 949 129 366 93 441 8 485 27 440	129 602 92 138 8 530
D1 Personnel Expenditure 103 830 25 535 0 000 0 000 0 000 D1.1 Fixed and Permanent Remuneration 82 005 11 436 0 000 0 000 0 000 D1.2 Variable or contingent bonuses 0 000 8 485 0 000 0 000 0 000 D1.3 Social security 21 826 5 614 0 000 0 000 0 000 D2 Purchase of goods and services 297 251 8 324 0 538 0 000 0 000 D3 Interest and other charges 75 942 0 000 0 000 0 000 0 000 D4.1 General Government 0 260 0 000 0 000 0 000 0 000 D4.11 Central Government - State 0 000 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000	129 366 93 441 8 485 27 440	129 602 92 138 8 530
D1.1 Fixed and Permanent Remuneration 82 005 11 436 0 000 0 000 0 000 D1.2 Variable or contingent bonuses 0 000 8 485 0 000 0 000 0 000 D1.3 Social security 21 826 5 614 0 000 0 000 0 000 D2 Purchase of goods and services 297 251 8 324 0 538 0 000 0 000 D3 Interest and other charges 75 942 0 000 0 000 0 000 0 000 D4 Current transfers 2 099 0 000 0 000 0 000 0 000 D4.1 Central Government 0 260 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000 D4.1.5 Local Government 0 000 0 000 0 000 0 000 0 000	93 441 8 485 27 440	92 138 8 530
Remuneration D1.2 Variable or contingent bonuses 0 000 8 485 0 000 0 000 0 000 D1.3 Social security 21 826 5 614 0 000 0 000 0 000 D2 Purchase of goods and services 297 251 8 324 0 538 0 000 0 000 D3 Interest and other charges 75 942 0 000 0 000 0 000 0 000 D4 Current transfers 2 099 0 000 0 000 0 000 0 000 D4.1 General Government 0 260 0 000 0 000 0 000 0 000 D4.1.1 Central Government - State 0 000 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000	8 485 27 440	8 530
D1.3 Social security 21 826 5 614 0 000 0 000 0 000 D2 Purchase of goods and services 297 251 8 324 0 538 0 000 0 000 D3 Interest and other charges 75 942 0 000 0 000 0 000 0 000 D4 Current transfers 2 099 0 000 0 000 0 000 0 000 D4.1 General Government 0 260 0 000 0 000 0 000 0 000 D4.1.1 Central Government - State 0 000 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000 0 000	27 440	
D2 Purchase of goods and services 297 251 8 324 0 538 0 000 0 000 D3 Interest and other charges 75 942 0 000 0 000 0 000 0 000 D4 Current transfers 2 099 0 000 0 000 0 000 0 000 D4.1 General Government 0 260 0 000 0 000 0 000 0 000 D4.1.1 Central Government - State 0 000 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000		
D3 Interest and other charges 75 942 0 000 0 000 0 000 0 000 D4 Current transfers 2 099 0 000 0 000 0 000 0 000 D4.1 General Government 0 260 0 000 0 000 0 000 0 000 D4.1.1 Central Government - State 0 000 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000 0 000		28 934
D4 Current transfers 2 099 0 000	306 113	259 283
D4.1 General Government 0.260 0.00	75 942	96 104
D4.1.1 Central Government - State 0 000 0 000 0 000 0 000 0 000 D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000 0 000 D4.1.5 Local Government 0 000 0 000 0 000 0 000 0 000 0 000	2 099	3 244
D4.1.2 Central Government - Other entities 0 260 0 000 0 000 0 000 0 000 D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000 0 000 D4.1.5 Local Government 0 000 0 000 0 000 0 000 0 000 0 000	0 260	0 258
Government - Other entities D4.1.3 Social Security 0 000 0 000 0 000 0 000 0 000 D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000 0 000 0 000 D4.1.5 Local Government 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 0 0 0	0 0 0 0
D4.1.4 Regional Administration 0 000 0 000 0 000 0 000 0 000 D4.1.5 Local Government 0 000 0 000 0 000 0 000 0 000	0 260	0 258
D4.1.5 Local Government 0 000 0 000 0 000 0 000 0 000	0 0 0 0	0 0 0 0
	0 0 0 0	0 0 0 0
	0 0 0 0	0 0 0 0
D4.2 Non-profit institutions 0 127 0 000 0 000 0 000	0 127	0 159
D4.3 Families 0.038 0.000 0.000 0.000 0.000	0 038	0 012
D4.4 Other 1674 0000 0000 0000 0000	1674	2 816
D5 Subsidies 0.008 0.000 0.000 0.000 0.000	0 0 0 8	0 008
D6 Other current expenditure 48 421 0 000 0 000 0 000 0 000	48 421	26 261
CAPITAL EXPENDITURE 1146 382 650 817 167 097 0 000 0 000	1964 296	1807660
D7 Investment 1146 382 650 817 165 370 0 000 0 000	1962 569	1807660
D8 Capital transfers 0 000 0 000 1727 0 000 0 000	1727	0 0 0 0
D8.1 General Government 0 000 0 000 0 000 0 000 0 000	0 0 0 0	0 0 0 0

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ITEMS PAYMENTS			SOURCES	DF FINANCING	:(n)		n-1
	RP	RG	UE	EMPR	EXTERNAL ASSETS	TOTAL	
Effective expenditure [5]	1673934	684 676	167 635	0 0 0 0	0 000	2 526 244	2 322 162
Non effective expenditure [6]	290 594	0 000	0 0 0 0	0 000	0 000	290 594	788 550
D10 Expenditure on financial assets	161 248	0 0 0 0	0 0 0 0	0 000	0 0 0 0	161 248	159 262
D11 Expenditure on financial liabilities	129 345	0 0 0 0	0 0 0 0	0 000	0 0 0 0	129 345	629 288
Sum[7]=[5]+[6]	1964 527	684 676	167 635	0 000	0 000	2 816 838	3 110 712
Treasury operations [C]	0 0 0 0	0 000	0 0 0 0	0 000	0 693	0 693	0 000
Balance for the following management	29 303	28 868	0 739	0 000	14 566	73 476	5 182
Budgetary operations [8] = [4]-[7]	29 303	28 868	0 739	0 0 0 0	0 000	58 910	35 026
Treasury operations [D]=[A]+[B]-[C]	0 0 0 0	0 000	0 000	0 0 0 0	14 566	14 566	-29 844
Overall balance [2] - [5]	-1 125 498	0 000	0 739	0 0 0 0	0 000	-1 124 760	-1 059 941
Primary expenditure	1 597 992	684 676	167 635	0 0 0 0	0 0 0 0	2 450 302	2 226 058
Current balance	2 163	0 000	0 0 0 0	0 0 0 0	0 0 0 0	2 163	27 480
Capital balances	-1127662	0 0 0 0	0 739	0 0 0 0	0 0 0 0	-1 126 923	-1 087 421
Primary balance	-1049556	0 0 0 0	0 739	0 0 0 0	0 000	-1048818	-963 837
Total revenue [1] + [2] + [3]	1 993 831	713 543	168 374	0 000	0 000	2 875 748	3 145 738
Total expenditure [5]+[6]	1964 527	684 676	167 635	0 0 0 0	0 0 0 0	2 816 838	3 110 712

(Amounts in thousands of euros-€)

The overall balance at the end of 2022 shows a worsening of 64.8 million euros compared to the same period in 2021 and reflects an implementation rate of 99% compared to that foreseen in the 2022 State Budget.

Public-Private Partnerships (PPP), financial charges and road-railway investments were mainly responsible for this deficit of 1,124.8 million euros, which, added to debt repayments, resulted in a financing requirement of 1,254 million euros.

With regard to revenue, the negative deviation of 191.4 million euros in comparison with the same period of the previous year should be noted, essentially due to the 331 million euros decrease in capital appropriations, but also as a result of the following impacts:

1. Reduction in the value of the IC's received $(33.9 \text{ M} \in)$, equivalent to only one semester, as a result of the delay in negotiating the new Programme Contract with the State and the impossibility of a new extension of the previous one, by indication of the CA;

2. Reduction in the value of own revenue relating to other current revenue (EUR 28.1 million), since in 2021 there was a refund of corporate income tax, a situation that did not occur in 2022.

With regard to EXPENDITURE, it can be seen that the realisation of 2,655.6 million euros is below that seen in the same period of 2021, the main reasons for which are:

1. A decrease in debt service of around 520 million euros, since in 2021 there was a repayment of 500 million euros relating to the Eurobond 09/21 and a decrease in the Concessions item of around 91.2 million euros;

2. Increase in road conservation and railway maintenance by 19.3 million euros and 11.7 million euros respectively and the increase of 9.5 million euros in facilities costs, which are only offset by the 1.6 million euro decrease in the acquisition of materials;

3. Increase in investment, in particular 222.6 million euros in Railway Investments, highlighting the projects within the scope of Ferrovia 2020.

STATEMENT OF BUDGETARY EXECUTION OF REVENUE FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

(Amounts in thousands of euros-€)

							REFUN REIMBUR	IDS AND ISEMENTS	NETR	EVENUE COL	LECTED				SETTLEMEN	NTS FOR FUT	URE PERIOD	s
ITEMS	CORRECTED FORE- CASTS	OUT- STANDING FORECASTS	REVENUE TO BE COLLECT- ED FROM PREVIOUS PERIODS	SETTLED REVENUE	SETTLE- MENTS CAN- CELLED	GROSS REVENUE COLLECTED	ISSUED	PAID	PREVIOUS PERIODS	CURRENT PERIOD	TOTAL	DEFERRED RECEIPTS	REVENUE OUTSTAND- ING AT THE END OF THE PERIOD	(N+1)	(N+2)	(N+3)	(N+4)	SUBSEQUENT
CURRENT REVENUE																		
R1 Tax revenue	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000
R1.1 Direct taxes	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
R1.2 Indirect taxes	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000
R2 Contributions to social security, CGA and ADSE	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 0 0 0
R3 Fees, fines and other penalties	420 638	50 495	3 600	393 877	27 335	367 384	0 000	0 000	2 101	365 283	367 384	0 000	2 759	0 000	0 0 0 0	0 000	0 000	0 000
R4 Property income	2 100	-3 402	0 0 3 9	5 476	0 013	5 257	0 000	0 000	0 034	5 223	5 257	0 000	0 245	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 000
R5 Current transfers and subsidies	37 664	3 2 2 0	0 0 0 0	34 444	0 000	34 397	0 000	0 000	0 0 0 0	34 397	34 397	0 000	0 047	0 000	0 0 0 0	0 000	0 0 0 0	0 000
R5.1 Current transfers	37 664	3 2 2 0	0 000	34 444	0 000	34 397	0 000	0 000	0 000	34 397	34 397	0 000	0 047	0 000	0 0 0 0	0 000	0 0 0 0	0 000
R5.1.1 General Government	37 043	3 184	0 000	33 859	0 000	33 859	0 000	0 000	0 000	33 859	33 859	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000
R5.1.1.1 Central Government - State	37 043	3 184	0 0 0 0	33 859	0 000	33 859	0 000	0 000	0 000	33 859	33 859	0 0 0 0	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 000
R5.1.1.2 Central Government - Other entities	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
R5.1.1.3 Social Security	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0
R5.1.1.4 Regional Administration	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0
R5.1.1.5 Local Government	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
R5.1.2 Exterior - E U	0 621	0 036	0 000	0 585	0 000	0 538	0 000	0 000	0 000	0 538	0 538	0 000	0 047	0 000	0 000	0 000	0 000	0 000
R5.1.3 Other	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000
R5.2 Current Subsidies	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
R6 Sale of goods and services	163 896	-16 142	57 859	126 750	4 570	153 161	0 000	0 0 0 0	41 473	111 689	153 161	0 000	26 877	0 000	0 000	0 000	0 000	0 0 0 0
R7 Other current revenue	1500	-3 197	1 152	3 909	0 364	3 913	0 000	0 000	0 721	3 192	3 913	0 000	0 784	0 000	0 000	0 000	0 000	0 000
CAPITAL REVENUE	1139	-9 445	0 156	10 432	0 004	10 404	0 000	0 000	0 015	10 389	10 404	0 000	0 180	0 000	0 000	0 000	0 000	0 000
																-		0 000
R8 Sale of investment goods	1 0 31 798	205 228	0 203	830 689	4 322	818 653	0 0 0 0	0 0 0 0	0 194	818 458	818 653	0 000	7 917	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	
R8 Sale of investment goods		205 228 205 228	0 203	830 689 830 689	4 322 4 322	818 653 818 653	0 000	0 000	0 194 0 194	818 458 818 458	818 653 818 653	0 000	7 917 7 917	0 000	0 000	0 000	0 000	0 000
	1 0 31 798																	
R9 Capital transfers and subsidies	1 031 798	205 228	0 203	830 689	4 322	818 653	0 000	0 000	0 194	818 458	818 653	0 000	7 917	0 000	0 000	0 000	0 000	0 000
R9 Capital transfers and subsidies R9.1 Capital transfers	1 031 798 1 031 798 658 499	205 228 7 682	0 203 0 000	830 689 650 817	4 322 0 000	818 653 650 817	0 000	0 000	0 194 0 000	818 458 650 817	818 653 650 817	0 000	7 917 0 000	0 000	0 000	0 000	0 000	0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 General Government R9.1.1.1 Central Government - State R9.1.1.2 Central	1 031 798 1 031 798 658 499 658 499	205 228 7 682 7 682	0 203 0 000 0 000	830 689 650 817 650 817	4 322 0 000 0 000	818 653 650 817 650 817	0 000	0 000	0 194 0 000 0 000	818 458 650 817 650 817	818 653 650 817 650 817	0 000	7 917 0 000 0 000	0 000	0 000	0 000	0 000	0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 General Government R9.1.1.1 Central Government - State	1031798 1031798 658499 658499 0000	205 228 7 682 7 682 0 000	0 203 0 000 0 000 0 000	830 689 650 817 650 817 0 000	4 322 0 000 0 000 0 000	818 653 650 817 650 817 0 000	0 000	0 000	0 194 0 000 0 000 0 000	818 458 650 817 650 817 0 000	818 653 650 817 650 817 0 000	0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000	0 000	0 000	0 000	0 000	0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 General Government R9.1.1.1 Central Government - State R9.1.1.2 Central Government - Other entities	1 031 798 1 031 798 658 499 658 499 0 000 0 000	205228 7682 7682 0000 0000	0 203 0 000 0 000 0 000 0 000	830 689 650 817 650 817 0 000 0 000	4 322 0 000 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000	0 000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 000 0 000 0 000 0 000 0 000 0 000	0 194 0 000 0 000 0 000 0 000	818 458 650 817 650 817 0 000 0 000	818 653 650 817 650 817 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000 0 000	0 000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 000	0 000	0 000	0 000 0 000 0 000 0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 General Government R9.1.1.1 Central Government - State R9.1.1.2 Central Government - Other entities R9.1.1.3 Social Security	1 031 798 1 031 798 658 499 658 499 0 000 0 000 0 000	205 228 7 682 7 682 0 000 0 000 0 000	0 203 0 000 0 000 0 000 0 000 0 000	830 689 650 817 650 817 0 000 0 000 0 000	4 322 0 000 0 000 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000	0 000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 000 0 000 0 000 0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000	818 458 650 817 650 817 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000	0 000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 General Government R9.1.1.1 Central Government - State R9.1.1.2 Central Government - Other entities R9.1.1.3 Social Security R9.1.1.4 Regional Administration	1 031798 1 031798 658 499 658 499 0 000 0 000 0 000 0 000	205228 7682 7682 0000 0000 0000 0000	0 203 0 000 0 000 0 000 0 000 0 000 0 000	830 689 650 817 650 817 0 000 0 000 0 000 0 000	4 322 0 000 0 000 0 000 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 000	818 458 650 817 650 817 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 Central Government R9.1.1.1 Central Government - State R9.1.1.2 Central Government - Other entities R9.1.1.3 Social Security R9.1.1.4 Regional Administration R9.1.1.5 Local Government	1 031 798 1 031 798 658 499 658 499 0 000 0 000 0 000 0 000 373 299	205228 7682 7682 0000 0000 0000 0000 197546	0 203 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 203	830 689 650 817 650 817 0 000 0 000 0 000 179 872	4 322 0 000 0 000 0 000 0 000 0 000 4 322	818 653 650 817 650 817 0 000 0 000 0 000 167 836	0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 000 0 194	818 458 650 817 650 817 0 000 0 000 0 000 167 641	818 653 650 817 650 817 0 000 0 000 0 000 167 836	0 000 0 000 0 000 0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 0 000 7 917	0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 Central Government R9.1.1.1 Central Government - State R9.1.1.2 Contral R9.1.1.3 Social Security R9.1.1.4 Regional Administration R9.1.1.5 Local Government R9.1.2 Exterior - E U	1 031 798 1 031 798 658 499 6 000 0 000 0 000 0 000 373 299 0 000	205228 7682 7682 0000 0000 0000 0000 197546 0000	0 203 0 000 0 000 0 000 0 000 0 000 0 000 0 203 0 000	830 689 650 817 650 817 0 000 0 000 0 000 0 000 179 872 0 000	4 322 0 000 0 000 0 000 0 000 0 000 0 000 4 322 0 000	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 000 0 194 0 000	818 458 650 817 650 817 0 000 0 000 0 000 167 641 0 000	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 7 917 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 Central Government R9.1.1.2 Central Government - Other entities R9.1.1.3 Social Security R9.1.1.4 Regional Administration R9.1.1.5 Local Government R9.1.2 Exterior - E U R9.1.3 Other	1 031 798 1 031 798 658 499 0 000 0 000 0 000 373 299 0 000 0 000 0 000	205228 7682 0000 0000 0000 0000 197546 0000	0 203 0 000 0 000 0 000 0 000 0 000 0 000 0 203 0 000 0 000	830 689 650 817 650 817 0 000 0 000 0 000 179 872 0 000 0 000	4 322 0 000 0 000 0 000 0 000 0 000 0 000 4 322 0 000	818 653 650 817 0 000 0 000 0 000 0 000 167 836 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 194 0 000 0 000	818 458 650 817 650 817 0 000 0 000 0 000 187 641 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 0 000 7 917 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 Central Government R9.1.1.2 Central Government - Other entities R9.1.1.3 Social Security R9.1.1.4 Regional Administration R9.1.1.5 Local Government R9.1.2 Exterior - E U R9.1.3 Other R9.2 Capital Subsidies R10 Other capital revenue R11 Recovery not deducted	1 031 798 1 031 798 658 499 0 000 0 000 0 000 373 299 0 000 0 000 0 000 0 000 0 000	205228 7682 7682 0000 0000 0000 197546 0000 0000 -15770	0 203 0 000 0 000 0 000 0 000 0 000 0 000 0 203 0 000 0 000 0 000 0 000 0 000	830 689 650 817 0 000 0 000 0 000 179 872 0 000 0 000 0 000 10 763	4 322 0 000 0 000 0 000 0 000 0 000 4 322 0 000 0 000 0 000	818 653 650 817 0 000 0 000 0 000 167 836 0 000 0 000 0 000 8 316	0 000 0 000	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 194 0 000 0 000 0 000 0 000	818 458 650 817 0 000 0 000 0 000 0 000 187 641 0 000 0 000 8 283	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000 0 000 8 316	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 7 917 0 000 0 000 0 000 7 454	0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	0 000 0 000	0 000 0 000	0 000 0 000	0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 Central Government R9.1.1.2 Central Government - Other entities R9.1.1.3 Social Security R9.1.1.4 Regional Administration R9.1.1.5 Local Government R9.1.2 Exterior - E U R9.1.3 Other R9.2 Capital Subsidies R10 Other capital revenue	1 031 798 1 031 798 658 499 6 58 499 0 000 0 000 0 000 3 73 299 0 000 0 000 0 000 0 000 157 262	205228 7682 7682 0000 0000 0000 197546 0000 0000 -15770 0000	0 203 0 000 0 000 0 000 0 000 0 000 0 000 0 203 0 000 0 000 5 007 0 000 0 000	830 689 650 817 650 817 0 000 0 000 0 000 179 872 0 000 0 000 10 763 0 000 157 262	4 322 0 000 0 000 0 000 0 000 0 000 4 322 0 000 0 000 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000 8 316 0 000 8 316 157 262	0 000 0 0 00	0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 194 0 000 0 000 0 000 0 000 0 000 0 000 0 000	818 458 650 817 0 000 0 000 0 000 1 0 000 1 67 641 0 000 8 283 0 000 157 262	818 653 650 817 0 000 0 000 0 000 0 000 167 836 0 000 8 316 0 000 157 262	0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 7 917 0 000 7 917 0 000 7 454 0 000 7 454	0 000 0	0 000 0 000	0 000 0 000	0 000 0 000	0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 Central Government R9.1.1.1 Central Government - State R9.1.1.2 Central Government - Other entities R9.1.1.3 Social Security R9.1.1.4 Regional Administration R9.1.1.5 Local Government R9.1.2 Exterior - E U R9.1.3 Other R9.2 Capital Subsidies R10 Other capital revenue R11 Recovery not deducted from pyments	1 031 798 1 031 798 658 499 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 157 262 1 282 972	205228 7682 7682 0000 0000 0000 197546 0000 -15770 0000 0000 0000	0 203 0 000 0 000	830 689 650 817 6 50 817 0 000 0 000 0 000 179 872 0 000 10 763 0 000 10 763 1 57 262 1 281 975	4 322 0 000 0 000 0 000 0 000 0 000 4 322 0 000 0 000 0 000 0 000 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000 8 316 0 000 157 262 1281 975	0 000 0 000	0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 194 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000 0 000	818 458 650 817 650 817 0 000 0 000 0 000 0 000 167 641 0 000 8283 0 000 157 262 1281 975	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000 8 316 0 000 8 316 0 000 157 262 1281 975	0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 7 917 0 000 0 000 7 454 0 000 0 000 0 000	0 000 0 000	0 000 0 000	0 000 0 000	0 000 0 000	0 000 0 000
R9 Capital transfers and subsidies R9.1 Capital transfers R9.1.1 Central Government R9.1.1.2 Central Government - State R9.1.1.2 Central Government - Other entities R9.1.1.2 Cantral Covernment R9.1.1.4 Regional Administration R9.1.1.5 Local Government R9.1.2 Exterior - E U R9.1.3 Other R9.2 Capital Subsidies R10 Other capital revenue R11 Recovery not deducted from payments R12 Revenue from financial assets	1 031 798 1 031 798 658 499 6 58 499 0 000 0 000 0 000 3 73 299 0 000 0 000 0 000 0 000 157 262	205228 7682 7682 0000 0000 0000 197546 0000 0000 -15770 0000	0 203 0 000 0 000 0 000 0 000 0 000 0 000 0 203 0 000 0 000 5 007 0 000 0 000	830 689 650 817 650 817 0 000 0 000 0 000 179 872 0 000 0 000 10 763 0 000 157 262	4 322 0 000 0 000 0 000 0 000 0 000 4 322 0 000 0 000 0 000 0 000 0 000	818 653 650 817 650 817 0 000 0 000 0 000 167 836 0 000 8 316 0 000 8 316 157 262	0 000 0 0 00	0 000 0 000	0 194 0 000 0 000 0 000 0 000 0 000 0 194 0 000 0 000 0 000 0 000 0 000 0 000 0 000	818 458 650 817 0 000 0 000 0 000 1 0 000 1 67 641 0 000 8 283 0 000 157 262	818 653 650 817 0 000 0 000 0 000 0 000 167 836 0 000 8 316 0 000 157 262	0 000 0 000	7 917 0 000 0 000 0 000 0 000 0 000 7 917 0 000 7 917 0 000 7 454 0 000 7 454	0 000 0	0 000 0 000	0 000 0 000	0 000 0 000	0 000 0 000



STATEMENT OF BUDGETARY IMPLEMENTATION OF EXPENDITURE FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

	UNPAID EXPENSES	CORRECTED		DISPOSALS	APPRO- PRIATIONS AVAILABLE			OBLIGATIONS	GROSS PAID EXPENDITURE	RECOVER FROI	Y NOT DE 1 PAYME
ITEMS	EXPENSES FROM PREVIOUS PERIODS	APPROPRIATIONS	BLOCKED SUMS	DISPOSALS	PRIATIONS AVAILABLE	APPROVAL	COMMITMENTS	OBLIGATIONS	EXPENDITURE	ISSUED	
	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	
CURRENT EXPENDITURE											
D1 Personnel Expenditure	2 057	133 863	0 000	0 000	0 368	133 495	133 412	133 201	129 366	0 0 0 0	0 0
D1.1 Fixed and Permanent Remuneration	0 001	95 435	0 000	0 000	0 162	95 273	95 273	95 273	93 441	0	0
D1.2 Variable or contingent bonuses	0 0 0 0	8 486	0 0 0 0	0 000	0 0 0 1	8 485	8 485	8 485	8 485	0	0
D1.3 Social security	2 056	29 942	0 0 0 0	0 000	0 205	29 737	29 654	29 443	27 440	0	0
D2 Purchase of goods and services	24 284	366 150	44 060	43 310	16 361	349 039	345 598	334 117	306 113	0	0
D3 Interest and other charges	0 024	77 553	0 0 0 0	0 0 0 0	1428	76 126	76 126	76 007	75 942	0	0
D4 Current transfers	0 004	2 376	0 0 0 0	0 000	0 191	2 185	2 109	2 104	2 099	0 000	0 0
D4.1 General Government	0 0 0 0	0 327	0 0 0 0	0 0 0 0	0 064	0 263	0 263	0 260	0 260	0 0 0 0	0 0
D4.1.1 Central Government - State	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D4.1.2 Central Government - Other entities	0 0 0 0	0 327	0 0 0 0	0 000	0 064	0 263	0 263	0 260	0 260	0	0
D4.1.3 Social Security	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D4.1.4 Regional Administration	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D4.1.5 Local Government	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 0 0 0	0	0
D4.2 Non-profit institutions	0 000	0 213	0 000	0 000	0 007	0 206	0 130	0 130	0 127	0	0
D4.3 Families	0 000	0 041	0 0 0 0	0 000	0 003	0 038	0 038	0 038	0 038	0	0
D4.4 Other	0 004	1 795	0 000	0 000	0 117	1678	1 678	1676	1674	0	0
D5 Subsidies	0 000	0 0 0 8	0 0 0 0	0 000	0 000	0 008	0 008	0 008	0 0 0 8	0	0
D6 Other current expenditure	0 002	59 316	72 352	61 500	0 009	48 455	48 455	48 430	48 421	0	0
CAPITAL EXPENDITURE											
D7 Investment	34 582	2 171 366	0 0 0 0	0 000	111 787	2 059 578	2 050 753	2 024 133	1962 569	0	0
D8 Capital transfers	0 000	1729	0 0 0 0	0 000	0 0 0 3	1727	1727	1727	1727	0 0 0 0	0 0
D8.1 General Government	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0
D8.1.1 Central Government - State	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D8.1.2 Central Government - Other entities	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D8.1.3 Social Security	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D8.1.4 Regional Administration	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D8.1.5 Local Government	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D8.2 Non-profit institutions	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D8.3 Families	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D8.4 Other	0 000	1729	0 000	0 000	0 003	1727	1 727	1727	1727	0	0
D9 Other capital expenditure	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0	0
D10 Expenditure on financial assets	0 000	161 248	0 000	0 000	0 000	161 248	161 248	161 248	161 248	0	0
D11 Expenditure on financial liabilities	0 000	129 345	0 000	0 000	0 000	129 345	129 345	129 345	129 345	0	C
TOTAL	60 953	3 102 954	116 412	104 810	130 146	2 961 207	2 948 782	2 910 320	2 816 838	0 000	00

(Amounts in thousands of euros-€)

DUCTED TS	D PREVIOUS CURRENT TOTAL		TURE	COMMITMENTS	OBLIGATIONS TO PAY										
ECEIVED	PREVIOUS PERIODS	CURRENT PERIOD	TOTAL	COMMITMENTS TRANSIT	TO PAY		COMMITM	IENTS MADE FOR FU	TURE PERIODS			OBLIG	ATIONS FOR FUTUR	E PERIODS	
[11]	[12]	[13]	[14]	[15]=[7]-[8]	[16]=[8]-[14]	(N+1)	(N+2)	(N+3)	(N+4)	FOLLOWING PERIODS	(N+1)	(N+2)	(N+3)	(N+4)	FOLLOWING PERIODS
)0	1896	127 470	129 366	0 211	3 835	1 798	1998	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0
	0 000	93 440	93 441	0 000	1832	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 000	8 485	8 485	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000
	1896	25 544	27 4 4 0	0 211	2 003	1 798	1998	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0
	24 007	282 106	306 113	11 481	28 004	333 558	184 924	60 800	43 015	416 751	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	0 020	75 922	75 942	0 118	0 065	0 012	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0
)0	0 0 0 3	2 097	2 099	0 005	0 0 0 5	0 260	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 000
)0	0 000	0 260	0 260	0 0 0 3	0 0 0 0	0 260	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0
	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 0 0 0	0 260	0 260	0 0 0 3	0 0 0 0	0 260	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 000	0 127	0 127	0 000	0 0 0 3	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	0 000	0 038	0 038	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 003	1672	1674	0 002	0 002	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	0 000	0 008	0 008	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 002	48 419	48 421	0 0 2 6	0 0 0 8	0 397	0 225	0 009	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	34 387	1 928 182	1962 569	26 621	61564	3 856 793	503 877	248 808	1 265 471	532 971	0 000	0 000	0 0 0 0	0 0 0 0	0 000
00	0 000	1727	1727	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000
10	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000
	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000
	0 0 0 0	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0
	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
	0 000	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
	0 000	1727	1727	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0
	0 000	161 248	161 248	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000
	0 000	129 345	129 345	0 000	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 0 0 0
00	60 314	2 756 524	2 816 838	38 462	93 482	4 192 818	691 024	309 617	1308 486	949 722	0 000	0 0 0 0	0 000	0 000	0 000



STATEMENT OF IMPLEMENTATION OF THE MULTI-ANNUAL INVESTMENT PLAN FROM 1 JANUARY 2022 TO 31 DECEMBER 2022

						SOU	RCE OF FUNDIN	IG				
OBJECTIVE	PROJECT NUMBER	PROJECT NAME	METHODO- LOGY	BUDGET LINE				I		DA	TES	
					RG	RP	EU	EMPR	ND	HOME	END	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
450	08 212	Road Construction and Rehabilitation	E	D.07.01.10.B0.B0	0 032	0 0 0 0	0 0 0 0	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	08 212	Road Construction and Rehabilitation	E	D.07.01.13.B0.A0	19 823	27 620	7 079	0 0 0 0	0 0 0 0	2012-01-01	2025-12-31	
450	08 212	Road Construction and Rehabilitation	E	D.07.03.03.00.00	0 584	0 000	0 0 0 0	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	08 212	Road Construction and Rehabilitation	E	D.08.09.01.00.00	0 0 0 0	1 110	0 0 0 0	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	08 259	Minimum investment programme for the railway network	E	D.02.02.01.00.00	0 0 0 0	-0 001	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 259	Minimum investment programme for the railway network	E	D.07.03.01.00.00	0 000	0 219	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 259	Minimum investment programme for the railway network	E	D.07.03.02.00.00	0 000	0 008	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 259	Minimum investment programme for the railway network	E	D.07.03.03.00.00	0 000	4 796	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 259	Minimum investment programme for the railway network	E	D.08.03.06.59.03	0 000	1296	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 378	Road Expropriations	0	D.07.01.13.B0.B0	27 928	7 336	0 000	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	08 378	Road Expropriations	0	D.07.01.13.B0.B0	0 000	7 116	0 0 0 0	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	08 379	Road Studies, Projects and Technical Assistance	0	D.07.01.13.B0.B0	0 000	0 004	0 000	0 000	0 000	2012-01-01	2025-12-31	
450	08 379	Road Studies, Projects and Technical Assistance	0	D.07.01.13.B0.C0	2 802	11 540	0 000	0 000	0 000	2012-01-01	2025-12-31	
450	08 379	Road Studies, Projects and Technical Assistance	0	D.07.01.15.B0.B0	0 119	0 0 0 0	0 000	0 000	0 000	2012-01-01	2025-12-31	
450	08 380	Installation and Improvement of Road Equipment	0	D.07.01.03.B0.B0	0 098	0 006	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 380	Installation and Improvement of Road Equipment	0	D.07.01.06.B0.A0	0 579	0 0 0 0	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 380	Installation and Improvement of Road Equipment	0	D.07.01.07.B0.B0	0 011	0 005	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 380	Installation and Improvement of Road Equipment	0	D.07.01.10.B0.B0	1208	0 177	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 380	Installation and Improvement of Road Equipment	0	D.07.01.11.B0.B0	0 000	0 001	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 380	Installation and Improvement of Road Equipment	0	D.07.01.15.B0.B0	0 776	0 045	0 000	0 000	0 000	2012-01-01	2015-12-31	
450	08 381	Road Concessions	0	D.07.01.13.B0.D0	4 238 820	9 755 932	164 399	0 000	0 000	2012-01-01	2025-12-31	
450	08 463	Conservation of the Road Network	E	D.02.02.03.00.00	125 482	77 051	0 0 0 0	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	08 463	Conservation of the Road Network	E	D.02.02.03.RP.00	40 799	358 633	0 0 0 0	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	08 463	Conservation of the Road Network	E	D.02.02.03.R0.00	1487	434 859	0 0 0 0	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	09 617	Marão Tunnel	E	D.07.01.13.B0.A0	0 000	0 000	9 621	0 0 0 0	0 000	2012-01-01	2025-12-31	
450	09 667	Railway Construction and Rehabilitation	E	D.07.03.02.00.00	0 0 0 0	32 299	0 0 0 0	0 0 0 0	0 000	2016-01-01	2025-12-31	
450	09 667	Railway Construction and Rehabilitation	E	D.07.03.03.00.00	0 395	97 750	41 911	0 0 0 0	0 000	2016-01-01	2025-12-31	
450	09 667	Railway Construction and Rehabilitation	E	D.08.09.01.00.00	0 000	0 000	0 460	0 0 0 0	0 000	2016-01-01	2025-12-31	
450	09 669	Maintenance of the Railway Network	E	D.02.02.03.00.00	0 000	268 582	16 198	0 0 0 0	0 000	2016-01-01	2025-12-31	
450	09 669	Maintenance of the Railway Network	E	D.07.03.02.00.00	0 0 0 0	73 732	0 000	0 0 0 0	0 000	2016-01-01	2025-12-31	
450	09 669	Maintenance of the Railway Network	E	D.07.03.03.00.00	0 000	250 673	17 685	0 000	0 000	2016-01-01	2025-12-31	
450	09 669	Maintenance of the Railway Network	E	D.02.02.03.F0.00	0 000	526 423	0 0 0 0	0 0 0 0	0 000	2016-01-01	2025-12-31	

(Amounts in thousands of euros- €)

			A	10UNT EXPECT	ED							
			F	UTURES PERIOD	IS				AMOUNT E	XECUTED	LEVEL OF ANNUAL FINANCIAL IMPLEMENTATION	LEVEL OF GLOBAL FINAN- CIAL IMPLEMEN-
PHASE OF EXECUTION	YEAR N	YEAR N+1	YEAR N+2	YEAR N+3	YEAR N+4	FOLLOWING YEARS	TOTAL	PREVIOUS YEARS	YEAR N	TOTAL	%	TATION %
[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]=[14]+[19]	[21]	[22]	[23]=[21]+[22	[24]=[22]/[14]*100	[25]=[23]/ ([20]+[21])*100
4	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 032	0 000	0 032	-	100%
4	3 855	12 975	12 975	0 0 0 0	0 0 0 0	0 000	22 454	32 067	0 116	32 183	3%	59%
4	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 584	0 0 0 0	0 584	-	100%
4	0 370	0 370	0 370	0 000	0 0 0 0	0 000	1 110	0 0 0 0	0 000	0 000	0%	0%
5	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	-0 001	0 000	-0 001	-	100%
5	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 219	0 0 0 0	0 219	-	100%
5	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 008	0 000	0 008	-	100%
5	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	4 796	0 000	4 796	-	100%
5	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	1296	0 000	1296	-	100%
4	0 595	1228	1228	0 000	0 0 0 0	0 000	2 209	33 056	0 196	33 252	33%	94%
9	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	7 116	0 000	7 116	-	100%
4	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 004	0 000	0 004	-	100%
4	3 602	1 716	1 716	0 0 0 0	0 0 0 0	0 000	6 415	7 927	0 145	8 072	4%	56%
4	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 120	0 000	0 120	-	100%
5	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 103	0 000	0 103	-	100%
5	0 000	0 0 0 0	0 000	0 0 0 0	0 000	0 000	0 000	0 579	0 000	0 579	-	100%
5	0 000	0 0 0 0	0 000	0 000	0 000	0 000	0 000	0 016	0 000	0 016	-	100%
5	0 000	0 000	0 000	0 000	0 000	0 000	0 000	1 385	0 000	1 385	-	100%
5	0 000	0 000	0 000	0 000	0 000	0 000	0 000	0 001	0 000	0 001	-	100%
5	0 000	0 000	0 000	0 000	0 0 0 0	0 000	0 000	0 821	0 000	0 821	-	100%
4	1 539 255	1 238 631	1 238 631	0 000	0 0 0 0	0 000	3 888 014	10 271 137	353 915	10 625 052	23%	75%
4	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000	0 000	202 533	0 000	202 533	-	100%
4	50 134	63 508	63 508	0 000	0 0 0 0	0 000	170 768	228 664	10 792	239 456	22%	60%
4	89 201	77 726	77 726	0 000	0 0 0 0	0 000	239 328	197 019	10 890	207 909	12%	48%
5	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	9 621	0 000	9 621	-	100%
4	3 899	21 910	21 910	0 000	0 0 0 0	0 000	32 299	0 000	0 000	0 000	0%	0%
4	16 820	52 540	52 540	0 000	0 0 0 0	0 000	82 829	57 2 27	3 414	60 642	20%	43%
4	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	0 000	0 460	0 000	0 460	-	100%
4	0 000	0 0 0 0	0 000	0 000	0 0 0 0	0 000	0 000	284 780	0 0 0 0	284 780	-	100%
4	4 918	9 017	9 017	0 000	0 0 0 0	0 000	16 736	56 996	0 329	57 325	7%	78%
4	36 661	55 587	55 587	0 000	0 0 0 0	0 000	153 142	115 216	3 883	119 099	11%	44%
4	102 170	94 047	94 047	0 0 0 0	0 0 0 0	0 000	290 761	235 663	0 0 0 0	235 663	0%	45%



STATEMENT OF IMPLEMENTATION OF THE MULTI-ANNUAL INVESTMENT PLAN FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 (Continued)

OBJECTIVE	PROJECT	PROJECT NAME	METHODO-	BUDGET LINE		SOL	JRCE OF FUNDIN	IG		DA	TES	
	NUMBER	PRUJEUTNAPIE	LOGY	BODGET LINE	RG	RP	EU	EMPR	ND	HOME	END	
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	
0450	09 674	Railway Studies Projects and Technical Assistance	0	D.07.03.03.00.00	0 000	60 100	33 040	33 040	0 000	2016-01-01	2025-12-31	
0450	09 674	Railway Studies Projects and Technical Assistance	0	D.08.09.02.00.00	0 0 0 0	0 055	0 000	0 0 0 0	0 000	2016-01-01	2025-12-31	
0450	09 675	Installation and Improvement of Railway Equipment	0	D.07.03.02.00.00	0 0 0 0	0 493	0 296	0 2 9 6	0 000	2016-01-01	2025-12-31	
0450	09 675	Installation and Improvement of Railway Equipment	0	D.07.03.03.00.00	0 0 0 0	3 366	4 622	4 622	0 0 0 0	2016-01-01	2025-12-31	
0450	09 676	Railway Expropriations	0	D.07.03.01.00.00	0 0 0 0	9 2 7 4	0 743	0 743	0 000	2016-01-01	2025-12-31	
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION AND REHABILITATION	E	D.02.02.03.RP.00	0 688	6 357	0 0 0 0	0 0 0 0	0 000	2016-01-01	2025-12-31	
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION AND REHABILITATION	E	D.07.01.13.B0.A0	4 878	278 070	0 0 0 0	0 0 0 0	0 0 0 0	2016-01-01	2025-12-31	
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION AND REHABILITATION	E	D.07.01.13.B0.B0	0 014	20 901	0 000	0 000	0 000	2016-01-01	2025-12-31	
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION AND REHABILITATION	E	D.07.01.13.B0.C0	0 660	5 301	0 000	0 000	0 0 0 0	2016-01-01	2025-12-31	
0450	10 366	FERROVIA 2020 - CONSTRUCTION AND UPGRADING	E	D.07.03.01.00.00	0 0 0 0	24 117	1 3 9 6	1 3 9 6	0 0 0 0	2016-01-01	2025-12-31	
0450	10 366	FERROVIA 2020 - CONSTRUCTION AND	E	D.07.03.02.00.00	0 0 0 0	19 814	0 000	0 000	0 0 0 0	2016-01-01	2025-12-31	
0450	10 366	UPGRADING FERROVIA 2020 - CONSTRUCTION AND	E	D.07.03.02.00.00	0 0 0 0	0 0 0 0	1 156	1 156	0 0 0 0	2016-01-01	2025-12-31	
0450	10 366	UPGRADING FERROVIA 2020 - CONSTRUCTION AND	E	D.07.03.03.00.00	0 0 0 0	738 157	1 416 295	1 416 295	0 0 0 0	2016-01-01	2025-12-31	
0450	10 366	UPGRADING FERROVIA 2020 - CONSTRUCTION AND	E	D.07.03.03.00.00	0 0 0 0	0 0 0 0	75 344	75 344	0 0 0 0 0	2016-01-01	2025-12-31	
0450	10 366	UPGRADING FERROVIA 2020 - CONSTRUCTION AND	E	D.08.09.01.00.00	0 000	0 0 0 0 0	3 691	3 691	0 0 0 0 0	2016-01-01	2025-12-31	
0450	11 661	UPGRADING PNI2030 RAILWAY - CONSTRUCTION,	E	D.07.03.01.00.00	0 000	1 0 3 3	0 000	0 000	0 000	2020-01-01	2025-12-31	
0450	11 661	REQUALIFICATION AND CONSERVATION PNI2030 RAILWAY - CONSTRUCTION,	E	D.07.03.03.00.00	0 000	930 603	0 000	0 000	0 000	2020-01-01	2025-12-31	
0450	11 662	REQUALIFICATION AND CONSERVATION PNI2030 RODOVIA - CONSTRUCTION.	E	D.02.02.03.RP.00	0 000	2 720	0 000	0 000	0 000	2020-01-01	2025-12-31	
0450	11 662	REQUALIFICATION AND CONSERVATION PNI2030 RODOVIA - CONSTRUCTION,	E	D.07.01.13.B0.A0	0 000	26 581	0 000	0 000	0 000	2020-01-01	2025-12-31	
0450	11 662	REQUALIFICATION AND CONSERVATION PNI2030 RODOVIA - CONSTRUCTION,	E	D.07.01.13.B0.C0	0 000	10 943	0 000	0 000	0 000	2020-01-01	2025-12-31	
		REQUALIFICATION AND CONSERVATION RRP-Missing links and increasing										
0450	11 705	network capacity	E	D.02.02.03.RP.00	0 000	0 000	11 140	11 140	0 000	2020-01-01	2025-12-31	
0450	11 705	RRP-Missing links and increasing network capacity	E	D.07.01.13.B0.A0	0 0 0 0	0 000	258 184	258 184	0 000	2020-01-01	2025-12-31	
0450	11 705	RRP-Missing links and increasing network capacity	E	D.07.01.13.B0.C0	0 0 0 0	0 000	11 128	11 128	0 000	2020-01-01	2025-12-31	
0450	11 805	RRP - (AAE) - Road Accessibility	E	D.07.01.13.B0.A0	0 0 0 0	0 0 0 0	92 294	92 294	0 0 0 0	2020-01-01	2025-12-31	
0450	11 805	RRP - (AAE) - Road Accessibility	E	D.07.01.13.B0.C0	0 0 0 0	0 0 0 0	1 810	1 810	0 0 0 0	2020-01-01	2025-12-31	
0450	11 804	RRP - Cross-border links	E	D.07.01.13.B0.A0	0 0 0 0	0 0 0 0	27 900	27 900	0 0 0 0	2020-01-01	2025-12-31	
0450	11 804	RRP - Cross-border links	E	D.07.01.13.B0.C0	0 0 0 0	0 0 0 0	6 184	6 184	0 0 0 0	2020-01-01	2025-12-31	
0450	12 032	NATIONAL INTEGRATED RURAL FIRE MANAGEMENT PLAN	E	D.02.02.03.F0.00	0 0 0 0	33 885	0 0 0 0	0 0 0 0	0 0 0 0	2021-01-01	2025-12-31	
0450	12 032	NATIONAL INTEGRATED RURAL FIRE MANAGEMENT PLAN	E	D.02.02.03.R0.00	0 0 0 0	26 291	0 000	0 000	0 0 0 0	2021-01-01	2025-12-31	
				TOTAL	4 467 184	14 135 272	2 202 577	0 0 0 0	0 000			

The purpose of this map is to enable the annual implementation of the multiannual investment plan to be monitored and provides information on: Each investment project; Financing of the annual component and overall value of the programme/project; Financial implementation of previous years, in the financial year and future financial years. Methodology – use the codes: (A) for direct administration; (E) for works contracts; (O) for supplies and others; Source of Funding: (PR) own revenue, (GR) general revenue, (EU) EU funding and (EMPR) borrowing;

(Amounts in thousands of euros- €)

			A	10UNT EXPECT	ED				AMOUNT			
			F	UTURES PERIOD	s				AMOUNT EX	LECUTED	LEVEL OF ANNUAL FINANCIAL IMPLEMENTATION	LEVEL OF GLOBAL FINAN- CIAL IMPLEMEN-
PHASE OF XECUTION	YEAR N	YEAR N+1	YEAR N+2	YEAR N+3	YEAR N+4	FOLLOWING YEARS	TOTAL	PREVIOUS YEARS	YEAR N	TOTAL	%	TATION %
[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]=[14]+[19]	[21]	[22]	[23]=[21]+[22	[24]=[22]/[14]*100	[25]=[23]/ ([20]+[21])*100
4	13 934	8 552	4 613	0 000	0 000	0 000	27 099	66 0 41	1059	67 101	8%	72%
4	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 000	0 055	0 0 0 0	0 055	-	100%
5	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 000	0 789	0 000	0 789	-	100%
5	0 000	0 0 0 0	0 000	0 000	0 000	0 0 0 0	0 000	7 987	0 000	7 987	-	100%
4	1 0 4 1	1 383	0 325	0 000	0 000	0 0 0 0	2 749	7 268	0 074	7 342	7%	73%
3	0 218	5 000	0 050	0 000	0 000	0 0 0 0	5 269	1776	0 0 0 0	1 776	0%	25%
3	4 672	93 833	110 725	0 000	0 000	0 0 0 0	209 231	73 718	0 698	74 416	15%	26%
3	2 147	4 423	1668	0 000	0 0 0 0	0 0 0 0	8 237	12 678	0 268	12 946	12%	62%
3	2 005	0 590	0 3 9 6	0 000	0 0 0 0	0 0 0 0	2 991	2 971	0 099	3 069	5%	51%
3	3 379	2 847	0 367	0 000	0 000	0 0 0 0	6 592	18 920	1 3 2 8	20 248	39%	79%
3	6 856	8 316	4 636	0 000	0 000	0 0 0 0	19 808	0 006	0 000	0 0 0 6	0%	0%
9	1 156	0 0 0 0	0 000	0 000	0 000	0 0 0 0	1 156	0 0 0 0	0 000	0 000	0%	0%
3	677 047	410 980	117 391	0 000	0 0 0 0	0 0 0 0	1 205 418	949 034	50 234	999 267	7%	46%
9	75 344	0 0 0 0	0 000	0 000	0 000	0 0 0 0	75 344	0 0 0 0	0 772	0 772	1%	1%
3	0 424	0 424	0 424	0 000	0 000	0 000	1 2 7 3	2 417	0 000	2 417	0%	65%
3	0 403	0 480	0 150	0 000	0 0 0 0	0 000	1033	0 0 0 0	0 000	0 000	0%	0%
3	39 124	228 510	653 039	0 000	0 000	0 000	920 673	9 929	1420	11 349	4%	1%
3	0 000	1800	0 920	0 000	0 0 0 0	0 0 0 0	2 720	0 0 0 0	0 000	0 000	-	0%
3	1586	4 114	20 881	0 000	0 000	0 0 0 0	26 581	0 0 0 0	0 000	0 000	0%	0%
3	4 853	3 2 3 7	1482	0 000	0 0 0 0	0 0 0 0	9 573	1 371	0 064	1 434	1%	13%
9	3 040	8 100	0 000	0 000	0 000	0 0 0 0	11 140	0 0 0 0	0 000	0 000	0%	0%
9	34 261	97 998	110 020	0 000	0 0 0 0	0 0 0 0	242 279	15 905	0 000	15 905	0%	6%
9	2 687	2 208	5 923	0 000	0 000	0 000	10 818	0 310	0 069	0 379	3%	3%
9	24 991	29 955	36 600	0 000	0 000	0 0 0 0	91 546	0 748	0 079	0 827	0%	1%
9	1 014	0 563	0 232	0 000	0 000	0 0 0 0	1 810	0 0 0 0	0 0 0 0	0 000	0%	0%
9	0 000	0 930	26 970	0 000	0 000	0 000	27 900	0 0 0 0	0 0 0 0	0 000	-	0%
9	2 949	0 425	2 811	0 000	0 000	0 0 0 0	6 184	0 0 0 0	0 0 0 0	0 000	0%	0%
3	12 014	8 106	7 801	0 000	0 000	0 0 0 0	27 921	5 964	0 0 0 0	5 964	0%	18%
3	5 874	10 556	6 450	0 000	0 0 0 0	0 0 0 0	22 880	3 411	0 637	4 0 4 9	11%	15%
	2 772 499	2 562 584	2 539 206	0 0 0 0	0 0 0 0	0 0 0 0	7 874 289	12 930 743	440 483	13 371 226	16%	64%



STATEMENT OF IMPLEMENTATION OF THE MULTI-ANNUAL INVESTMENT PLAN FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 (Continued)

OBJECTIVE	PROJECT NUMBER	PROJECT NAME	METHODOLOGY	BUDGET LINE		SOL	IRCE OF FUNDIN	G		DA	TAS
	Honbert				RG	RP	EU	EMPR	ND	HOME	END
[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]
0450	09 674	Railway Studies Projects and Technical Assistance	0	D.07.03.03.00.00	0 000	60 100	33 040	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	09 674	Railway Studies Projects and Technical Assistance	0	D.08.09.02.00.00	0 000	0 055	0 0 0 0	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	09 675	Installation and Improvement of Railway Equipment	0	D.07.03.02.00.00	0 000	0 493	0 296	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	09 675	Installation and Improvement of Railway Equipment	0	D.07.03.03.00.00	0 000	3 366	4 622	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	09 676	Railway Expropriations	0	D.07.03.01.00.00	0 000	9 274	0 743	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION AND REHABILITATION	E	D.02.02.03.RP.00	0 688	6 357	0 0 0 0	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION AND REHABILITATION	E	D.07.01.13.B0.A0	4 878	278 070	0 000	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION AND REHABILITATION	E	D.07.01.13.B0.B0	0 014	20 901	0 000	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 364	PETI 3+ AND PVAE - CONSTRUCTION	E	D.07.01.13.B0.C0	0 660	5 301	0 000	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 366	FERROVIA 2020 - CONSTRUCTION AND UPGRADING	E	D.07.03.01.00.00	0 000	24 117	1 3 9 6	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 366	FERROVIA 2020 - CONSTRUCTION AND UPGRADING	E	D.07.03.02.00.00	0 000	19 814	0 000	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 366	FERROVIA 2020 - CONSTRUCTION AND UPGRADING	E	D.07.03.02.00.00	0 000	0 0 0 0	1 156	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 366	FERROVIA 2020 - CONSTRUCTION AND	E	D.07.03.03.00.00	0 000	738 157	1 416 295	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 366	UPGRADING FERROVIA 2020 - CONSTRUCTION AND UPGRADING	E	D.07.03.03.00.00	0 000	0 0 0 0	75 344	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	10 366	FERROVIA 2020 - CONSTRUCTION AND	E	D.08.09.01.00.00	0 000	0 000	3 691	0 000	0 0 0 0	2016-01-01	2016-01-01
0450	11 661	UPGRADING PNI2030 RAILWAY - CONSTRUCTION,	E	D.07.03.01.00.00	0 000	1033	0 000	0 000	0 0 0 0	2020-01-01	2020-01-01
0450	11 661	REQUALIFICATION AND CONSERVATION PNI2030 RAILWAY - CONSTRUCTION,	E	D.07.03.03.00.00	0 000	930 603	0 000	0 000	0 0 0 0	2020-01-01	2020-01-01
0450	11 662	REQUALIFICATION AND CONSERVATION PNI2030 RODOVIA - CONSTRUCTION,	E	D.02.02.03.RP.00	0 000	2 720	0 000	0 000	0 0 0 0	2020-01-01	2020-01-01
0450	11 662	REQUALIFICATION AND CONSERVATION PNI2030 RODOVIA - CONSTRUCTION,	E	D.07.01.13.B0.A0	0 000	26 581	0 000	0 000	0 0 0 0	2020-01-01	2020-01-01
0450	11 662	REQUALIFICATION AND CONSERVATION PNI2030 RODOVIA - CONSTRUCTION,	E	D.07.01.13.B0.C0	0 000	10 943	0 000	0 000	0 0 0 0	2020-01-01	2020-01-01
0450	11 705	REQUALIFICATION AND CONSERVATION RRP-Missing links and increasing	E	D.02.02.03.RP.00	0 000	0 000	11 140	0 000	0 0 0 0	2020-01-01	2020-01-01
0450	11 705	network capacity RRP-Missing links and increasing	E	D.07.01.13.B0.A0	0 000	0 000	258 184	0 000	0 000	2020-01-01	2020-01-01
0450	11 705	network capacity RRP-Missing links and increasing	E	D.07.01.13.B0.C0	0 000	0 000	11 128	0 000	0 000	2020-01-01	2020-01-01
		RRP - (AAE) - Road Accessibility	E								
0450	11 805	RRP - (AAE) - Road Accessibility	E	D.07.01.13.B0.A0	0 000	0 000	92 294	0 000	0 000	2020-01-01	2020-01-01
0450	11 805	RRP - (AAE) - Road Accessibility	E	D.07.01.13.B0.C0	0 000	0 000	1 810 27 900	0 000	0 000	2020-01-01	2020-01-01
0450	11 804	RRP - Cross-border links	E			0 000		0 000	0 000		
		NATIONAL INTEGRATED RURAL FIRE	E	D.07.01.13.B0.C0	0 000		6 184			2020-01-01	2020-01-01
0450	12 032	MANAGEMENT PLAN		D.02.02.03.F0.00	0 000	33 885	0 000	0 000	0 000	2021-01-01	2021-01-01
0450	12 032	NATIONAL INTEGRATED RURAL FIRE MANAGEMENT PLAN	E	D.02.02.03.R0.00	0 000	26 291	0 0 0 0	0 000	0 0 0 0	2021-01-01	2021-01-01
				TOTAL	4 467 184	14 135 272	2 202 577	0 0 0 0	0 000		

The purpose of this map is to enable the annual implementation of the multiannual investment plan to be monitored and provides information on: Each investment project; Financing of the annual component and overall value of the programme/project; Financial implementation of previous years, in the financial year and future financial years. Methodology – use the codes: (A) for direct administration; (E) for works contracts; (O) for supplies and others; Source of Funding: (PR) own revenue, (GR) general revenue, (EU) EU funding and (EMPR) borrowing;

(Amounts in thousands of euros-€)

			мо	NTANTE PREVIS	STO							
			PE	Ríodos futur	os			AM	IOUNT EXEC	UTED	LEVEL OF ANNUAL FINANCIAL IMPLEMENTATION	LEVEL OF GLOBAL FINAN- CIAL IMPLEMEN-
PHASE OF EXECUTION	YEAR N	YEAR N+1	YEAR N+2	YEAR N+3	YEAR N+4	FOLLOWING YEARS	TOTAL	PREVIOUS YEARS	YEAR N	TOTAL	%"	TATION %"
[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]=[14]+[19]	[21]	[22]	[23]=[21]+[22	[24]=[22]/[14]*100	[25]=[23]/ ([20]+[21])*100
4	13 934	8 552	4 613	0 000	0 000	0 0 0 0	27 099	66 041	1 0 5 9	67 101	8%	72%
4	0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 055	0 0 0 0	0 055	-	100%
5	0 000	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 000	0 789	0 0 0 0	0 789	-	100%
5	0 000	0 000	0 000	0 000	0 0 0 0	0 0 0 0	0 000	7 987	0 0 0 0	7 987	-	100%
4	1 0 4 1	1 383	0 325	0 000	0 0 0 0	0 0 0 0	2 749	7 268	0 074	7 342	7%	73%
3	0 218	5 000	0 050	0 000	0 000	0 0 0 0	5 269	1 776	0 0 0 0	1776	0%	25%
3	4 672	93 833	110 725	0 0 0 0	0 0 0 0	0 0 0 0	209 231	73 718	0 698	74 416	15%	26%
3	2 147	4 423	1668	0 000	0 0 0 0	0 0 0 0	8 237	12 678	0 268	12 946	12 %	62%
3	2 005	0 590	0 396	0 0 0 0	0 0 0 0	0 0 0 0	2 991	2 971	0 099	3 069	5%	51%
3	3 379	2 847	0 367	0 000	0 0 0 0	0 0 0 0	6 592	18 920	1328	20 248	39%	79%
3	6 856	8 316	4 636	0 000	0 0 0 0	0 0 0 0	19 808	0 0 0 6	0 0 0 0	0 006	0%	0%
9	1 156	0 000	0 000	0 000	0 0 0 0	0 0 0 0	1 156	0 000	0 0 0 0	0 000	0%	0%
3	677 047	410 980	117 391	0 000	0 0 0 0	0 0 0 0	1 205 418	949 034	50 234	999 267	7%	46%
9	75 344	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	0 0 0 0	75 344	0 000	0 772	0 772	1%	1%
3	0 424	0 424	0 424	0 0 0 0	0 0 0 0	0 0 0 0	1 2 7 3	2 417	0 0 0 0	2 417	0%	65%
3	0 403	0 480	0 150	0 000	0 000	0 0 0 0	1033	0 000	0 0 0 0	0 000	0%	0%
3	39 124	228 510	653 039	0 000	0 0 0 0	0 0 0 0	920 673	9 929	1420	11 349	4%	1%
3	0 000	1800	0 920	0 000	0 000	0 0 0 0	2 720	0 000	0 0 0 0	0 000	_	0%
3	1586	4 114	20 881	0 000	0 000	0 000	26 581	0 000	0 0 0 0	0 000	0%	0%
3	4 853	3 237	1482	0 000	0 0 0 0	0 000	9 573	1 371	0 064	1434	1%	13%
9	3 040	8 100	0 000	0 000	0 000	0 000	11 140	0 000	0 0 0 0	0 000	0%	0%
9	34 261	97 998	110 020	0 000	0 000	0 0 0 0	242 279	15 905	0 0 0 0	15 905	0%	6%
9	2 687	2 208	5 923	0 000	0 000	0 000	10 818	0 310	0 069	0 379	3%	3%
9	24 991	29 955	36 600	0 000	0 000	0 000	91 546	0 748	0 079	0 827	0%	1%
9	1 014	0 563	0 232	0 000	0 000	0 000	1 810	0 000	0 0 0 0	0 000	0%	0%
9	0 000	0 930	26 970	0 000	0 000	0 000	27 900	0 000	0 0 0 0	0 000	-	0%
9	2 949	0 425	2 811	0 000	0 000	0 0 0 0	6 184	0 000	0 0 0 0	0 000	0%	0%
3	12 014	8 106	7 801	0 000	0 000	0 0 0 0	27 921	5 964	0 0 0 0	5 964	0%	18%
3	5 874	10 556	6 450	0 000	0 000	0 000	22 880	3 411	0 637	4 0 4 9	11%	15%
	2 772 499	2 562 584	2 539 206	0 000	0 0 0 0	0 0 0 0	7 874 289	12 930 743	440 483	13 371 226	16 %	64%





1. REVENUE BUDGET CHANGES

It shows the budgetary changes that occurred during the reporting period, with the revenue items having a similar level of disaggregation to the budget, incorporating the effect of the changes that occurred in the meantime.

Amounts in thousands of euros-€)

			REVE	NUE			
		INITIALS	BUI	DGETARY AMENDME	NTS	CORRECTED	OBSERVATIONS
ITEMS	TYPE	FORECASTS	ENROLMENT	DECREASES/ CANCELLATIONS	SPECIAL CREDITS	FORECASTS	
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(4)-(5)+(6)	(8)
CURRENT REVENUE							
R1 Tax revenue		0 000	0 000	0 0 0 0	0 000	0 000	
R1.1 Direct taxes		0 000	0 000	0 0 0 0	0 000	0 000	
R1.2 Indirect taxes		0 000	0 000	0 0 0 0	0 000	0 000	
R2 Contributions to social security, CGA and ADSE		0 000	0 000	0 000	0 000	0 000	
R3 Fees, fines and other penalties	Ρ	381 368	0 000	0 000	0 000	420 638	
R4 Property income		2 100	0 000	0 0 0 0	0 000	2 100	
R5 Current transfers and subsidies	Ρ	120 952	0 000	111 773	0 000	37 664	
R5.1 Current transfers	Ρ	120 952	0 000	111 773	0 000	37 664	
R5.1.1 General Government	Р	118 600	0 000	109 968	0 000	37 043	
R5.1.1.1 Central Government - State	Ρ	118 600	0 000	0 0 0 0	0 000	37 043	
R5.1.1.2 Central Government - Other entities		0 0 00	0 000	0 000	0 000	0 000	
R5.1.1.3 Social Security		0 0 0 0	0 000	0 000	0 0 0 0	0 000	
R5.1.1.4 Regional Administration		0 000	0 000	0 000	0 0 0 0	0 000	
R5.1.1.5 Local Government		0 000	0 0 0 0	0 000	0 0 0 0	0 0 0 0	
R5.1.2 Exterior - E U	P	2 352	0 0 0 0	0 000	0 0 0 0	0 621	
R5.1.3 Other		0 0 0 0	0 0 0 0	0 000	0 0 0 0	0 0 0 0	
R5.2 Current Subsidies		0 000	0 0 0 0	0 000	0 0 0 0	0 000	
R6 Sale of goods and services	P	103 044	0 0 0 0	0 000	0 0 0 0	163 896	
R7 Other current revenue	P	1500	0 0 0 0	0 000	0 0 0 0	1500	
CAPITAL REVENUE							
R8 Sale of investment goods		1 139	0 0 0 0	0 000	0 0 0 0	1 139	
R9 Capital transfers and subsidies	Ρ	1 049 536	0 0 0 0	36 679	0 0 0 0	1 0 31 798	

(Amounts in thousands of euros- €)

ETARY AMENDMENTS	CORRECTED	
UE		

			REVEN	IUE			
		INITIALS	BUDO	ETARY AMENDMEN	ITS	CORRECTED	OBSERVATIONS
ITEMS	TYPE	FORECASTS	ENROLMENT	DECREASES/ CANCELLATIONS	SPECIAL CREDITS	FORECASTS	
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(4)-(5)+(6)	(8)
R9.1 Capital transfers	Ρ	1 049 536	0 0 0 0	36 679	0 0 00	1 031 798	
R9.1.1 General Government	Р	675 332	0 0 0 0	16 834	0 000	658 499	
R9.1.1.1 Central Government - State	Ρ	675 332	0 000	0 0 0 0	0 000	658 499	
R9.1.1.2 Central Government - Other entities		0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	
R9.1.1.3 Social Security		0 000	0 0 0 0	0 000	0 0 0 0	0 000	
R9.1.1.4 Regional Administration		0 000	0 000	0 000	0 0 0 0	0 000	
R9.1.1.5 Local Government		0 000	0 000	0 0 0 0	0 0 0 0	0 000	
R9.1.2 Exterior - E U	Ρ	374 203	0 000	0 0 0 0	0 0 0 0	373 299	
R9.1.3 Other		0 000	0 000	0 000	0 0 0 0	0 000	
R9.2 Capital Subsidies		0 000	0 000	0 000	0 0 0 0	0 000	
R10 Other capital revenue		0 000	0 000	0 000	0 0 0 0	0 000	
R11 Recovery not deducted from payments		0 0 0 0	0 000	0 000	0 000	0 000	
R12 Revenue from financial assets	М	0 0 0 0	0 000	0 0 0 0	0 0 0 0	157 262	
R13 Revenue from financial liabilities	Ρ	1282067	0 000	0 0 0 0	0 000	1 282 972	
Balance from the previous management - budgetary operations	Μ	0 000	0 000	0 000	0 0 0 0	35 026	
TOTAL		2 941 706	0 000	372 147	192 288	3 133 994	



2. BUDGETARY AMENDMENTS TO EXPENDITURE

It shows the budgetary changes that occurred during the reporting period, with the revenue items having a similar level of disaggregation to the budget, incorporating the effect of the changes that occurred in the meantime.

(Amounts in thousands of euros- €)

		INITIAL	BUI	DGETARY AMENDME	NTS	CORRECTED				
ITEMS	TYPE	ALLOCATIONS	ENROLMENT	DECREASES/ CANCELLATIONS	SPECIAL CREDITS	ALLOCATIONS	OBSERVATIONS			
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(4)-(5)+(6)	(8)			
CURRENT EXPENDITURE										
D1 Personnel Expenditure	Ρ	136 493	0 000	223 670	0 000	-87 177				
D1.1 Fixed and Permanent Remuneration	Ρ	98 569	0 000	0 000	0 000	98 569				
D1.2 Variable or contingent bonuses	Ρ	9 875	0 000	0 0 0 0	0 000	8 486				
D1.3 Social security	Р	28 049	0 000	0 0 0 0	0 000	29 942				
D2 Purchase of goods and services	Ρ	357 382	0 000	0 000	0 000	366 150				
D3 Interest and other charges	Ρ	77 553	0 000	0 0 0 0	0 000	77 553				
D4 Current transfers	Ρ	5 726	0 000	3 461	0 000	2 376				
D4.1 General Government	Ρ	0 500	0 000	0 173	0 000	0 327				
D4.1.1 Central Government - State		0 000	0 000	0 0 0 0	0 000	0 000				
D4.1.2 Central Government - Other entities	Ρ	0 500	0 000	0 000	0 000	0 327				
D4.1.3 Social Security		0 000	0 000	0 0 0 0	0 000	0 000				
D4.1.4 Regional Administration		0 000	0 000	0 000	0 0 0 0	0 000				
D4.1.5 Local Government		0 000	0 000	0 000	0 0 0 0	0 000				
D4.2 Non-profit institutions	Ρ	0 270	0 0 0 0	0 000	0 0 0 0	0 213				
D4.3 Families	Ρ	0 050	0 0 0 0	0 000	0 0 0 0	0 041				
D4.4 Other	Ρ	4 906	0 0 0 0	0 000	0 0 0 0	1795				
D5 Subsidies		0 0 0 8	0 0 0 0	0 000	0 0 0 0	0 008				
D6 Other current expenditure	P	89 231	0 0 0 0	0 000	0 0 0 0	59 316				

			EXPEND	TURE			
		INITIAL	BUDO	GETARY AMENDMEN	тѕ	CORRECTED	
ITEMS	TYPE	ALLOCATIONS	ENROLMENT	DECREASES/ CANCELLATIONS	SPECIAL CREDITS	ALLOCATIONS	OBSERVATIONS
(1)	(2)	(3)	(4)	(5)	(6)	(7)=(3)+(4)-(5)+(6)	(8)
CAPITAL EXPENDITURE							
D7 Investment	Ρ	2 145 174	0 0 0 0	0 000	0 000	2 171 366	
D8 Capital transfers	Ρ	0 794	0 0 0 0	0 000	0 000	1729	
D8.1 General Government		0 000	0 0 0 0	0 0 0 0	0 000	0 0 0 0	
D8.1.1 Central Government - State		0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	
D8.1.2 Central Government - Other entities		0 000	0 000	0 0 0 0	0 000	0 0 00	
D8.1.3 Social Security		0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	
D8.1.4 Regional Administration		0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	
D8.1.5 Local Government		0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	
D8.2 Non-profit institutions		0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	
D8.3 Families		0 000	0 000	0 0 0 0	0 0 0 0	0 0 0 0	
D8.4 Other	Ρ	0 794	0 000	0 0 0 0	0 0 0 0	1729	
D9 Other capital expenditure		0 0 0 0	0 000	0 0 0 0	0 0 0 0	0 000	
D10 Expenditure on financial assets	М	0 0 0 0	0 000	0 0 0 0	0 0 0 0	161 248	
D11 Expenditure on financial liabilities		129 345	0 000	0 0 0 0	0 0 0 0	129 345	
TOTAL		2 941 706	0 000	1076 526	161 248	3 102 954	

(1) Items - corresponds to the item of the initial budget plus those which, as a result of enrolment, will have expression in the statement of budgetary changes.
 (2) Type - field identifying the type of amendment, tick (P) in the of an exchange amendment or (M) in the case of an exchange amendment in case of a modifying amendment.
 (3) Initial appropriations - corresponds to the crediting of account "021 - Initial appropriations".
 (4) Entries/reinforcements - corresponds to the credit balance of account "02311 - Reinforcements to corrected appropriations'.
 (5) Decreases/ cancellations - corresponds to the debit balance of account "02321 - Cancellations in corrected appropriations'.
 (6) Special credits - corresponds to the debit balance of account "0222 - Adjusted appropriations".
 (7) Adjusted appropriations - corresponds to the debit balance of the account "022 - Adjusted appropriations", and may also be either obtained by formula applied in the statement of budgetary changes.
 (8) Comments - this is intended to accommodate any clarifications that the organisation may wish to make.

de Portugal

REPORT AND ACCOUNTS 2022

Consolidated Financial Statements and Notes

464-471

1. Corporate Information

1.1. IP Activity

1.2. Activities of IP Group Companies

1.2.1. Management and operation of telecommunications and information technology infrastructures

1.2.2. Integrated management activity and valuation of the Group's real estate assets and valuation of the public railway property (commercial spaces)

1.2.3. Provision of transport engineering services

1.3. Other Financial Holdings 1.3.1. Atlantic Corridor 1.3.2. High Speed Spain - Portugal -AVEP 1.3.3. Railway Competence Centre (RCC)

472-475

2. Main Accounting Policies

2.1. Bases of Presentation
2.2. Basis of Consolidation
2.3. Summary of significant accounting policies
2.3.1. Business combinations and goodwill
2.3.2. Segments
2.3.3. Classification Current / Non Current
2.3.4. Transactions in foreign currency
2.3.5. Fair value
2.3.6. Financial applications in associated companies
2.3.7. Intangible assets
2.3.8. Tangible fixed assets
2.3.9. Investment property
2.3.10. Income tax
2.3.11. Financial assets and liabilities
2.3.12. Inventory
2.3.13. Subsidies
2.3.14. Provisions and contingent liabilities
2.3.15. Revenue
2.3.16. Employment benefits
2.3.17. Impairments
2.3.18. Related Parties
2.3.19. Subsequent events
2.4. Signficant Accounting Judgements, Estimates and Assumption

476-499

- 3. Group 500-501
- 4. Segment Reporting 502-505
- 5. Goodwill 506-509
- 6. Investments in Associates
- 7. Intangible Assets

512-513

8. Tangible Fixed Assets

514-515

9. Investment Properties

516-519

10. Deferred Tax Assets and Liabilities

520-523

11. Inventories

11.1. Raw, subsidiary and consumable materials 11.2. Finished products 11.3. Other materials

524-527

12. Goverment and Other Public Bodies (Assets and Liabilities)

528-531

13. Deferrals

13.1. Deferred assets13.2. Deferred liabilities13.2.1. Investment SubsidiesRoad Concession Right

532-535

14. Financial Assets and Financial Liabilities

14.1. Categories under IFRS 9
14.2. Financial assets
14.2.1. Grantor State Account receivable
14.2.2. Customers
14.2.3. Other accounts receivable
14.2.4. Cash and cash equivalents
14.3.1. Financial liabilities
14.3.2. Shareholder borrowings
14.3.3. Suppliers
14.3.4. Other accounts payable
14.4.1. Credit risk
14.4.2. Liquidity risk
14.4.2. Liquidity risk
14.4.4. Capital risk
14.5. Changes in liabilities deriving from financing activities

536-555

15. Share Capital and Reserves

556-559

- 16. Provisions 560-563
- 17. Sales and Services Rendered 564-567
- 18. Compensatory Allowances 568-569
- 19. Cost of Goods Sold and Materials Consumed

570-571

20. External Supplies and Services

572-575

- 21. Employee Benefits Expense 576-577
- 22. Impairments (losses)/Reversals

578-579

23. Other Income and Gains

580-581

24. Other Expenses and Losses

- 25. Financial Losses and Gains 584-585
- 26. Income Tax 586-589

27. Related Party Disclosures

27.1. Summary of Related Parties 27.2. Significant balances and transactions with public entities 27.3. Balances and transactions with other related parties 27.4. Joint operations 27.5. Remuneration of the members of the corporate bodies

590-597

- 28. Recently Issued Accounting Standards and Interpretations 598-601
- 29. Guarantees and Sureties 602-603
- 30. Contingencies 604-605
- 31. Commitments 606-607
- 32. Information Required by Law

608-611

- 33. Other Relevant Facts 612-615
- 34. Subsequent Events

616-619



S

50

P

7

REPORT AND ACCOUNTS 2022

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

(Amounts in thousands of euros - thousand euros)

STATEMENT OF COMPLIANCE

Under the terms and for the purposes of Article 245, paragraph 1, sub-paragraph c) of the Securities Code, each of the members of the Executive Board of Directors of Infraestruturas de Portugal, S.A., identified by name below, subscribed the following declaration:

"I declare, under the terms and for the purposes of Article 245, paragraph 1, sub-paragraph c) of the Securities Code that, to the best of my knowledge, acting in the capacity and within the scope of the duties attributed to me and based

on the information made available to me within the Executive Board of Directors, the Consolidated Financial Statements have been prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, cash flows, financial position and results of the IP Group, and that the management report for the financial year 2022 faithfully sets out the important events that occurred in that period and the impact on the respective Consolidated Financial Statements, and also contains a description of the main risks and uncertainties for the following financial year."

THE EXECUTIVE BOARD OF DIRECTORS

Chairman

Miguel Jorge de Campos Cruz (Digitally Signed Document)

(Documento Assinado Digitalmente)

Vice-Chairman

Carlos Alberto João Fernandes (Digitally Signed Document)

Member

Member Alexandra Sofia Vieira Nogueira Barbosa (Documento Assinado Digitalmente)

Vanda Cristina Loureiro Soares Nogueira

Vice-Chairman

Maria Amália Freire de Almeida (Digitally Signed Document)



CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2022 AND 31 DECEMBER 2021

ASSETS	NOTES	31-12-2022	31-12-2021
Non-current			
Goodwill	5	21 687	21 687
Investments in associates	6	9	0
Financial investments		135	97
Intangible assets	7	21 363 234	21 078 325
Tangible fixed assets	8	70 809	68 380
Investment properties	9	3 104	3 165
Traide receivables	14.2.2	0	5 258
Deferrals	13.1	374	397
Deferred tax assets	10	341 471	305 429
		21 800 822	21 482 737
Current			
Inventories	11	124 108	83 055
Grantor - State - Account receivable	14.2.1	4 474 849	4 136 506
Customers	14.2.2	34 703	64 130
Current tax assets	12	1 513	0
Goverment and other public bodies	12	2 048 244	1844 947
Other accounts receivable	14.2.3	182 393	145 020
Deferrals	13.1	4 860	4 509
Cash and cash equivalents	14.2.4	248 772	177 785
Non-current assets held for sale		3	3
		7 119 444	6 455 956
TOTAL ASSETS		28 920 266	27 938 693

To be read in conjunction with the notes to the Consolidated Financial Statements. Figures expressed in thousands of euros.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2022 AND 31 DECEMBER 2021((Continued)

31-12-2022 **EQUITY AND LIABILITIES** NOTES 31-12-2021 CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS 15 11 152 155 9 870 180 Issued capital 15 279 618 279 618 Reserves Cumulative results - 8780 11 438 885 10 141 018 48 299 15 892 Net profit for the period 10 156 910 Total equity 11 487 184 Liabilities NON-CURRENT Provisions 16 967 937 957 310 1 795 355 Financing obtained 14.3.1 1636752 Other accounts payable 14.3.4 1074194 1231475 Deferrals 13.2 10 117 622 10 175 498 Deferred tax liabilities 10 2 22 13 796 506 14 159 661 Current 14 3 3 40 019 40 556 Trade payables Cash advances of trade receivables 514 547 12 8 0 9 7 9 0 6 2 Goverment and other public bodies Current tax liabilities 12 0 13 832 Borrowings 14.3.1 176 965 152 537 Shareholder borrowings/ funding 14.3.2 2 332 667 2 332 667 1067882 1062444 Other accounts payable 14.3.4 Deferrals 13.2 10 432 10 477 3 636 577 3 622 122 17 781 783 Total liabilities 17 433 083 Total equity and liabilities 28 920 266 27 938 693



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 AND FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

	NOTES	2022	2021
Sales and services	17	1 171 499	1 101 825
Compensatory allowances	18	55 055	55 055
Cost of goods sold and materials consumed	19	- 280 709	- 259 301
Variation in production inventories		0	- 127
External supplies and services	20	- 364 058	- 315 899
Maintenance, Repair and Safety of the Road Network		- 126 583	- 120 384
Maintenance, Repairs and Safety Railway Network		- 76 425	- 71 152
Other Suppliers and Services		- 161 051	- 124 362
Personnel expenses	21	- 142 623	- 141 156
Impairment losses/reversals	22	1570	- 440
Provisions increases/ (decreases)	16	- 13 333	- 15 647
Other income and gains	23	90 802	89 739
Other expenses and losses	24	- 7798	- 11 482
Gains/(Losses) on subsidiaries and associats		9	0
Earnings before depreciations, financial expenses and taxes		510 414	502 567
Expenses/reversals of depreciation and amortisation		- 273 679	- 252 942
Operating results (before financial expenses and taxes)		236 735	249 624
Interest and similar income	25	59 216	59 679
Interest and similar expenses	25	- 250 433	- 280 268
Profit before tax		45 517	29 035
Income tax for the period	26	2 782	- 13 143
Consolidated net profit for the year		48 299	15 892
Consolidated comprehensive income		48 299	15 892

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 AND FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

	NOTES	PAID-UP CAPITAL	RESERVES	CUMULATIVE RESULTS	PROFIT/(LOSS) FOR THE PERIOD/YEAR	TOTAL
31 December 2020		8 257 530	279 618	48 413	- 57 193	8 528 368
Appropriation of net profit 2020		-	-	- 57193	57 193	0
Share capital increase	15	1 612 650	-	-	-	1 612 650
Comprehensive income for the year		-	-	-	15 892	15 892
31 December 2021		9 870 180	279 618	- 8 780	15 892	10 156 910
Appropriation of net profit 2021		-	-	15 892	- 15 892	0
Share capital increase	15	1 281 975	-	-	-	1 281 975
Comprehensive income for the year		-	-	-	48 299	48 299
31 December 2022		11 152 155	279 618	7 112	48 299	11 487 184



CONSOLIDATED CASH FLOW STATEMENT FROM 1 JANUARY 2022 TO 31 DECEMBER 2022 AND FROM 1 JANUARY 2021 TO 31 DECEMBER 2021

	NOTES	2022	2021
Operating Activities			
Cash receits from clients		1 185 053	1 064 045
Cash paid to clients		- 1 335 842	- 1 064 617
Cash paid to employees		- 139 494	- 139 482
Flow generated by operations		- 290 283	- 140 053
Income tax (paid)/received CIT		- 46 028	3 771
Other receipts / (payments) relating to operating activities		99 055	90 065
Net cash from operating activities (1)		- 237 256	- 46 217
Investing activities			
Cash receipts from:			
Investment subsidies		150 941	82 433
Tangible fixed assets		10 404	3 992
Interest and similar income		1	2
		161 345	86 426
Cash payments relating to:			
Investment subsidies		- 1727	- 32
Financial investments		-	- 2000
Tangible fixed assets		- 120 882	- 218 970
Intangible assets		- 799 732	- 782 615
		- 922 341	- 1 003 616
Net cash from investing activities (2)		- 760 995	- 917 190
Financing Activities			
Cash receipts relating to:			
Capital contribution	10	1 281 975	1 612 650
		1 281 975	1 612 650
Cash payment relating to:			
Borrowings		- 129 345	- 629 288
Financial leases		- 2507	- 2 398
Interest and similar costs		- 76 180	- 96 438
		- 208 033	- 728 124
Net cash from financing activities (3)		1073 942	884 526
Variation in cash and cash equivalents (4) = (1) + (2) + (3)		75 691	- 78 881
Cash and cash equivalents at the end of the period	14.2.4	247 128	171 438
Cash and cash equivalents at the beginning of the period	14.2.4	171 438	250 318
Variation in cash and cash equivalents		75 691	- 78 881

Almada, 13 April 2023

THE EXECUTIVE BOARD OF DIRECTORS

Financial Director Maria do Carmo Almiro do Vale Duarte Ferreira (Digitally Signed Document)

Chairman Miguel Jorge de Campos Cruz (Digitally Signed Document)

Vice-Chairman

Carlos Alberto João Fernandes (Digitally Signed Document)

Vice-Chairman

Maria Amália Freire de Almeida (Digitally Signed Document)

Member

Vanda Cristina Loureiro Soares Nogueira (Digitally Signed Document)

Certified Accountant

Diogo Mendonça Lopes Monteiro (Digitally Signed Document)

Member

Alexandra Sofia Vieira Nogueira Barbosa (Digitally Signed Document)



REPORT AND ACCOUNTS

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONSOLIDATED FINANCIAL STATEMENTS 1. CORPORATE INFORMATION

Infraestruturas de Portugal, S.A. is the public company resulting from the merger between Rede Ferroviária Nacional – REFER, E.P.E. (REFER) and EP – Estradas de Portugal, S.A. (EP) through which REFER incorporates EP, and is transformed into a public limited company, and renamed Infraestruturas de Portugal, S.A. (hereinafter IP). The merger was established on 1 June 2015, following the publication of Decree-Law No. 91/2015 of 29 May.

The immediate consequence of the merger is that road and rail infrastructure will be managed by a single company, according to a joint, integrated and complementary strategy.

The Infraestruturas de Portugal Group, hereinafter referred to as IP Group or Group, includes the subsidiary companies: IP Telecom - Serviços de Telecomunicações, S.A. (IP Telecom), which positions itself as an operator of telecommunications and specialised services in systems, information technologies and telecommunications; IP Património - Administração e Gestão Imobiliária, S.A. (IP Património), which operates in the area of management and valuation of the Group's real estate and public road-rail assets; and IP Engenharia, S.A. (IP Engenharia), whose activity is to provide transport engineering services.

The IP Group also holds shares in two joint operations, AVEP - Alta Velocidad de España y Portugal A.E.I.E. (AVEP), in partnership with ADIF - Administrador de Infraestruturas Ferroviárias (Spanish entity), whose activity concerns the preparation of the necessary studies for the Madrid-Lisbon-Oporto and Porto-Vigo connections and in the A.E.I.E Atlantic Corridor, in partnership with ADIF - Administrador de Infraestruturas Ferroviárias, SNCF - Réseau (French entity) and DB Netz AG (German entity), whose activity consists in the promotion, within its members, of measures aimed at improving the competitiveness of rail freight transport in the rail corridor. The corridor consists of sections of existing and planned railway infrastructure between: Sines-Setúbal-Lisbon-Aveiro-Leixões / Algeciras - Madrid - Bilbao - Zaragoza / Bordeaux - La Rochelle - Nantes - Paris - Le Havre - Metz - Strasbourg and Mannheim, crossing borders at Vilar Formoso/Fuentes de Oñoro, Elvas/Badajoz, Irun/Hendaye and Forbach/Saarbrücken.

The Group also holds a 31,65% stake in the Railway Competence Centre (RCC), an associated entity, in partnership with other companies in the transport sector and universities, whose activity respects the promotion and exercise of initiatives and activities of technical training, research, development and innovation (R&D) in technology, particularly in the area of railways and railway equipment, promoting and encouraging specialised training, cooperation and transfer of technology between companies, universities, organisations and other public and private entities.

1.1. IP ACTIVITY

According to Decree-Law No. 91/2015, IP's main activity is "... the conception, design, construction, financing, conservation, operation, requalification, extension and modernisation of the national road and railway networks, including in the latter the command and control of circulation."

In order to carry out its activity, IP assumes the position of infrastructure manager, under the terms of the general concession contract of the National Road Network (NRN) and the program contract of the National Railway Network (RFN), both signed with the Portuguese State.

In 2022, IP's statutes were altered by Decree-Law No. 63/2022, of 26 September, which extended the company's corporate object, granting it powers to promote the conception, design, construction, operation and maintenance of the undersea electronic communications cable system between mainland Portugal and the Azores and Madeira archipelagos. In the development of its activity and in order to guarantee a high level of efficiency and effectiveness, IP makes use of complementary services, of business areas that are not included in its main activity, but that are performed by its participated companies.



1.2. ACTIVITIES OF IP GROUP COMPANIES

1.2.1. MANAGEMENT AND OPERATION OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY INFRASTRUCTURES

IP Telecom, with its head-office in Lisbon, was incorporated on 9 November 2000, with the aim of developing, managing and exploring infrastructure solutions for Telecommunication Networks and their accommodation, Information Systems and Technologies, as well as carrying out any complementary, subsidiary or accessory activities, directly or through the creation of or participation in companies.

IP Telecom's activity is to ensure the supply and provision of Information Systems and Technologies and Communications services, based on innovative solutions with a focus on Cloud and Security technologies and on the main national telecommunications infrastructure, based on fibre optics and a technical road channel, for the corporate market and public bodies.

The current "Infraestruturas de Portugal, S.A. Sub-concession Agreement for the Operation and Management of the Telecommunications and Information Technologies Infrastructure" maintains, by revising its terms, the current sub-concession for the operation of the telecommunications infrastructure, and sub-concessions the operation of the Technical Road Canal built, or to be built, under the administration and management of IP.

In the scope of the Sub-concession Agreement, IP Telecom is the managing entity of the Telecommunications and Information Technology Infrastructure that integrate the public road and railway domain under IP's responsibility, and its networks, Datacenters, Road Technical Channel and related systems and services, carrying out, in this specific scope, what is inherently IP's corporate purpose, being the only entity responsible for the conservation and maintenance of this infrastructure.

The exploitation of the telecommunications infrastructure, formalised through the "Concession Agreement for the Exploitation of Telecommunications Infrastructure", entered into on 28 February 2001 and subject to subsequent addenda, addenda and amendments, was subject to review on 29 February 2016.

1.2.2. INTEGRATED MANAGEMENT ACTIVITY AND VALUATION OF THE GROUP'S REAL ESTATE ASSETS AND VALUATION OF THE PUBLIC RAILWAY PROPERTY (COMMERCIAL SPACES)

The object of IP Património is to act within the scope of the acquisition, expropriation, register updating and alienation of real estate assets or the constitution of rights over them, as well as in the profitability of the assets allocated to the concession or to the IP Group's autonomous assets and also in the management and exploration of stations and associated equipment, including the respective operational management.

On 27 June 2018, IP Património became part of the management, maintenance, conservation and cleaning activities of the Intermodal Transport Complex, designated as Oriente Station, namely, the provision of maintenance, cleaning and surveillance services to IP, and to Metropolitano de Lisboa, in the respective components, the ceding of commercial spaces, the operation of the car park, the supply of goods and services to users of commercial spaces and the ceding of spaces and provision of services to hold events.

1.2.3. PROVISION OF TRANSPORT ENGINEERING SERVICES

IP Engenharia provides transport engineering services to support the activity of IP and in multidisciplinary road and/ or rail projects, providing mobility solutions with a high level of integration, both nationally and internationally. It carries out cartography, topography, registration and expropriation activities, as well as providing integrated project management and supervision services, and in the area of quality, environmental and safety management.

1.3. OTHER FINANCIAL HOLDINGS

1.3.1. ATLANTIC CORRIDOR

In November 2013, the Atlantic Corridor A.E.I.E was set up between the infrastructure managers of Portugal (REFER), Spain (Administrador de Infraestruturas Ferroviárias – ADIF) and France (Réseau Ferré de France – RFF, currently SNCF Réseau), whose objective is based on the development of an internal rail market, particularly with regard to freight transport, through the creation of dedicated corridors.

The Atlantic Corridor then covered the existing and planned railway lines on the routes Sines/Setúbal/ Lisbon/Aveiro/Leixões - Algeciras/Madrid/Bilbao -Bordeaux/Paris/Le Havre/Metz/Strasbourg - Mannheim, crossing the borders Vilar Formoso/Fuentes de Oñoro, Elvas/Badajoz and Irún/Hendaya and Forbach/ Saarbrucken.

On 1 January 2016, with the extension of the Rail Freight Corridor to Mannheim crossing the France/ Germany border at Forbach/Saarbrucken, Germany joined Portugal, Spain and France as an EEIG- Atlantic Corridor partner. The new configuration of the Atlantic Corridor also includes another link to the river port of Strasbourg.

The Atlantic Corridor's mission initially involves the management and profitability of the existing infrastructures, without any additional investment, through the centralised management of capacity allocation and customer relations.

Subsequently, the Atlantic Corridor will also serve as a stage for coordination between member countries with regard to investment in infrastructure, overcoming operational, technical and interoperability barriers and increasing the competitiveness of rail freight transport.

1.3.2. HIGH SPEED SPAIN - PORTUGAL - AVEP

In January 2001 a partnership was developed between Portugal and Spain to carry out preliminary studies for the Oporto-Vigo and Madrid-Lisbon-Oporto corridors, in the form of a European Economic Interest Grouping (EEIG). The creation of said EEIG, has as its mission:

• To carry out a series of technical, economic and financial studies, surveys and other work necessary for the definition and implementation of the Oporto – Vigo and Madrid – Lisbon – Oporto corridors.

• Ensure the coherence and coordination of the technical studies carried out by each of the corridors.

• On the basis of the aforementioned technical studies, to carry out the economic, financial and legal studies required by the governmental authorities and necessary to define the appropriate financing, construction and operating structures for both Corridors.

• Study the safety specifications and the materials suitable for use in the Corridors.

• Monitor the construction and operation of the Corridors, if this task is entrusted to it by the Infrastructure Managers of both members of the Grouping.

• Carry out any other mission entrusted to it by the stakeholders of the Grouping or by the respective governments.

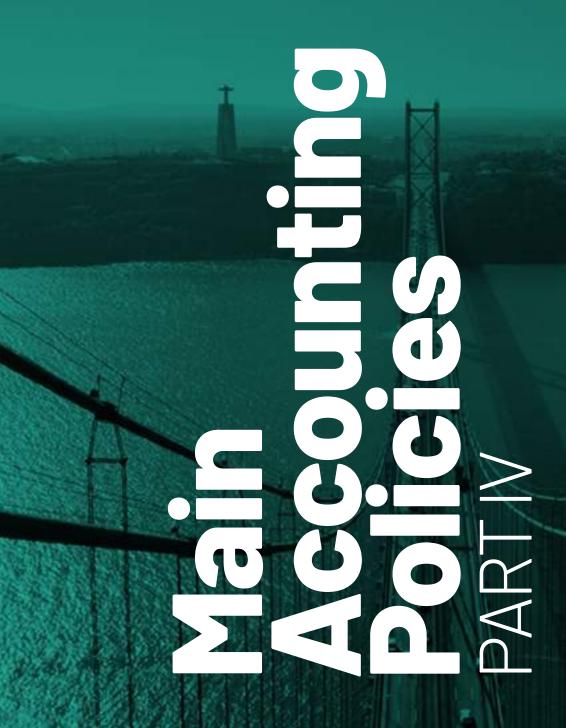
1.3.3. RAILWAY COMPETENCE CENTRE (RCC)

The RCC was formed on September 23rd 2021, in the form of a non-profit association, and has as founding members CP - Comboios de Portugal, E.P.E., IP - Infraestruturas de Portugal, S.A. Metropolitano de Lisboa, E.P.E., Metro do Porto, S.A., IAPMEI - Agência para a Competitividade e Inovação, I.P., PFP - Associação da Plataforma Ferroviária Portuguesa and Universidade do Porto.

The Railway Competence Centre promotes initiatives and activities of technical training, research, development and innovation in technology, particularly in the area of railways and railway equipment, encouraging specialised training, cooperation and transfer of technology between companies, universities, organisations and other public and private entities, with a view to increasing R&D capacity and consequent increase in qualified employment, improvement in competitiveness and growth in turnover and exports of the entities involved.



REPORT AND ACCOUNTS 2022



2. MAIN ACCOUNTING POLICIES

2.1. BASIS OF PRESENTATION

The Financial Statements now presented reflect the Group's financial position, results of operations and cash flows for the periods ended 31 December 2022 and 2021 and constitute the Consolidated Financial Statements of the IP Group.

Decree-Law No. 158/2009, in para. 1 of art. 4, introduced, in 2010, the obligation to present consolidated accounts in accordance with international accounting standards for companies with securities admitted to trading on a regulated market. Article 6 para. 1 extends the obligation to consolidate to any parent company subject to national law. Thus, IP is now obliged to present consolidated accounts from 2010 onwards.

These Consolidated Financial Statements were approved by the Executive Board of Directors at a meeting held on 13 April 2023, which resolved to submit them for shareholder approval. The Executive Board of Directors believes that they provide a true and fair view of the IP Group's operations, financial position, results and cash flows.

The Financial Statements of the IP Group have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), issued and in force as at 31 December 2022.

IFRS comprise accounting standards issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IF-RIC") and their predecessor bodies.

The Financial Statements presented were prepared using mainly the historical cost measurement.

All figures are expressed in thousands of euros and rounded to the nearest thousand, unless otherwise stated. Subtotals and totals in the tables presented in these Consolidated Financial Statements may not equal the sum of the amounts shown, due to rounding. In addition, the acronym $M \in$ is used for million euros, where appropriate.

The preparation of Financial Statements in accordance with IFRS standards requires the Group to use certain judgements, estimates and assumptions which have an impact on the accounting policies and the carrying amounts of revenues, expenses, assets and liabilities. The estimates and related assumptions are based on historical experience and on other factors deemed applicable and form the basis for the judgements on the values of the assets and liabilities, the valuation of which would not be possible to obtain from other sources. The issues involving a higher degree of judgement or complexity, or where assumptions and estimates are considered to be significant, are presented in note 2.4.

2.2. BASIS OF CONSOLIDATION

The Consolidated Financial Statements of the IP Group include the Financial Statements of IP (parent company of the Group) and its subsidiaries (note 3), from the moment they come under the control of IP with reference to the periods ended 31 December 2022 and 31 December 2021.

For control purposes, the IP is deemed to control a subsidiary if and only if it has cumulatively:

- power over the subsidiary;
- exposure or rights to variable results through its relationship with the subsidiary; and
- the ability to use its power over the subsidiary to affect the value of the results for investors.

IP holds, directly or indirectly, the entire capital of its subsidiaries (therefore there are no "non-controlling interests" in the Group) and has no agreement with any external entity by which it relinquishes its rights, so no further considerations are necessary on the effectiveness of the existing control over the Group's subsidiaries.

The consolidation of a subsidiary begins from the



moment it is controlled and ends when control ceases. In this way, the accounting policies of the various entities in the consolidation perimeter are standardised and the assets, liabilities, equity holdings, income, expenses and cash flows of the parent company are combined with the identical components of its subsidiaries.

Additionally, the carrying amounts of the parent company's investment in each subsidiary are eliminated against the parent company's share of the capital of each subsidiary and any differences between these realities are treated in accordance with IFRS 3 - Business Combinations.

Balances and transactions between Group entities are eliminated in full, and gains or losses arising from these transactions that are recognised in assets (inventories, fixed assets) are eliminated in full. The process of reconciling transactions may give rise to temporary differences, which will be treated in accordance with IAS 12 Income Taxes.

The cessation of control of an entity may occur for several reasons, namely through partial or total disposal of a financial participation or the establishment of agreements with other entities.

In such situations, the IP derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost and recognises:

i. the fair value of the consideration received, if any, as a result of the transaction, event or circumstance that resulted in the loss of control;

ii. if the transaction, event or circumstance that resulted in the loss of control involved a distribution of shares of the subsidiary to owners in their capacity as owners, that distribution, and any investment retained in the former subsidiary, at its fair value at the date when control was lost;

iii. reclassifying as profit or loss, or transferring directly to retained earnings if required in accordance with other IFRS, the amounts recognised as other comprehensive income.

Financial participations in joint agreements

In accordance with IFRS11 - Joint Arrangements, a joint arrangement is defined as an arrangement whereby two or more parties have joint control.

Joint arrangements have the following characteristics:

- The parties are bound by a contractual agreement; and

- The contractual arrangement gives two or more parties joint control of the arrangement.

According to the said standard, a joint arrangement is a joint operation or joint venture.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to that arrangement. These parts are called joint operators.

A joint operator acknowledges, with regard to its interest in a joint operation:

- its assets, including its share of any jointly held assets;

- their liabilities, including their share of any liabilities incurred jointly;

- their income from the sale of their share of the output from the joint operation;

- its share of the proceeds from the sale of the output by the joint operation; and

- their expenses, including their share of any expenses incurred jointly.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. These parties are called joint venturers.

2.3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.3.1. BUSINESS COMBINATIONS AND GOODWILL

Business combinations are recorded in accordance with the purchase method, with the identifiable assets acguired and the liabilities assumed being measured at their fair values on the date of acquisition. For each business combination, the components of "non-controlling interests" in the acquired entity are measured at the proportionate share that the ownership interests present represent in relation to the carrying amounts of the acquiree's net assets. At the acquisition date, identifiable assets and liabilities assumed are classified based on their contractual terms, economic and operational conditions in order to apply the other IFRS subsequently.

The acquisition price excludes administrative costs related to the acquisition, which are recorded in the Consolidated Income Statement under the caption other costs and losses, and includes any asset or liability resulting from a contingent consideration arrangement at fair value.

Changes in the fair value of contingent consideration after the acquisition date may result from additional information obtained after the acquisition date about facts and circumstances that existed at the acquisition date, being considered as adjustments to the initial measurement with a corresponding entry under goodwill. However, changes resulting from events after the acquisition date are not considered as adjustments during the measurement period, but are accounted for at fair value with an impact in equity or in the profit and loss of the period, depending on whether we are dealing with contingent retributions initially recorded in equity or in another caption, respectively.

The eventual excess between the consideration transferred and the identifiable net assets assumed at the date of acquisition should be recorded in a separate item in the Consolidated Statement of Financial Position under goodwill, except in the case of strengthening of shareholdings, where control already existed previously, where any resulting difference will be recorded under other comprehensive income.

Goodwill is subject to impairment tests annually or whenever there are indications of a possible loss in value.

Any impairment loss of goodwill is deducted to it and recorded in the Consolidated Income Statement under the item – impairment and cannot be reversed in the future under any circumstances.

Alternatively, a so-called "bargain purchase" may occur, that is, when the value of the identifiable net assets exceeds the value of the consideration transferred, where, before recognising any income, the entire transaction will be revalued in order to assess the correctness of the amounts involved relating to:

 identifiable assets acquired and liabilities assumed;

• "non-controlling interests" acquired, if applicable;

• in the case of a business combination achieved in stages, the equity interest in the acquiree previously held; and

• the consideration transferred.

The recording of a business combination is a process that involves a series of operations of some complexity as it implies, among other obligations, the attribution of fair values to identifiable assets and liabilities assumed, the identification of contingent liabilities and contingent consideration, through the analysis of underlying agreements, so that the process of recording the complete operation does not always coincide with the Group's reporting obligations.

The amounts determined provisionally will be adjusted when the fair values of assets, liabilities and contingent liabilities are finally determined, up to a maximum period of twelve months after the acquisition date. Goodwill, or any other recognised gain, shall be adjusted from the acquisition date by an amount equal to the adjustment to the fair value at the acquisition date of the identifiable assets, liabilities and contingent liabilities to be recognised or adjusted and the comparative information presented for the periods prior to the completion of the initial accounting for the concentration. This includes any depreciation, amortisation or other additional profit or loss effect recognised as a result of completing the initial accounting.

On disposal of a subsidiary, a joint venture or an associated company, the corresponding goodwill is included in the determination of the gain or loss.



An operating segment is a component of an entity that carries out a business activity:

i) that it can earn income and incur expenses;

(ii) whose operating results are regularly reviewed



by the entity's chief operating decision maker; and **(iii)** for which financial information is available.

The IP Group has identified the Executive Board of Directors as the body responsible for taking operational decisions, as well as the body that reviews the internal information prepared in order to monitor the performance of the Group's activities and the allocation of resources. The determination of the operating segments was made based on the information that is analysed by the Executive Board of Directors.

An entity shall report separately information about each identified operating segment resulting from the aggregation of two or more segments with similar economic characteristics or exceeding the quantitative thresholds established in IFRS 8 - Operating Segments.

2.3.3. CLASSIFICATION CURRENT / NON CURRENT

The IP Group classifies assets and liabilities into current and non-current, separately, and in order of liquidity in the Consolidated Statement of Financial Position, in accordance with the provisions of IFRS.

An asset is classified as current when:

• The Group expects to realise, sell or consume these assets during the normal course of its operating cycle (including situations in which the assets have no fixed maturity);

• The asset is held primarily for the purpose of trading;

• The asset is expected to be realised within twelve months after the reporting period; or

• The asset is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The remaining assets are classified as non-current.

A liability is classified by the Group as current when:

• The liability is expected to be settled in the normal course of its operating cycle;

• Liabilities are held primarily for the purpose of trading;

• The liability is due to be settled within twelve months after the reporting period; or

• There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

2.3.4. TRANSACTIONS IN FOREIGN CURRENCY

The Group's Financial Statements are presented in euros, which is also the Group's functional currency, as already disclosed in note 2.1.

Foreign currency transactions are translated into the functional currency on initial recognition, by applying the exchange rates prevailing at the dates of the transactions. Exchange differences, both favourable and unfavourable, caused by differences between the exchange rates at the date of the transactions and those at the date of collection, payment or at the date of the Consolidated Statement of Financial Position, in the case of monetary assets and liabilities, are recorded in the Consolidated Income Statement.

2.3.5. FAIR VALUE

The IP Group uses fair value in the measurement and/ or disclosure of the following assets:

• Financial investments - Enhancing labour compensation funds;

• Investment properties, for disclosure purposes the variables related with their calculation can be verified in notes 2.3.9 and 9;

• Inventories, within the scope of the net realisable value calculation of inventories, relating to the Group's real estate segment, the variables associated to the calculation of which can be verified in notes 2.3.12 and 11; and

• Fixed rate borrowings only for the purpose of disclosure in note 14.3.2.

Fair value relates to the price receivable for the sale of an asset or payable for the transfer of a liability in an orderly transaction between market participants at the measurement date.

The measurement / use of fair value is based on the assumption that the transaction to sell the asset or transfer the liability takes place:

(a) the principal market for that asset or liability; or

b) if there is no principal market, in the most advantageous market for this asset or liability.

The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that will use it in its highest and best use.

The Group uses valuation techniques appropriate to the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities measured or disclosed at fair value fall into one of the following categories:

• Level 1 - quoted prices (unadjusted) of assets or liabilities in active markets to which the entity has access at the measurement date;

• Level 2 - includes data other than quoted prices included in level 1 that are directly or indirectly observable for the asset or liability.

• Level 3 - unobservable data regarding assets or liabilities.

2.3.6. FINANCIAL APPLICATIONS IN ASSOCIATED COMPANIES

An associate is an entity over which the Group has significant influence.

Significant influence is the power to participate in the financial and operating policy decisions of an entity without, however, exercising control or joint control over those policies.

The considerations made in determining whether there is significant influence are disclosed in Note 2.4.

Shareholdings in associates are accounted for using the equity method.

In accordance with the equity method, the investment in an associate is recognised at cost upon its initial recognition, with the carrying amount being increased or decreased in order to recognise the evolution of the Group's share in the associated entity's profit or loss under the item income/ (expenses) in subsidiaries and associates, after the acquisition date.

Dividends received from an associate reduce the carrying amount of the investment. The carrying amount may also have to be adjusted to reflect changes in the Group's interest in the associate following changes in the associate's other comprehensive income. Such changes include those resulting from the revaluation of tangible fixed assets and foreign currency translation differences. The Group's share of those changes is recognised in the Group's other comprehensive income.

The financial statements of associated entities are prepared for the same disclosure period as the Group. When necessary, adjustments are made to align the accounting policies with those of the Company.

After applying the equity method, the Group determines whether there are indications of possible impairment losses on the investments in associates; if so, the Group calculates the amount of the impairment as the difference between the recoverable amount of the associate and its book value, and then recognises the loss in the income statement under the heading of income/ (expenses) in subsidiaries and associates.

The recording of the investment by the equity method is discontinued from the moment when the Group ceases to have significant influence over the investment, and it is valued at fair value from that moment on.



2.3.7. INTANGIBLE ASSETS

Intangible assets are recognised and measured in accordance with the transactions that gave rise to them. In the IP Group, intangible assets include the road concession right and other intangibles.

ROAD CONCESSION RIGHTS

By applying IFRIC 12 it is considered that the asset resulting from the Road Concession Right, which was granted by the Road Concession Contract entered into with the State, is classified as an intangible asset.

The Road Concession Right was recognised as a result of a Business Combination, when the corporate object of the incorporated company (EP) changed.

The Road Concession Right is increased by the development of the management activity of the national road infrastructure network which includes, namely, the construction, financing and operation of the National Road Network (which includes the Concession Network) as well as the Future National Road Network, which may occur by means of:

(i) Provision of construction services

It is increased at the completion of each significant component of the Future National Road Network, by its execution value. The construction may be carried out directly by the Group or through a subconcession. Until the completion of each component, the proportion of the value of the expected execution of the work is recognised as intangible asset in progress, by applying the percentage of completion method, which is determined based on the real physical evolution of each work.

Expenditure incurred by the Group relating to the launch of sub-concession tenders is recognised as intangible assets, until such time as the nature of the expenditure incurred is invoiced to the sub-concessionaire.

(ii) Acquisition of future rights over the Concession Network

It is increased by the accumulated payments related to the Concessions, net of receipts, made until the initial term of each concession, the date from which the Group has the right to the economic benefits underlying the respective section. Until their initial term, they are recorded in intangible assets in progress when expended.

The Concession Agreement presents the following definitions for the three fundamental components of the Concession Undertaking:

"Concession Network — Designates the roads that are part of the National Road Network and that are, on the date of signature of the Concession Contract, subject to a State Concession Contract or those that the State has included in a public tender that is still pending, on the same date, with a view to the respective concession;"

"National Road Network — Designates those Main Itineraries, Complementary Itineraries, National Roads and Regional Roads, foreseen in the NRP 2000, which are in service or whose construction has already begun at the date of signature of the Concession Contract. The construction of the Main Itineraries, Complementary Itineraries, National Roads and Regional Roads foreseen in the NRP 2000 is considered to have started from the moment the State or EP - Estradas de Portugal, S. A., signs the contract for their construction;"

"Future National Road Network — Designates those Main Itineraries, Complementary Itineraries, National Roads and Regional Roads, foreseen in the NRP 2000 or in the diplomas that may modify or substitute it and which come into force no later than 5 (five) years before the end of the term of the Concession Agreement, which are not built on the date on which the Concession Agreement is signed. The Main Itineraries, Complementary Itineraries, National Roads and Regional Roads foreseen in the NRP 2000 for whose construction the respective contract was not signed by the State or by EP – Estradas de Portugal, S. A., on the date of signature of the Concession Contract, are not considered to be built;"

The IP Group amortises the Road Concession Right based on its best estimate of the consumption pattern of the economic benefits associated with the asset, which is based on the unit of production method, as defined by IFRIC 12.

The unit of production corresponds to the best estimate of the use of the infrastructure measured by the revenues directly associated with the rights already acquired by the Group, which excludes the revenues related to toll collection activities before the initial terms of the underlying concessions. Any changes in estimates are corrected prospectively, affecting the value of amortisations in future years.

The amortisable amount of the Road Concession Right, revised annually in accordance with the Group's best expectations, corresponds to the total amount of costs incurred and responsibilities assumed under the general concession of the national road infrastructure.

The Group capitalises finance charges associated with the acquisition, construction or production of qualifying assets.

The IP Group considers as qualifying assets all those that take more than 12 months to be concluded for their intended use, the most significant qualifying asset being the Concession Right over the road infrastructure network. Any component of the National Road Network or of the Future National Road Network is considered a component of that same qualifying asset, provided that the estimated duration of its construction is greater than twelve months.

The components of the Concession Right that qualify for capitalisation of loan expenses are essentially those arising from:

(i) Provision of construction services

The provision of construction services usually lasts more than one year, so the costs associated with the financing obtained for its implementation are considered eligible, regardless of whether the services are provided directly by the IP Group or through a sub-concession.

(ii) Acquisition of future rights over the Concession Network

Payments made on account of the acquisition of future rights over the Concession Network up to the initial term of each section of the current Concession Network.

Direct financial charges are considered as a cost of the specifically financed component. Where there is no financing directly attributable to each network component in progress, a weighted average of the interest rates on active financing during the period is used, which is applied to the expenditure incurred in developing the said network. The components that were built with recourse to subsidies or are in a condition to enter into operation, regardless of the conclusion of the contract work to which they belong, are not considered for the purposes of calculating the basis for capitalisation of borrowing costs.

OTHER INTANGIBLE ASSETS

The remaining intangible assets relate mainly to contractual rights on computer programs and arise as a result of an acquisition from a third party. Intangible assets result from separate acquisition transactions and their cost reflects:

-The purchase price, including intellectual rights costs and taxes on non-refundable purchases, after deduction of trade discounts and rebates;

-Any cost directly attributable to preparing the asset for its intended use.

The IP Group values its intangible assets, after initial recognition, by the Cost Model as defined by IAS 38 - Intangible Assets and amortises them on a systematic basis from the date they are available for use, over their estimated useful life, generally corresponding to a period of 3 years.

The Group has no intangible assets with indefinite useful lives.

The IP Group carries out impairment tests whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, the difference, if any, being recognised in the income statement.



The Group's tangible fixed assets are recorded at acquisition cost net of depreciation and accumulated impairment losses.

Acquisition cost includes the purchase price of the asset, costs directly attributable to its acquisition and costs incurred to prepare the asset to be ready for its intended use.

Interest on borrowings directly attributable to the acquisition or construction of assets is capitalised as



part of the cost of those assets. An asset eligible for capitalisation is an asset that requires a substantial period of time to be available for use.

Costs are recognised as tangible assets only when it is probable that future economic benefits will flow to the Group and when the cost can be reliably measured.

The IP Group carries out impairment tests whenever events or circumstances may indicate that the book value of the asset exceeds its recoverable amount, the difference, if any, being recognised in the income statement.

The recoverable amount is determined as the higher of its fair value less costs to sell and its value in use, the latter being calculated by the present value of the estimated future cash flows obtained from continued use of the asset and its sale at the end of its useful life. Repairs and maintenance costs of a current nature are recognised in the income statement. Improvements that extend the estimated useful life of the asset, or from which are expected a material increase in future benefits, are capitalised.

Land is not depreciated. Depreciation is calculated on an annual basis, using the straight-line method, so that assets are depreciated until the end of their estimated useful lives, at the following rates:

	% AVERAGE
Buildings and Other Constructions	2-10
Basic Equipment	
Fiber optics	5
DWDM / SDH transmission equipment	12,5
Data network equipment	12,5
SHDSL Equipment	12,5
Miscellaneous equipment	10-100
Tools and utensils	10
Transport Equipment	25
Administrative equipment	12,5-100
Right of Use	25
Other Fixed Assets	12,5-25

Depreciation begins when the asset is ready for its intended use. The useful lives of assets are reviewed at the reporting date if expectations regarding the expected economic benefits as well as the planned technical use of the assets differ from previous estimates. Changes in the depreciation charge for the period are accounted for prospectively.

Gains or losses on the sale of assets are determined by the difference between the net realisable value and the carrying amount of the asset, and are recognised in the income statement.

Rentals

The Group assesses at the beginning of the contracts the existence of a possible right of use, i.e. whether the contract transmits the right to control the use of an identified asset for a period of time in exchange for a consideration.

The right to use the asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred, less any incentives granted.

Assets under right of use are subsequently measured at cost less depreciation and any impairment losses.

Depreciation of assets under right of use is calculated using the straight-line method, over the lease term.

The lease liability is initially recognised at the present value of the unpaid rents at the date of the lease contract, less interest at the interest rate implicit in the lease.

The IP Group's leases relate to contracts for the lease of vehicles and sundry equipment.

The Group does not recognise as a right of use or lease liability leases with a duration of less than 12 months, opting, as established in IFRS 16, to recognise a lease expense, on a straight-line basis as rental income under the caption external supplies and services (note 20), until the expiry of the contracts.

The Group has chosen to present in the Consolidated Statement of Financial Position the right of use properly segregated under the heading Tangible Fixed Assets (note 8), and the lease liabilities under the heading Other Payables (note 14.3.4).



The Group differentiates properties held to obtain rental income or capital appreciation that generate cash flows independent from other assets of the Group (investment properties treated in accordance with IAS 40 - Investment Property) from those whose cash flows generated are associated with production or its use for administrative purposes whose cash flows generated are not independent from other assets (treated in accordance with IAS 16 - tangible fixed assets).

Investment property is initially measured at cost, which comprises its purchase price and any directly attributable expenditure.

After their initial recognition, they are measured at cost less any accumulated depreciation (cf. Tangible assets, intangible assets and investment properties – Useful lives – note 2.4) and any accumulated impairment losses (cf. impairment of non-monetary assets – note 2.3.17), under the cost model.

Depreciation is calculated on a straight-line monthly basis, and the IP Group's investment properties are depreciated over a period of 50 years.

Transfers to, or from, investment property shall be made, when, and only when, there is a change in use, evidenced by the following:

• Commencement of owner-occupation, in the case of a transfer of investment property to owner-occupied property;

• Start of development with a view to sale, in the case of a transfer of investment property to inventories (being applicable only when there is a change of use).

• End of owner-occupation, in the case of a transfer from owner-occupied property to investment property; or

• Entry into force of an operating lease to another party in the case of inventories for investment property.

Investment properties are derecognised when they are sold or when they are withdrawn from use and no future economic benefits are expected from their



sale, any gains or losses generated being recognised in the income statement under the item other income and gains or other costs and losses.

Rents received on investment properties are recognised in the income statement under the caption other income.

Costs incurred with investment properties, namely management and maintenance costs, insurance and property taxes (municipal property tax), are recognised in the Consolidated Statement of Comprehensive Income for the year to which they relate. Improvements which are expected to generate additional future economic benefits are capitalised under investment properties.

2.3.10. INCOME TAX

Income tax for the period comprises current and deferred taxes. Income tax is recorded in the Consolidated Income Statement, except if it relates to items that are directly recognised in equity. The amount of current tax payable is determined on the basis of the profit before tax, adjusted in accordance with tax rules in force.

Deferred taxes are recognised when there are differences between the book value of assets and liabilities at a given moment and their value for tax purposes, using the expected tax rates in force on the date of reversal of temporary differences.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

i. when they arise from the initial recognition of a non-merger asset in which an entity's accounting and tax profits are not affected; or

ii. for tax differences associated with investments in subsidiaries, associates, interests in joint ventures or joint operators, where the parent, investor, venturer or joint operator can control the timing of the reversal of the temporary difference and its reversal is not probable.

Deferred tax assets are only recognised in relation to:

i. deductible temporary differences for which it is expected that they will be reversible in the future, or

ii. when there are deferred tax liabilities whose reversal is estimated to take place at the same time as deferred tax assets.

The temporary differences underlying the assets and liabilities are reviewed periodically in order to recognise or adjust them according to their expectation of future recovery, in line with the current tax law, taking into account any uncertainties in tax treatment, as provided in IFRIC 23.

Potential tax benefits arising from business combinations that do not meet the criteria for initial recognition may be recognised as follows:

i. when they result from new information about facts and circumstances that existed at the date of acquisition, their recognition should be carried out against goodwill, except if this does not exist, in which case the tax will be recognised in the Consolidated Income Statement; and

ii. when they result from subsequent measurements, arising from other facts, they will be recognised in the Consolidated Income Statement.

Deferred tax assets and liabilities are offset against each other only if:

i. there is an obligation to offset current tax assets against current tax liabilities; and

ii. the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, or it is expected that the assets and liabilities giving rise to the temporary differences will be realised on a net basis.

In March 2014, the IP Group joined the Special Regime for Taxation of Groups of Companies (RETGS).

The IP Group, for tax purposes, includes all companies resident in Portugal held by IP (parent company of the Group), in 75% or more, and that meet the conditions set out in article 69 of the Corporate Income Tax Code, which are presented below:

- Infraestruturas de Portugal, S.A.
- IP Património Administração e Gestão Imobiliária, S.A.
- IP Telecom Serviços de Telecomunicações, S.A.
- IP Engenharia, S.A.

2.3.11. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual relationship.

Therefore, in view of IFRS 9, financial assets are initially recognised by one of the following categories:

i. Amortised cost - If the financial asset is held within a business model whose objective is to hold the financial asset in order to collect contractual cash flows embodying repayments of principal and interest on capital outstanding;.

ii. Fair value through other comprehensive income - If the financial asset is held within a business model whose objective is achieved by collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on defined dates to cash flows that are solely repayments of principal and payment of interest on the principal amount outstanding; and

iii. Fair value through profit or loss - Unless measured at amortised cost or fair value through other comprehensive income. However, there is an irrevocable option to consider certain investments in equity instruments at fair value through profit or loss on initial recognition.

The financial assets of the IP Group are presented below:

Financial investments

These concern holdings in Workers Compensation Funds and holdings in other entities, where there is no control, estimated at fair value through profit or loss and at fair value through other comprehensive income, respectively.

Grantor - State - Receivables account

As a result of the splitting off of the railways in Portugal in 1997, IP (ex-REFER) was given responsibility for the construction and renovation of long-distance railway infrastructures. This is an activity developed according to the State's guidelines, whose financing is guaranteed through capital, state and European subsidies and loans mostly guaranteed by the State, with IP assuming the role of "agent" in this activity.

Applying this understanding, the effects related to this activity are recognised and measured in accordance with IFRIC 12 - Concession Arrangements.

Therefore, for the application of IFRIC 12, it is considered that the Long Duration Infrastructure (Long Duration Infrastructures) Investment Activity embodies the existence of a concession between the State (Public Entity) and IP (equivalent to a private entity although the only shareholder is the State), with IP assuming the role of "Concessionaire" in this activity.

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

- The services to be provided by the concessionaire (through the use of the infrastructure), to whom and at what price; and

- Any residual interests in the infrastructure at the end of the contract.

IFRIC 12 applies to:

- Built or acquired by the operator from third parties; and

- Already existing and to which the operator is given access.

Therefore, and considering the above, it is the IP Group's understanding that the existing railway concession is included in the scope of this IFRIC for the following reasons:

- IP is a for-profit entity and subject to the application of the Commercial Companies Code,



notwithstanding its shareholder being the State, it is constituted by the regime foreseen in the legislation applicable to the public business sector (Decree-Law No. 133/2013 of 3 October), having patrimonial and financial independence in relation to its shareholder, thus excluding the exclusion of the application of IFRIC 12 in accordance with its;

-The Decree-Law that constitutes IP, in substance, can be considered a concession agreement, since the State, as the Grantor, controls and regulates the public services provided by IP, as the Concessionaire, with the infrastructures that integrate or come to integrate the national railway public domain, also defining to whom the services are provided and at what price; and

- The State, through ownership, controls the infrastructures, as they belong to the State's public domain, granting IP the right of access to them so that it may provide the public service by charg-ing a tariff to the passenger and goods transport operators.

This interpretation establishes the general principles for the recognition and measurement of rights and obligations under concession contracts with the characteristics mentioned above.

Given the typology of the models, it was considered that the one that best translates the corporate object attributed to the railway activity is the Financial Asset model, since according to the legislation in force, the State (Public Entity) will fully bear the charges associated with investments in national railway infrastructures, thus IP has an unconditional right to receive money from the State for the investments made in LDI. This right is conferred either by Article 11 of the Basic Law of the Land Transport System for rail transport (LBTT), or by Decree-Law No. 141/2008 of 22 July, or even by the Strategic Transport Plan 2011-2015 (PET) and, already in 2014, by the Strategic Plan for Transport and Infrastructure (2014-2020) (PETI3+).

The Financial Assets resulting from the application of this standard were framed in accordance with IAS 32, IFRS 7 and IFRS 9.

Trade and Other Receivables

Includes current accounts with various entities, which are initially recorded at fair value and subsequently measured at amortised cost, less impairment losses, which when incurred have a direct impact on results.

The impairment losses recorded result from the use of the expected loss model.

Other receivables also include debit balances for accrued income, relating to services rendered but not yet invoiced.

Cash and cash equivalents

For the purposes of the Consolidated Cash Flow Statement, cash and cash equivalents comprise the amounts recorded in the Consolidated Statement of Financial Position and include cash on deposit with the Public Debt and Treasury Management Agency – IGCP, E.P.E. (IGCP).

Cash and cash equivalents include cash, bank deposits and short-term highly liquid investments with an initial maturity of up to 3 months.

Accounting overdrafts are presented in the Consolidated Statement of Financial Position, in current liabilities, under "Borrowings" and included in the balance of the Cash Flow Statement.

Regarding financial liabilities the existing categories are:

i. Amortised cost; and

ii. Fair value through profit or loss.

In the case of the IP Group, all its financial liabilities (bank financing, bond and shareholder borrowings, suppliers and other accounts payable) are considered in the "Amortised cost" category.

Borrowings

The IP Group recognises non-current borrowings as a financial liability in accordance with IFRS 9. These financial liabilities are recorded:

- (i) initially at fair value less transaction costs incurred; and
- (ii) subsequently at amortised cost, based on the effective interest rate method.

The Group holds borrowings in the form of bilateral borrowings and bond and shareholder borrowings to finance the construction of Long Duration Railway Infrastructure (LDI), the Rail Infrastructure Management activity, the High Rendering activity and the Road Network Management activity.

Trade payables and other accounts payable

Suppliers and other payables are measured initially at fair value and subsequently at amortised cost using the effective interest rate method. Usually, the amortised cost of these liabilities does not differ from their nominal value.

2.3.12. INVENTORIES

The IP Group has the following types of inventories:

• Raw materials acquired for the specific and unique purpose of application in the long-term infrastructure;

• Finished Products relating to the construction of real estate developments available for sale to the public; and

• Other Materials which are intended for use/ incorporation in the long duration infrastructure arising from the provision of telecommunications services.

Raw and other materials are stated at cost, which includes purchase costs, conversion costs and other costs incurred in bringing the inventories to their present location and condition.

The quantities existing at the end of the period are determined from the accounting records confirmed by physical counting. Stock-outs (consumption) are valued at weighted average cost, in accordance with IAS 2 - Inventories.

Therefore, it is only considered that there are impairments in these assets when they are damaged or when they become totally or partially obsolete for their use, being the loss recognised in the Separate Income Statement.

Finished products are stated at the lower of cost and net realisable value.

The cost of inventories comprises costs of purchase, costs of conversion and other costs in-

curred in bringing the inventories to their present location and condition. The net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs.

Whenever the net realisable value is lower than the acquisition cost, an impairment loss is recognised in the Consolidated Income Statement.



Grants received from the Portuguese State, the European Union or similar bodies are recognised at their fair value when there is reasonable certainty that the conditions for receiving the grant will be met, with the exception of grants received for investment in Long Duration Infrastructures (LDI), which are recognised when actually received.

Non-repayable subsidies obtained to finance investments in tangible and intangible fixed assets are recognised as deferred income.

Subsidies are subsequently charged to the income statement on a pro-rata basis of the depreciation/amortisation of the related assets, and are recorded under the caption "Other income and gains".

Subsidies obtained to finance assets acquired/ constructed in Long Duration Infrastructures are recognised in the Consolidated Statement of Financial Position under "Grantor – State – Account Receivable" because, being granted in the scope of the railway activity under concession, they constitute reimbursement of part of the expenses incurred, being deducted from the amount receivable from the Grantor.

The subsidies obtained to finance the participation in associated companies are being deducted from the participation itself as IP was directly mandated by Resolution of the Council of Ministers to apply the subsidy received to the acquisition of the participation in question.

Non-refundable operating subsidies are recognised in the Consolidated Income Statement under "Other Income and Gains" on a systematic basis and in the same period in which the associated expenses are incurred.



2.3.14. PROVISIONS AND CONTINGENT LIABILITIES

Provisions are recognised by the IP Group when there is a present obligation as a result of past events, it is probable that in settling this obligation the expenditure of future internal resources will be required and the amount of this obligation can be reasonably estimated. When any of the previous conditions is not present, the Group discloses these contingent liabilities.

Contingent liabilities are not recognised in the Consolidated Financial Statements, being disclosed in the notes to the Consolidated Financial Statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

Provisions are reviewed at the date of each reporting period and adjusted according to the best estimate at that date.

Provisions are measured at the present value of the estimated expenditure required to settle the obligation using a pre-tax discount rate that reflects the market assessment for the discount period and the risk of the liability in question.

2.3.15. REVENUE

Revenue corresponds to the fair value of the amount received or receivable, from transactions with customers in the normal course of the Group's activity. Revenue is recognised net of any taxes, trade discounts and other inherent costs at the fair value of the amount received or receivable.

In accordance with IFRS 15, revenue is recognised on the date control is transferred to the customer, and the value of the transaction is allocated to the different performance obligations undertaken with the customer, and adjusted in its measurement whenever the consideration is variable or subject to a significant financial effect, in accordance with the methodology that is embodied in:

1)Identify contract with customer;

- 2) Identify separate performance obligations to be met in the contract;
- 3) Determine transaction price;

- 4) Allocating the transaction price; and
- 5) Recognise revenue.

The revenue of the IP Group essentially comprises:

In the context of railway infrastructure management, charges for the use of infrastructure, traction power, shunting, unused requested capacity, and other services set out in the Network Directory available on the IP website, in compliance with the provisions of Decree-Law No. 217/2015 and Decree-Law No. 270/2003, republished by Decree-Law No. 151/2014 (in the part kept in force by Decree-Law No. 217/2015), in particular with the provisions of Article 27 and Annex IV of Decree-Law No. 217/2015.

The purpose of the Network Directory is to present to applicants, authorities and all interested entities the general terms and conditions for acquiring capacity and the inherent services on the national rail network.

In addition to presenting the characteristics of the network, the Network Directory sets out the conditions of access, describes the services provided by the IP Group and discloses the charging principles and tariffs, presenting, as regards the latter, the methodology, rules and, where applicable, the scales used to apply the tariffs.

Revenues from road activity result from the road concession contract (hereinafter "Contract") that the State signed with ex-EP on 23 November 2007, whose bases were approved in the annex to Decree-Law No. 380/2007 of 13 November, amended by Law No. 13/2008 of 29 February, Decree-Law No. 110/2009 of 18 May and Decree-Law No. 44-A/2010 of 5 May.

This Contract, which ends at midnight on December 31, 2082, has as its object the concession by the Portuguese State to the now extinct EP of the following:

- Design, construction, financing, maintenance, operation, requalification and widening of the roads that make up the National Road Network;
- Conception, design, construction, financing, maintenance, operation, requalification and widening of the roads that make up the Future National Road Network;

• Financing, operating, preserving, upgrading and extending the roads that are part of the National Road Network or the Future National Road Network but also form part of the Concession Network; however, these responsibilities are subject to the initial term of the concession contracts currently in force between the State and third parties. The initial term also marks the end of the IP Group's assumption of all payments to be made by the State and receipts to be collected by it under those contracts.

According to the concession contract, signed to be in force since 2008, for 75 years, the IP Group's own revenues are, among others, the following:

i. Road Service Contribution (RSC)

The RSC created by Law No. 55/2007 of 31 August constitutes the consideration paid by users for the use of the national road network and is levied on petrol and diesel which are subject to and not exempt from the tax on oil and energy products (ISP). In 2014, the extension of the RSC to LPG Auto, hitherto exempt, was fixed.

Meanwhile, by virtue of Law No. 24-E/2022 of 30 December, the RSC was extinguished, with a simultaneous increase in the ISP rate corresponding to the amount of the RSC and the creation of the Road Service Consignment. Thus, as of 2023, the financing of IP that was ensured by this Contribution will be ensured through this Consignment.

The financial receipt is carried out with a time lag in relation to the date of introduction for consumption, and so accrued income is recognised.

ii. Other Revenues resulting from the Concession Agreement

In order to pursue its corporate object, the Group has to provide construction services within the scope of the development of the national road infrastructure network.

The result of the construction of each new component of the national road infrastructure network is recorded according to the percentage of completion method.

The amount of revenue to be recognised results from the product between the percentage of completion and the total value of the work. The total value of the work is the amount agreed with the Grantor (State) or, if no agreement has been reached, it is the result of adding together the specific expenditure components for the work in question, whether internal or external.

The receivable resulting from the provision of construction services under the Concession is exchanged for the Concession Right.

In the case where the total value of the work is agreed with the Grantor, whenever the sum of the specific expenses incurred and to be incurred exceeds the agreed revenue, the estimated loss is immediately recognised in the income statement.

iii. The value of toll charges - Own or Sub-concessionary Administered Roads

Toll collection on roads included in the network managed by the company or the sub-concession network is recognised in the year's profit or loss according to the actual tolls in the period, in far as these tolls are charged in roads over which IP already has the full operational Right of Concession.

iv. The value of toll charges - Roads under concession

The activity of toll collection on the roads of the Concession Network is recognised according to the actual tolls of the period, and the amount resulting from this activity is deducted from the Group's investment in the acquisition of the rights over this Concession Network, as stipulated in the Concession Contract entered into with the Portuguese State.

The revenue relative to the Telecommunications business segment includes the provision of leased fibre optic and data network services. The transport engineering segment includes advisory services and studies.

In the retail space management segment, the revenue respects to the sub-concession consideration for the use of commercial and services spaces, sales of flats and commercial spaces and services rendered of asset valuation, technical assistance and other related services;

In the sale of flats and commercial spaces, the revenue is recognised on the deed date or when the risks and benefits have been transferred to the buyer (taking possession of the asset).

The IP Group recognises revenue related to the provision of services in accordance with IFRS 15, taking into account that the customer simultaneously receives and consumes the benefits generated by the Group.



2.3.16. EMPLOYMENT BENEFITS

Personnel expenses are recognized when the service is provided by employees, regardless of their payment date.

The Group granted temporary early retirement pensions and supplements to retirement pensions and survivors' benefits to a restricted and closed group of employees. These liabilities for post-employment and termination benefits are paid by Caixa Geral de Aposentações to the employees and debited by the latter to the Group until the same employees are able to retire under the general law.

The responsibilities with the payment of these instalments are reviewed annually. The present value of the obligation is determined using the immediate life annuities method, by discounting the future benefit payments that are perfectly identifiable, using the interest rate of highly rated bonds denominated in the same currency in which the benefits will be paid and with a maturity approximating to that of the liability assumed.

The liability recognised in the Consolidated Statement of Financial Position corresponds to the present value of the benefit obligation determined at the date of the Consolidated Statement of Financial Position.

2.3.17. IMPAIRMENT

The IP Group's assets are assessed for impairment whenever an event or change of circumstances indicates that their carrying amount may not be recoverable.

The recoverable amount of an asset corresponds to the higher of its fair value less costs to sell and its value in use.

The value in use of the asset is calculated based on the present value of the future cash flows estimated by management, arising from continued use and from the sale of the asset at the end of its useful life. For the determination of future cash flows, assets are allocated to the lowest level for which separate identifiable cash flows exist (cash-generating unit to which the asset belongs), when it is not possible to do so individually.

The Group records an impairment loss in the income statement when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, unless the loss offsets a revaluation surplus recorded in equity.

Non-financial assets, for which impairment losses have been recognised, are evaluated at each reporting date, about the possible reversal of those impairment losses. The reversal of impairment losses is recognised in the Consolidated Profit and Loss Statement, except for the assets which were revalued, in which case the reversal will correspond to an increase in revaluation. Impairment losses are reversed up to the limit of the amount that would be recognised (net of amortisation or depreciation) if the impairment losses had not been recorded in prior periods.

2.3.18. RELATED PARTIES

The revision of IAS 24 - Related Party Disclosures, established the obligation to disclose the existing transactions with the State and with entities that are considered related parties, due to the fact that they are also held by the State.

After internal review the Executive Board of Directors, considering its activity as a whole, did not deem relevant the disclosure of balances and transactions with other entities, except those indicated below.

Related parties are considered to be entities over which the IP Group is controlled (the Portuguese State in a strict sense) or in which it exercises joint control (joint operations) or significant influence (associated companies), as well as other entities (Rail Operators owned by the Portuguese State).

The IP Group discloses the balances and transactions with related parties in note 27.

2.3.19. SUBSEQUENT EVENTS

Events occurring between the date of the Consolidated Statement of Financial Position and the date on which the Consolidated Financial Statements are approved by the Executive Board of Directors that provide evidence of conditions existing at the date of the Consolidated Statement of Financial Position are reflected in the Consolidated Financial Statements.

Events occurring between the date of the Consolidated Statement of Financial Position and the date of approval by the Executive Board of Directors of the Consolidated Financial Statements indicative of conditions that arose after the date of the Consolidated Statement of Financial Position, if material, are disclosed in note 34.

2.4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the IP Group's Consolidated Financial Statements in accordance with IFRS requires the Executive Board of Directors to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income, expenses, cash flows, as well as the disclosures of contingent liabilities. Judgements, estimates and assumptions are assessed continuously and are based on past events and other factors, including expectations for future events likely to be probable given the circumstances on which the estimates were based.

Although the entire process is based on the best information available and given the uncertainty associated with it, situations may occur in subsequent periods that were not foreseeable at the time and were not considered in those estimates, and may result in relevant changes in the financial position, performance and future cash flows of the Group, which will be included in the results of the year prospectively.

Additionally, note 14.4 also discloses a number of risks to which the Group is exposed.

The main judgements, estimates and assumptions considered are as follows:

Investment properties

The IP Group has opted to record investment properties by the cost method, notwithstanding the disclosure of their fair values.

Intangible Assets - Concession right

The IP Group amortises its road concession right by the equivalent production units method, being this amortisation based on: i) the estimated total income to be generated by the concession until its term and ii) the valuation of all the investments to be made by the Group.

These two parameters are defined taking into consideration the typology of the assets and businesses in question, also considering the practices adopted by companies in the sector at international level.

Grantor - State - Account receivable

This is shown on the Consolidated Statement of the Financial Position as a current balance as there is no defined maturity, as a result of the absence of a formalised concession contract. As a result, it is assumed that the amounts receivable become due on the debit date.

Consequently, as of that date, the concessionaire (IP) is deemed to be owed interest on the amount owed. The way this interest is calculated is based on the same conditions as the financing obtained to directly finance this activity. This way, interest and other financial expenses incurred with borrowings obtained for financing the concession are debited.

Grants/subsidies

Railway and road activities have been financed by means of investment subsidies.

The railway assets under concession are shown in the Consolidated Financial Statements net of the respective subsidies, as it is the model that best represents the way in which it is expected to be reimbursed for these investments made.

Subsidies associated with the road concession right are shown in the Consolidated Financial Statements in the item deferred income, under deferred liabilities.

Tangible Assets, Intangible Assets and Investment Properties - Useful Lives

The determination of useful lives of the assets as well as the depreciation/amortisation method to be applied is essential to determine the amount of depreciation/amortisation to be recognised in the Consolidated Profit and Loss Statement for each year.



These two parameters are defined in accordance with the best estimate of the Executive Board of Directors for the assets and businesses in question, while also considering the practices adopted by companies in the sector.

Investment Properties - calculation of fair value

The investment properties are subject to internal assessment by qualified assessors for the purpose of disclosure in this report, with the assessment being made only if there is evidence to justify it (see in this chapter - impairment of non-monetary assets/investment properties), according to the income method, where the potential unit rent is estimated based on the rental values practiced in the local market. The rents charged are assumed to be perpetual and the determination of the yield is based on the characteristics of the properties in question, in relation to the level of risk associated with the real estate market.

Equity holdings in associates

Financial investments in associated companies are included in the Consolidated Financial Statements using the equity method, from the date on which the Group acquires significant influence until the moment it ends.

The existence of significant influence on the part of the Group is normally demonstrated in one or more of the following ways:

- Representation on the Executive Board of Directors or equivalent management body;
- Financial participation exceeding 20%;
- Material transactions between the Company and the associated entity;
- Participation in policy-making processes;
- Management exchange; and
- Provision of essential technical information.

Joint operations

The two European Groupings of Economic Interest of which the IP group is a member are considered joint operations as provided for in IFRS 11. The determination of the agreement typology is based on the judgment made by the entities involved, taking into consideration the rights and obligations arising from the agreements, considering:

 Structure and legal form of the agreement -Both agreements in guestion were structured through a separate vehicle, and in these circumstances, in accordance with the applicable regulations (IFRS 11), we are faced with a joint operation when the legal form of the said instrument does not confer separation between the parties and the separate vehicle, which happens in the cases in question because the bylaws of both Groupings mention the existence of unlimited and joint and several liability on the part of those involved in the Grouping, which makes them liable for the credits claimed by third parties, as well as the fact that in the event of losses, the Meeting has the right to ask those involved to contribute proportionally, according to the percentage of participation of each member, to the liquidation of the Grouping's debts, which indicates that the parties are given obligations for the liabilities originated by the agreement.

• The terms agreed by the parties - Both agreements provide that studies will constitute undivided property of the members of the agreement.

Estimated Pattern of Revenues (within the scope of the calculation of the equivalent units method)

The amount and timing of future revenues are essential to determine the equivalent units method, on which the calculation of the amortisation of the Road Concession Right is based.

This pattern is estimated based on recent history and the best prospects of the Executive Board of Directors for the future, and this is the basis for calculating the revenues contained in the multi-annual financial model, which supports the calculation of the annual amortisation of intangible assets related to the Road Concession Right.

The annual revenue estimate was based on the main assumptions:

The annual revenue estimate was determined in accordance with the main underlying assumptions: - Road Service Contribution (RSC), to 2023, assumes management's best estimate for those years. From 2024 onwards, the RSC will evolve based on the assumption that the annual consumption of gasoline and road diesel will increase by 0% and the unit price per litre consumed will increase in accordance with the CPI (2%/year).

- Toll revenues from ex-SCUT concessions and sub-concessions are based on the base cases, or on more recent traffic studies carried out by specialised consultants, available at the time of the review and approval of the economic and financial flows for the Concession period, assuming, from 2026 onwards, an evolution of the collection model in some of these concessions, with the resulting efficiency gains. Following these contracts reverting to IP, the growth rate is considered in line with the CPI, based on the latest year of these studies and baseline cases;

- However, the effect of the reduction in toll charges on various concessions (ex-SCUT) and discounts on other highways in the Company's own network, as determined by articles 425 and 426 of Law No. 75-B/2020, regulated by Order in Council No. 138-D/2021, which came into force at the beginning of the second half of 2021, was considered until the end of 2025, the planning horizon for the 2023-2025 PAO, and because it is understood that, in accordance with the provisions of sub-paragraph c) of Clause 87.1 of the Concession Contract entered into between the Grantor and IP on 23rd November 2007, a mechanism capable of ensuring compensation for the loss of revenue associated with the aforementioned toll discounts will be considered until the end of 2025, in coordination between the Grantor and IP;

- In the State Concessions under an actual toll regime, it was considered, as of 2026, that in relation to the stretches on which IP already has the right arising from the toll collection in its Concession Contract, this regime would be applied, with recognition of the revenue arising therefrom. After the reversion of the State Concessions to IP, the latter will be the holder of all the respective toll revenues, considering their growth in accordance with the CPI, based on the last year of the respective base cases, when applicable, or on traffic studies carried out by IP's specialized technicians; - Overall, the remaining operating income (revenue from service areas, telematics and others) was estimated in 2022, as part of the revision of the economic and financial model for Concession period.

The company also made a sensitivity analysis of the evolution of IP revenues over the Contract's life and their impact on the amortisation for the year. The analyses carried out were based on the following scenarios, drawn up on the basis of the base scenario mentioned above:

a) Real growth in toll revenues after the initial end of the Concession Agreements would be 1% up to 2039 and 0% after 2040 and the real growth of the RSC would be in accordance with the Base assumptions until 2024 and after 2024 it would be 0.5%, with growth remaining in line with the CPI.

b) It was considered that the real growth of toll revenues after the initial term of the Concession Agreements would be 1% and the real growth of the RSC would be in accordance with the Base assumptions until 2024 and after 2024, 1%, maintaining the growth in accordance with the CPI.

c) It was considered that the real growth in toll revenues after the initial end of the Concession Contracts would be 0% and the real growth of RSC would be in accordance with the Base assumptions up to 2024 and after 2024 it would be 0%, with growth remaining in line with the CPI. It was also considered that the new reduction regime introduced by articles 425 and 426 of the 2021 State Budget Law would remain in force until the end of the Concession Contract without any compensatory measure.

d) It was considered that the real growth in toll revenues after the initial end of the Concession Contracts would be 0% and the real growth of RSC would be in accordance with the Base assumptions up to 2024 and after 2024 it would be 0%, with growth remaining in line with the CPI. It was also considered that the new discount regime introduced by articles 425 and 426 of the State Budget Law 2021 would remain be in force until the end of the Concession Agreement without any compensatory measure and that no revenue enhancing measures foreseen in the base scenario will be implemented in 2026.



In the first two scenarios, the universal reduction in force since July 2021 in Ex-Scut motorways was considered, without any compensatory measure until 2025. In the last two scenarios it was considered that the discount system would be maintained throughout the Concession, without any compensatory measure on the part of the State.

The result of these different scenarios for 2022 is shown in the table below:

SENSITIVITY ANALYSIS OF GROWYH OF RSC AND ROLL REVENUE	Base Scenario		Scenario b)	Scenario c)	Scenario d)
Amortisation of the year	-266	-251	-232	-281	-292
Amortisation of grants	66	63	59	69	71
	-200	-187	-172	-213	221
Difference		12	27	-13	-22

Amortisable value of the concession right

The value taken as the depreciation value of the Concession Right must take into account the value of works and maintenance scheduled up to the end of the concession.

The estimated total investment of the Concession was based on the following main assumptions:

- The annual costs with the ex-SCUT concessions are effective until 2032 and represent the best estimate based on the results obtained with the renegotiated contracts between the Negotiation Committee and the Concessionaires;

- Expenses on construction present in Sub-concession contracts in force valued at cost for each base case;

- The costs of modernising and maintaining IP's own network;

- The remaining investments consist of the installation and improvement of assets and studies, projects, supervision and assistance;

- Expenses with regular maintenance reflect the revision of study made in 2019, based on the implementation of the business plan; and - The 2000 National Road Plan will be implemented until 2052.

Changes in planned, contracted and executed values may vary due to factors outside the Group's control, impacting the amortisation value to be recorded in the future.

Regular maintenance of roads and engineering structures

Based on technical surveys of repair needs and control of the average quality index of the roads and structures, an annualised cost is calculated for the programmed maintenance to be carried out that will allow, in accordance with the provisions of the IP Concession Contract, the average quality index of the network to be maintained at the values at which it was received.

Railway concession

As there is no formal concession agreement for the Long Duration Infrastructure Investment Activity, only the Program Contract for the Railway Infrastructure activity, which was in force until 30 June 2022, awaiting the approval of a new contract, according to the proposal already made to the Government, the IP Group assumes the following assumptions for the determination of the concession value, in accordance with the financial asset model, based on the substance over form principle and existing legislation, namely:

• The Land Transportation Framework Maintenance and Supervision Law No. 10/90 – which establishes in point 3 of article 11 the compensation payable by the State for shouldering in full the infrastructure construction, maintenance and supervision costs, in accordance with rules to be approved by the Government.

• In the Strategic Transport Plan (RCM 45/2011):

"The investment necessary for the construction of transport infrastructure, as goods and assets in the public domain, is the responsibility of the State as set out in the General Land Transportation Law. Nevertheless, in the last decades, the companies in the State's business sector of land public transport and railway infrastructure have assumed the burden of bearing in their financial statements - through debt issuance - the charges arising from that investment, on behalf of the State"; and

"The historic debt of State-Owned Enterprises (SEE) operating in the public railway transport and infrastructures sector, results in part from the development of investment projects which are the State's responsibility, (...)".

• PETI3+ - Strategic Plan for Transport and Infrastructures (2014-2020).

PETI3+ "...is a revision of PET 2011-2015, including a second phase of structural reforms to be made in this sector, as well as a set of investments in transport to be carried out until the end of this decade. It is estimated that 61% of priority railway projects can be financed through community funds and 39% through the public counterpart. Where any assets are withdrawn from the public railway domain, the gains or losses will be allocated to this activity, as established in each withdrawal order."

Therefore, the costs borne with LDIs assume the form of "accounts receivable" (financial asset) charged to the "State grantor" body, being initially recognised at fair value.

The financial assets correspond to the investment in concession assets, which include the railway public domain properties and IP only has access to them in order to provide the "Infrastructure Management" services, deducted from the return on assets and subsidies received and plus interest on borrowings, charged to the concession and not paid by the Grantor. As there is no defined maturity, as a result of the absence of a formalised concession contract, the amounts receivable are assumed to become due on the debit date. Consequently, as of that date, the concessionaire (IP) is deemed to be owed interest on the amount owed. The way this interest is calculated is based on the same conditions as the financing obtained to directly finance this activity. This way, interest and other financial expenses incurred with borrowings obtained for financing the concession are debited.

Long Duration Infrastructures (LDI)

Concessioned assets classified as Long Duration Infrastructures belong to the public railway domain, and the IP group only has access to them so as to provide the services associated with Railway Infrastructure Management. Accordingly, they are recorded under the "Consolidated Statement of Financial Position, "Grantor – State – Account receivable" item, as they constitute an unconditional right to receive money from the State for the investments made. These assets, in addition to acquisitions and buildings after the spin-off of the CP assets, include the assets of the former Divisions, freight terminals and property transferred from that company, which have the nature of "public domain goods".

Construction by means of sub-concessions

Construction by the Group means of Sub-concession Contracts is recognised to reflect the physical evolution of the works, based on percentage of completion data obtained from the sub-concessionaires and validated by IP.

Provisions

The IP Group regularly analyses any obligations arising from past events and which must be recognised or disclosed.

The subjectivity inherent to the determination of the probability and amount of future internal resources necessary for the payment of obligations may lead to significant adjustments, either by variation of the assumptions used or by the future recognition of provisions previously disclosed as contingent liabilities.



Provisions resulting from lawsuits in progress are periodically assessed by the IP Group's internal and external lawyers in charge of those proceedings.

With regard to the Provision for Declassified Roads, the IP Group makes an exhaustive survey of the declassified roads still under its responsibility and verifies, based on technical analysis on the cost of intervention to prepare them for delivery to the municipalities, whether the recorded provision value is adequate.

As a result of the evolution of the VAT lawsuit described in note 12, a provision for the VAT lawsuit that is estimated to be the impact of a possible unfavourable decision to the extinct EP was set up, which is equivalent to all the VAT deducted by the IP Group in activities financed by the RSC (note 17).

Impairment of non-monetary assets

Goodwill - The recoverable amounts of cash-generating units to which goodwill is attributed are determined internally on a value-in-use basis using the discounted cash flow methodology. The cash-flows used in the calculation are derived from the company's budget for a period of three financial years with an additional projection of two more periods, excluding any effect of future restructurings that have not been approved by the Executive Board of Directors. These cash flows are discounted at a rate that reflects the time value of money and the risks specific to the asset being valued, using the weighted average cost of capital (WACC) model.

Note 5 shows the main variables associated with this topic as well as the respective sensitivity analyses.

For tangible and intangible assets with defined useful life, any indication of impairment losses is verified, namely through the discontinuing/destruction of assets.

Investment properties - At the end of each financial year, the Executive Board of Directors assesses the possible existence of indications that imply changes in the value of investment properties by analysing internal and external data, of which we highlight:

- · Sales results for the year and their margins;
- Relationship between the type of properties sold and those in the portfolio;
- Analysis of specific characteristics of the properties being valued;
- Firm purchase and sale agreements for the following financial year;

- Rental zone values; and
- Promissory purchase and sale agreements under negotiation.

In the event that further assessments are required, these are carried out using qualified assessors.

Inventories of the railway infrastructure investment activity segment - these will not be written down below cost as they are incorporated into the infrastructure and will always be charged to the grantor at the price at which they were acquired. The only exception to this concerns materials that are obsolete or technically depreciated and which cannot be used for the Group's activity, which will however be adjusted taking into account their recoverable value from their sale as waste.

For inventories held to be used in production, these will not be reduced below cost as they are integrated in the infrastructure, and will be debited to the grantor always at acquisition price. The only exception to this concerns materials that are obsolete or technically depreciated and which cannot be used for the Group's activity, which will however be adjusted taking into account their recoverable value from their sale as waste.

Inventories in the real estate management segment - are subject to annual impairment tests, with assessments being prepared internally by qualified valuators, in accordance with the income approach, which consists of projecting future cash flows associated with the various projects in order to be updated at a discount rate that reflects their risk. In the cash-flow projection, future income is estimated using the comparative market method, which consists of determining the current value of properties by comparison with similar ones, the price and relevant characteristics of which are known on the property market. Expenditure is projected in accordance with the construction reality of the properties to be built and the area concerned. The discount rate used is based on a risk-free rate of return based on government bonds with a maturity similar to the project's time frame, plus a risk premium.

For investments in associates, the existence of possible restrictions on the recovery of the investment has been verified, and it is the Group's policy, with regard to financial applications, to recognise impairment whenever the value of the investment exceeds the net assets of those invested in terms of liquidation of the latter. This is considered to be the most appropriate model for these entities.

Impairment of financial assets

Sundry debtors – based on the evaluation by the Executive Board of Directors of the probability of recovering such receivables, the seniority of the balances, cancellation of debts and other factors. Other circumstances and facts that may alter the estimated impairment losses of accounts receivable in relation to the assumptions considered are also considered, including changes in the economic climate, sector trends, the determination of the credit situation of the main clients and significant defaults.

All this evaluation process is subject to various estimates and judgements. Changes in these estimates may imply the determination of different levels of impairment and, consequently, different impacts on profit and loss.

For debts from the Infrastructure Management and High Performance segments, in general, they have not been subject to impairment given the specific characteristics of the clients (railway operators partly held by the State and tolls). Debts owed by customers in the property management segment – a historical bad debt matrix is used to determine the expected losses for the entire life of the borrowings in question, based on the following criteria:

- · Loss history for the last three financial years;
- Debts exceeding one financial year are adjusted in full; and
- Credits are expunged from:
 - ► Debts in favour of clients;
 - ► Bonds;
 - Public entities debts;
 - Customer debts with payment plans, where the financing component is assessed.

Trade receivables (other business segments) – recorded based on the credit risk analysis of the counterparty, its financial condition and the historical age of the balances.

Income tax

Deferred tax assets are recognised only when there is reasonable expectation that there will be future taxable income available for offset against temporary differences, or when there are deferred tax liabilities whose reversal is expected to occur in the same period in which the deferred tax assets are reversed. The assessment of deferred tax assets is made by the Executive Board of Directors at the end of each reporting period, taking into account the expected future performance of the IP Group. Deferred taxes are determined based on current tax legislation or legislation published for future application. Changes in tax legislation can influence the value of deferred taxes and these are analysed carefully when determined by management.



3. GROUP

The companies included in the consolidation, their head offices, proportion of capital and main activities as at 31 December 2022 and 31 December 2021 are as follows:

COMPANY	HEADQUARTERS	PERCENTAGE OF CAPITAL HELD		MAIN ACTIVITY
		31-12-2022	31-12-2021	
PARENT COMPANY				
Infraestruturas de Portugal, S.A.	Praça da Portagem 2809-013 Almada	-	-	Conceive, design, construct, finance, main- tain, operate, renovate, extend and modernise the national road and rail networks, the latter including traffic control and command.
SUBSIDIARY COMPANIES				
IP Telecom, Serviços de Telecomunicações, S.A.	Rua José da Costa Pedreira, n.º11, Lumiar 1769-023 Lisboa	100,00%	100,00%	Ensures the supply and provision of Systems and Information Technology and Communica- tions services, based on innovative solutions with a focus on Cloud and Security technolo- gies and on the main national telecommuni- cations infrastructure, based on fibre optics and a technical road channel, for the Business Market and Public Bodies.
IP Património - Administração e Gestão imobiliária, S.A.	Av. de Ceuta – Es- tação de Alcân- tara-Terra 1300-254 Lisboa	100,00%	100,00%	It acts within the scope of the acquisition, ex- propriation, register updating and alienation of real estate assets or the constitution of rights over them, as well as in the profitability of the assets allocated to the concession or to the IP Group's autonomous assets and also in the management and exploration of stations and associated equipment, including the respective operational management.
IP Engenharia, S.A.	Rua do Patrocínio, 67, 3º A 1350 - 229 Lisboa	100,00%	100,00%	Providing transport engineering services to support the activity of IP and in multidiscipli- nary road and/or rail projects, providing mobil- ity solutions with a high level of integration, both nationally and internationally.
ASSOCIATED COMPANIES				
RCC (Railway Competence Centre Association) (c)	Parque Oficinal de Guifões, Rua do Ferroviário, Gatões, 4460-020 Guifões	31,65%	31,65%	Promoting and carrying out technical train- ing, research, development and innovation (R&D) initiatives and activities in technology, particularly in the area of railways and railway equipment, promoting and encouraging specialised training, cooperation and transfer of technology between companies, univer- sities, organisations and other public and private entities.
JOINT OPERATIONS				
AVEP - Alta Velocidade de Espanha e Portugal, A.E.I.E. (a)	Madrid	50,00%	50,00%	Carrying out the necessary studies for the Madrid-Lisbon - Porto and Porto - Vigo connections.
AEIE - CMF4 (b)	Paris	25,00%	25,00%	Promotion of measures aimed at improving the competitiveness of rail freight on the Sines - Lisbon/Leixões railway corridor Sines - Elvas/Algeciras - Madrid - Medina del Campo - Bilbao - Irun/Bordeaux - Paris-Le Havre - Metz Vilar Formoso/Fuentes Onôro, Elvas/Badajoz, Irun/Hendaye and Fornack/ Saarbrucken.

a) Entity jointly controlled by IP with ADIF in the form of a European Economic Interest Grouping.

b) Entity jointly controlled by IP, ADIF and SNCF - Réseau, and DB NETZ (since 1 January 2016) in the form of a European Economic Interest Grouping (EEIG), incorporated in 2013 without share capital.

c) Entity owned by CP E. P. E., (31,65%), Metro do Porto S.A. (15,82%); Metro Lisboa, E.P.E (15,82%), IAPMEI - Agência para a Competitividade e Inovação, I. P. (4,75%) and PFP - Associação da Plataforma Ferroviária Portuguesa (0,31%).

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REPORT AND ACCOUNTS 2022

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4. SEGMENT REPORTING

See accounting policy 2.3.2.

The IP Group has the following business segments:

- High Performance;
- Road Infrastructure Management Activity;
- Long Duration Infrastructures Investment Activity;
- Railway Infrastructure Management Activity;
- Telecommunications;

- Real Estate and Commercial Property Management; and

- Engineering transport Services.

The "High Performance" segment corresponds to the entire activity related to High Performance Roads and includes all roads currently managed under Public-Private Partnerships (PPP), namely State Concessions and Sub-concessions, as well as the remaining high service roads currently managed directly by the Group.

The Road Infrastructure Management segment includes the management of the entire National Road Network, not included in the previous segment, and includes the construction and rehabilitation of roads and engineering structures, as well as the management, conservation and safety improvement of the network.

The 'Long Duration Infrastructure Investment Activity' segment includes the set of investments associated with new infrastructures and/or network expansion, modernisation and rehabilitation, with the introduction of new technologies in the operating mode and replacement, which includes the interventions that introduce improvements of a lasting nature or which are likely to increase the value and/or useful life of the asset without changing the operating conditions.

As described above, the financing required for the investments made is obtained by the Group and this may be in the form of borrowings with financial institutions and the financial market, capital or obtaining subsidies.

The Railway Infrastructure Management segment corresponds to the provision of a public service, including functions such as conservation and maintenance of infrastructure, capacity management, management of the regulation and safety system, traffic command and control, including other ancillary activities to infrastructure management.

The 'Telecommunications' segment concerns the provision of Information and Communications Systems and Technologies services.

The 'Real Estate Management of Commercial Spaces' segment covers the management and operation of own and third-party real estate assets and developments; acquisition, expropriation, cadastral updating and disposal of real estate or constitution of rights over them.

The 'Transport Engineering Services' segment includes the provision of transport engineering services in multidisciplinary road and/or rail projects and their mobility solutions, both nationally and internationally.

The revenues and costs of the Telecommunications, Property Management of Commercial Premises and Transport Engineering Services segments were calculated under the view of monetization of the Group's excess capacity, resulting from the public service obligation of managing the infrastructure that is part of the RFN, (established in the Programme Contract celebrated with the Portuguese State) and the NRN that promote efficiency in the Group.

The information relating to the results from 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, assets and liabilities for the periods ended 31 December 2022 and 31 December 2021 of the identified segments is as follows:



2022	Telecommunications	Real Estate and Commercial Property Management	Engineering and Transport Services	ACTIV. INVESTMENT LONG DURATION INFRASTRUCTURES	ACTIV. Management INF. RAILWAY	High Performance	ATIV. Management INF. ROAD	TOTAL
Sales and services	13 510	16 718	295	34 903	91 523	305 726	708 824	1 171 499
Impairments	- 160	651	206	-	873	-	-	1570
Provisions	5	- 124	161	-	6 180	-	- 19 556	- 13 333
Other income	32	2 045	-	-	59 809	9 294	74 688	145 867
Other expenses	- 6 675	- 7846	- 214	- 33 988	- 228 653	- 316 880	- 200 933	- 795 188
EBITDA	6 712	11 444	448	915	- 70 268	- 1860	563 023	510 414
Amortisation and depreciation	- 1199	- 113	-	- 916	- 3 916	- 267	537	- 273 679
EBIT	5 513	11 331	448	- 1	- 74 184	293	626	236 735
Financial expenses	- 4	- 5	-	- 59 214	- 376	- 190	833	- 250 433
Financial Income	-	59 214 - 1		1	59 216			
EBT	5 509	5 509 11 326 448 0 - 74 560 102 794					794	45 517
Income tax for the period		2 782						2 782
Net Income		48 299						48 299

2022	Telecommunications	Real Estate and Commercial Property Management	Engineering and Transport Services	ACTIV. INVESTMENT LONG DURATION INFRASTRUCTURES	ACTIV. Management INF. RAILWAY	High Performance	ACTIV. Management INF. ROAD	TOTAL
Sales and services	12 255	13 028	83	36 036	81 0 39	292 357	667 027	1 101 825
Impairments	- 126	851	-	-	- 1166	-	-	- 440
Provisions	-	100	- 144	=	3 214	-	- 18 820	- 15 647
Other income	2	1 569	-	-	65 289	9 6 4 6	68 289	144 794
Other expenses	- 5 971	- 6420	- 94	- 35 087	- 203 355	- 289 874	- 187 164	- 727 965
EBITDA	6 163	9 128	- 155	949	- 54 979	12 129	529 331	502 566
Amortisation and depreciation	- 1186	- 92	-	- 949	- 4 081	- 246	635	- 252 943
EBIT	4 977	9 0 3 6	- 155	0	- 59 060	294	826	249 625
Financial expenses	- 5	- 7	-	- 59 676	- 21562	- 199	019	- 280 269
Financial Income	-	-	-	59 676	-	3	5	59 679
EBT	4 973	4 973 9 030 - 155 0 - 80 622 95 809				809	29 035	
Income tax for the period		- 13 143						- 13 143
Net Income		15 892						15 892

31-12-2022	Telecommunications	Real Estate and Commercial Property Management	Engineering and Transport Services	ACTIV. LONG DURATION INFRASTRUCTURE INVESTMENT	ACTIV. INF. management INF. RAILWAY	High Performance	ACTIV. INV. INF. ROAD	TOTAL
ASSETS								
Concession right	-	-	-	-	-	21 359	029	21 359 029
Grantor	-	-	-	4 474 849	-	-	-	4 474 849
Other assets	17 229	22 843	7 3 3 3	69 788	202 559	42 133	2 724 504	3 086 389
Total Assets	17 229	22.843	7333	4 5 4 4 6 3 7	202 559	24125	666	28 920 268
LIABILITIES								
Borrowings	-	-	-	1 599 235	34	2 547 115	-	4 146 384
Grants/Borrowings	-	-	-	-	-	9 864	495	9 864 495
Other liabilities	5 657	6 3 9 4	1335	3 287	133 196	1872 071	1400264	3 422 204
Total Liabilities	5 657	6 394	1335	1602522	133 230	15 683	945	17 433 083

31-12-2021	Telecommunications	Real Estate and Commercial Property Management	Engineering and Transport Services	ACTIV. INVESTMENT LONG DURATION INFRASTRUCTURES	ACTIV. Management INF. RAILWAY	High Performance	ACTIV. Management INF. ROAD	TOTAL
ASSETS								
Concession right	-	-	-	-	-	21073	315	21 073 315
Grantor	-	-	-	4 136 506	-	-	-	4 136 506
Other assets	13 966	22 447	6 172	46 820	168 688	30 530	2 440 250	2 728 872
Total Assets	13 966	22 447	6 172	4 183 326	168 688	23 544	4 095	27 938 693
LIABILITIES								
Borrowing	-	-	-	1702 598	13 873	2 564 088	-	4 280 559
Grants/Subsidies	-	-	-	-	-	9 913	880	9 913 880
Other liabilities	3 866	4 572	1686	2 568	90 579	2 139 143	1344930	3 587 343
Total Liabilities	3 866	4 572	1686	1 705 166	104 452	15 962	2 0 4 1	17 781 783

OPERATIONS WITH SEGMENTS (CONCILIATION)	31-12-2022	31-12-2021
Revenue from reportable segments	1 178 135	1 109 519
Internal revenue	- 6555	- 7764
Other adjustments	- 81	70
Consolidated revenue	1 171 499	1 101 825
Aggregates Results	52 486	17 559
Internal Income / Expenditure	- 3686	- 387
Otheradjustments	- 501	- 1281
Consolidated results	48 299	15 892
Segment assets	28 933 023	27 945 707
Internal balances	- 29263	- 24 021
Other adjustments	16 506	17 007
Consolidated assets	28 920 266	27 938 693
Liabilities from segments	17 451 520	17 794 978
Internal balances	- 18 458	- 13 216
Other adjustments	20	21
Consolidated liabilities	17 433 083	17 781 783





See accounting policy 2.3.1.

Goodwill arises from the acquisition of the remaining capital of the former GIL, in 2014, when the Group gained control over that entity, and its progression is presented below:

	GOODWILL
31 December 2020	21687
Increases	-
Impairments	-
31 December 2021	21687
Increases	-
Impairments	-
31 December 2022	21687

Goodwill is subject to impairment testing at the end of each financial year.

Estimates used to measure recoverable amounts of cash-generating units containing goodwill

Cash-generating unit

Corresponds to the activity of operating commercial spaces of the Lisbon Intermodal Station, which is integrated in the reportable segment "Real Estate and Commercial Space Management". The recoverable amount for this cash-generating unit was calculated based on its value in use, taking into account the provisions of IAS 36.

The main assumptions considered relevant by the Executive Board of Directors for determining the value in use are presented below:

	31-12-2022	31-12-2021
Estimated cash-flows		
No. of projected periods (years)	5	5
EBIT Gross Margin	64,00%	64,00%
Recoverable amount of the cash-generating unit (M€)	43 965	66 793
WACC	5,85%	3,35%
Unlevered Beta	0,36	0,75
Risk-free interest rate	3,60%	0,49%
Return on equity capital	9,23%	6,12%
Average cost of capital	7,11%	5,08%
Average cost of debt	5,93%	2,10%



• Projected EBIT - The EBIT for the first three periods of the projection is derived from the expenditure and income forecasts for this cash-generating unit set out in the budget for the period 2023-2025. For the remaining two periods, the average of the budgeted values was considered with the actual value of 2022, corrected by the historical percentage of negative deviations between the actual EBIT and projected EBIT (when the actual EBIT are lower than the projected EBIT), being that to date the actual EBIT have been lower than the projected by about 3% (2021: 4%).

• Discount rate – The discount rate used represents the current market assessment of the specific risks of the cash generating unit, taking into account the time value of money and individual risks of the underlying assets.

The discount rate presented corresponds to the calculation of the WACC rate, which is the result of the calculation of the average cost of capital and the average cost of debt for a debt level of 50%, net of its tax effect, with the tax rate for the period considered being 22,50%.

Regarding the average cost of capital, it derives from the use of a risk-free interest rate plus a risk premium that translates into the return on equity desired by the shareholder, corrected for the specific business risk by incorporating the specific beta of the cash-generating unit, publicly available.

Regarding the average cost of debt, since the associated business segment has no debt, a risk-free rate (10-year treasury bond rate) is assumed, plus a risk component associated with obtaining new debt.

Based on the above assumptions, no impairment on goodwill was considered.

Regarding the sensitivity analysis to the model, it is also verified that with the data contained in the model, goodwill would be impaired if the WACC rate associated with the model were higher than the current rate, 5,84% (2021: 5,67%).





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See accounting policy 2.3.6

On 23 September 2021, a non-profit association was created under private law, called "Associação Centro de Competências Ferroviário" (hereinafter RCC), with head office at Parque Oficinal de Guifões, Rua do Ferroviário, Gatões, 4460-020 Guifões.

The IP Group holds a 31,65% stake in RCC, whose object is the promotion and exercise of initiatives and activities of technical training, research, development and innovation (R&D) in technology, particularly in the area of rail-ways and railway equipment, promoting and encouraging specialised training, cooperation and transfer of technology between companies, universities, organisations and other public and private entities.

Additionally, it should also be noted that the Group, through IP, was mandated by Resolution of the Council of Ministers No. 99/2021 to carry out the necessary expenditure for the financial holding, for which it received a subsidy in 2021 of the total amount to be subscribed.

The following table provides a summary of the financial information concerning RCC:

	31-12-2022	31-12-2021
Non-current assets	9	-
Current assets	6 362	6 320
Current liabilities	- 22	-
Total Equity	6 349	6 320
Group share via IP (31.65%)	2 009	2 000
Grants/subsidies	- 2 000	- 2 000
Value of the financial contribution	9	0

Current assets include cash and cash equivalents (99,82%)





7. INTANGIBLE ASSETS

See accounting policy 2.3.7.

In the years ended 31 December 2022 and 31 December 2021, the movement in the value of gross assets, as well as in accumulated amortisation and impairment losses, was as follows:

	CONCESSION RIGHT	OTHER	TOTAL
GROSS ASSETS			
31 December 2020	23 925 252	34 140	23 959 391
Acquisitions	488 780	772	489 552
Transfers	-	6	6
31 December 2021	24 414 032	34 917	24 448 949
Acquisitions	551 608	111	551 719
Other changes	-	- 707	- 707
Write-offs	-	- 47	- 47
31 December 2022	24 965 640	34 274	24 999 914
AMORTISATION AND IMPAIRMENTS			
31 December 2020	- 3 095 723	- 29 638	- 3 125 361
Amortization for the year	- 244 994	- 269	- 245 263
31 December 2021	- 3 340 717	- 29 907	- 3 370 625
Amortization for the year	- 265 893	- 165	- 266 058
Write-offs	-	2	2
31 December 2022	- 3 606 611	- 30 070	- 3 636 681
NET VALUE			
31 December 2021	21 073 315	5 010	21078 325
31 December 2022	21 359 029	4 204	21 363 234

The value of intangible assets refers essentially to the right resulting from the Road Concession Contract.

Assets are calculated according to the percentage of completion of each of the works, regardless of whether this construction is directly carried out by the IP Group or under Public-Private Partnerships (PPP).

Of the investments verified in the year, \in 500.998 thousand (2021: \in 470.949 thousand) correspond to net payments of tolls received from State concessions and around \in 40.289 thousand (2021: \in 28.457 thousand) relate to own work capitalised (note 19).

These figures include capitalised financial charges amounting to about \in 10.658 thousand (2021: \in 10.959 thousand) in 2022 (Note 17).

Amortisation for the year is calculated under IFRIC 12 by the equivalent unit method and refers to

the value of the total investment that has already been made or will be made in the future, in the context of the Concession between the IP Group and the State, based on the economic and financial flows for the Concession period. These values have the same basis as IP's multi-annual financial model, the main assumptions of which are described in Note 2.4.

On the basis of these assumptions, the amortisation recorded amounted to ≤ 265.893 thousand. As referred to in the sensitivity analysis presented in point 2.4, in a pessimistic scenario in which no mechanism is guaranteed to ensure compensation for the loss of revenue associated to toll discounts, the value of the annual amortisation recorded would increase by about ≤ 13 thousand, a situation that would be repeated throughout the Concession.

The remaining intangible assets mainly concern contractual rights on computer software (licences).



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8. TANGIBLE FIXED ASSETS

See accounting policy 2.3.8.

In the years ended 31 December 2022 and 31 December 2021, the movement in the value of gross assets, as well as in accumulated depreciations and impairment losses, was as follows:

	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTION	BASIC EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	OTHER TANGIBLE FIXED ASSETS	ASSETS IN PROGRESS	RIGHT OF USE	TOTAL
Gross Assets									
31 December 2020	7 042	82 425	68 507	12 099	23 313	7 697	5 359	8 997	215 439
Acquisitions	-5	-	1569	91	452	58	5 963	489	8 617
Transfers	-	-	1 410	-	-	-	- 1416	-	- 6
Desposals/ corrections	-	-	-	-	- 315	-	-	- 8	- 323
31 December 2021	7 037	82 425	71 486	12 190	23 449	7 755	9 906	9 478	223 727
Acquisitions	-	-	1527	103	657	-	7 256	364	9 907
Transfers	-	2 489	731	-	13	-	- 3 161	-	72
Desposals/ corrections	-	-	- 346	2	- 10	130	-	-	- 224
31 December 2022	7 037	84 914	73 398	12 295	24 109	7 885	14 001	9842	233 482
Depreciation and Impairment									
31 December 2020	0	- 48 381	- 56 294	- 11 529	- 22 229	- 7466	0	- 2 073	- 147 971
Depreciation for the year	-	- 1581	- 2911	- 155	- 601	- 50	-	- 2399	- 7697
Depreciations - write-downs/cor- rections	-	-	-	-	315	-	-	5	321
31 December 2021	0	- 49 962	- 59 204	- 11 683	- 22 515	- 7 516	0	- 4467	- 155 348
Depreciation for the year	-	- 1651	- 2736	- 156	- 525	- 31	-	- 2 454	- 7554
Depreciations - write-downs/cor- rections	-	-	346	- 2	15	- 130			228
31 December 2022	0	- 51 613	- 61594	- 11 842	- 23 026	- 7678	0	- 6921	- 162 673
Net value									
31 December 2021	7 037	32 463	12 282	507	934	239	9 906	5 012	68 380
31 December 2022	7 037	33 301	11 804	453	1083	208	14 001	2 921	70 809

The IP Group owns several plots of lands resulting from land expropriations in connection with construction of the NRN. Since the possibility of their use or commercialisation is dependent on several legal and/or commercial contingencies, the Group considers that these surplus parcels represent contingent assets and does not record or disclose them until it is probable that they will generate an inflow of economic benefits for the Group.



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See accounting policy in note 2.3.9.

The movements in investment properties are as follows for the periods ended 31 December 2022 and 31 December 2021:

	NOTES	INVESTMENT PROPERTIES
GROSS ASSETS		
31 December 2020		5 474
Acquisitions		-
Disposals		-
Transfers from/(to) inventory		- 32
31 December 2021		5 442
Acquisitions		-
Disposals		-
Transfers from / (to) inventory		- 13
31 December 2022		5 428
DEPRECIATION AND IMPAIRMENT		
31 December 2020		- 2 335
Depreciation for the year		- 59
(Impairments)/ Reversals of the year	22	117
31 December 2021		- 2 277
Depreciation for the year		- 61
(Impairments) / Reversals of the year	22	-
Transfers from / (to) inventory		13
31 December 2022		- 2 325
Net value		
31 December 2021		3 165
31 December 2022		3 104

Investment properties are made up of:

a) 14 units held for lease in Sines, of which 12 have an effective lease contract (2021: 14 fractions / 10 with effective lease);

b) 3 fractions in Viana do Castelo (2021: 3 fractions); and

c) 3 fractions located in Alfragide (2021: 3 fractions).

At year-end, Management assessed the existence of evidence of impairment and decided not to perform a new impairment test due to:

Real Estate in Sines - Rental contracts remained stable (including 2 new fractions rented compared to the same period last year);

As far as the properties in Viana do Castelo are concerned, there were:



• There were no relevant changes at the level of territorial management instruments, and the process of reviewing the Municipal Master Plan of Viana do Castelo, currently in force and started in 2019, continues;

• Stability with regard to the location and surrounding area of these properties;

• The median value/m2 of bank valuations remained relatively stable compared to the same period of the previous year (+1,14%), which confirms the trend of little growth and within a range that is considered insufficient to indicate a significant increase or decrease in terms of property valuation;

• The number of bank appraisals carried out in a given period is an indicator that mirrors the trend in property dynamism and demand in a given period and location. According to data provided by INE, the average monthly rate of change in 2022 is – 1,76%, so we can infer that the demand for purchase has been on a downward trend. It is therefore assumed that there was no demand that could have led to a significant appreciation or depreciation of the properties concerned.

Therefore, the fair value of the investment properties situated in Sines amounts to \in 2.028 thousand, and of the 3 properties situated in Viana do Castelo to \in 1.406 thousand, on 31 December 2022 in accordance with the valuation made last year.

The following table summarises the valuation techniques used, as well as identifying the unobservable variables for the assets and the interrelationships between these variables and changes in fair value:

LOCAL	ASSESSMENT TECHNIQUES	UNOBSERVABLE DATA	INTERRELATIONSHIP Between Unobservable Inputs and fair value
Sines	These investment properties were valued according to the income discounted cashflow method, which consists in projecting the contractual income until the end of the lease contract, less the non-recoverable costs, updated with a rate adequate to the property characteristics and investment risk level, considering the general conditions of the real estate market at the valuation date. At the end of the contract, the exit value	Leases/m2[3€-8.25€] Yield[5%-7.00%]	- Space occupancy rate - the higher this figure, the higher the fair value and vice versa - Rental market price changes - price increases imply fair value increases and vice versa:
Viana do Castelo	the real estate market at the valuation date. At the end of the contract, the exit value is calculated as the quotient of the net potential return and the discount rate. The determination of the yield is based on the intrinsic characteristics of the property, the level of risk of the property investment in the market in question and the duration of the existing lease contracts. A commercialisation period of 1 year was considered for vacant retail units (Sines) and 2 years (Viana do Castelo).	Leases/m2 [7.30 €] Yield[7.50%]	Yield risk premium - the higher the yield, the lower the fair value and vice versa

The calculations are categorised in level 3 of the fair value hierarchy.

It should be noted that the investment properties in possession do not present any restriction on their transfer, nor is there any contractual obligation for the Group to construct, develop or repair or carry out maintenance on the said plots. Rents received on investment properties are recorded under other income and amounted to \notin 148 thousand (2021: \notin 134 thousand).



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REPORT AND ACCOUNTS 2022



See accounting policy 2.3.10.

The balances recognised on deferred taxes are presented in the Consolidated Statement of Financial Position at their gross value, at 31 December 2022 and 31 December 2021.

The Executive Board of Directors is of the belief that the tax results generated in the future will enable the reversal of all deferred tax assets recorded.

The impact on the profit/loss of movements in deferred tax items in the financial years was as follows:

	NOTES	2022	2021
Impact on the comprehensive income statement			
Deferred tax assets	26	36 042	25 961
Deferred tax liabilities		20	15
		36 062	25 946

Changes occurring in the items deferred tax assets and liabilities during the years were as follows:

DEFERRED TAX ASSETS	FINANCING EXPENSES	VAT PROVISIONS	REGULAR MAINTENANCE	AMORTISATION OF THE CONCESSION RIGHT	OTHER Adjustments	TOTAL
31 December 2020	0	85 235	101 164	88 892	4 178	279 468
Set up / (Reversal)	13 482	6 448	6 678	- 374	- 274	25 961
31 December 2021	13 482	91 683	107 842	88 518	3 904	305 429
Set up / (Reversal)	24 121	7 232	3 187	1 724	- 222	36 042
31 December 2022	37 603	98 915	111 029	90 242	3 682	341 471



DEFERRED TAX LIABILITIES	OTHER	TOTAL
31 December 2020	8	8
Set up / (Reversal)	15	15
31 December 2021	22	22
Set up / (Reversal)	- 20	- 20
31 December 2022	2	2

OTHER DIFERENCES NOT GIVENG RISE TO DEFERRED TAXES

At 31 December 2022 there were other temporary differences, for which no reversal is expected in future years, and therefore no deferred tax assets have been recognised. Note should be made of existing impairments on other accounts receivable and inventories.

The reconciliation of the tax rate is presented in Note 26.



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REPORT AND ACCOUNTS

11. INVENTORIES

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At 31 December 2022 and 31 December 2021, this heading comprises the following:

	NOTES	31-12-2022	31-12-2021
Raw, subsidiary and consumable materials	11.1	117 843	78 830
Finished products (real estate)	11.2	6 719	6 719
Advances on account of purchases	11.1	645	-
Other materials	11.3	569	275
		125 775	85 823
Cumulative impairment	22	- 1667	- 2 769
		124 108	83 055

11.1. RAW, SUBSIDIARY AND CONSUMABLE MATERIALS

The raw materials and consumables item refers to the various types of materials that are incorporated into the maintenance and construction of railway infrastructures.

On the date of reporting of accounts, a physical inventory was taken with the aim of quantifying the adjustment of inventory losses. Thus, the impairment relates to materials that are obsolete or technically depreciated and cannot be used in the IP Group's business, and may eventually be subject to sale if an interested buyer appears, which originated in this financial year impairment reversals in the order of \leq 509 thousand (2021: reversals of about \leq 721 thousand) – see note 22.

In the current financial year, there was a relevant increase in raw materials compared to the same period of the previous year, due to the current investment effort, which, given the type of goods in question, implies a need to ensure a timely supply of these.

Advances on account of purchases are related to this type of inventory.

Expenses with the consumption of railway materials amounted to \notin 21.178 thousand (2021: \notin 20.992 thousand), (note 19).

11.2. FINISHED GOODS

The Finished Goods relate to land and residential and commercial units in Sines.

In the current financial year there were no disposals of real estate (2021: 2 disposals).

The properties in question were subject to impairment testing as explained in note 2.4. Impairment of non-monetary assets / Inventories of the property management segment.

The variables considered above are summarised below:

	31-12-2022	31-12-2021
Update rate (annual)	13%	11%
Cash flow margin -[Cash Flow / (Future Income)]	25%	24%



From the previous figures resulted an impairment reversal of \in 592 thousand (2021: \notin 650 thousand), as shown in note 22.

The impact in impairments results mainly from the revision of the income and expenses associated to the projects in comparison with the same period of the previous year, which resulted in an increase of the projected income higher than the increase of the projected expenses by +22% and +19%, respectively, which justifies the slight increase of the margin associated to these projects, as can be seen above.

If the discount rate were to change by 1% in this context, there would be a change in the value of properties, in the opposite direction to the change in the rate, in the amounts of \notin 861 thousand and \notin -940 thousand.

11.3. OTHER MATERIALS

The "other materials" item are intended for use/ incorporation in the provision of telecommunications services.

These materials are subject to impairment when they are considered obsolete, and there was no change in impairment this year.

Expenditure on the consumption of telecommunications materials totalled \in 124 thousand (2021: \in 160 thousand), (note 19).





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12. GOVERMENT AND OTHER PUBLIC BODIES (ASSESTS AND LIABILITIES)

At 31 December 2022 and 31 December 2021 this item had the following details:

	31-12-2022	31-12-2021
ASSETS		
CIT	1 513	-
Current tax assets	1 513	0
VAT	2 048 244	1 844 600
Other taxes and levies	0	347
Goverment and other public bodies	2 048 244	1844947
LIABILITIES		
СІТ	-	13 832
Current tax liabilities	0	13 832
Contributions to SS, CGA and ADSE health system	5 718	6 132
Personal income tax - withholdings	1 728	1 756
VAT	637	1 158
Other taxes and levies	15	16
Goverment and other public bodies	8 097	9 062

For the periods presented, the corporate income tax CIT debit/credit balance was made up as follows:

	31-12-2022	31-12-2021
СІТ		
Withholdings	36	33
Advance tax payment	32 502	22 948
Tax estimate	- 31524	- 37 210
RETGS benefit	498	397
Current tax assets	1 513	0
Current tax liabilities	0	- 13 832

The balance of Personal Income Tax - Withholdings correspond to December 2022 wages which were processed in the year but settled in January 2023.



Contributions to the SS, CGA and ADSE welfare schemes, include liabilities for holiday pay and holiday subsidies to be settled in 2023 relating to Social Security, as well as the processed values from December 2022 and already settled in 2023, relating to the Social Security, *Caixa Geral de Aposentações* and ADSE welfare schemes.

The VAT receivable balance essentially corresponds to the amount of 2.048.074 euros to be received by IP, of which refund requests of € 227.562 thousand have already been made; these refunds were presented in 2009 and refer to the period from January 2008 to October 2009. This balance to be recovered results fundamentally from VAT deducted in its road activity by the extinct EP and by IP, due to the fact that IP considers it has the right to this deduction because the State has collected VAT on a revenue of its own from IP - the Road Service Contribution - which, according to the mechanisms legally established for its settlement and collection, was handed over to it, albeit indirectly, by the fuel distributors.

IP has two ongoing legal cases, of which the first concerns the application for a VAT refund up to June 2009 and the second concerns the request for the refund of VAT from July to September and its deduction of October 2009.

The first process, relating to the VAT refund request until June 2009, was rejected by the Tax and Customs Authority (AT), which issued notifications of additional VAT assessments and interest in the amount of \notin 277.124 thousand and \notin 11.697 thousand, respectively.

Disagreeing with those assessments as undue, on 30 November 2010, the former EP filed a judicial challenge to the rejection of the hierarchical appeal before the Administrative and Tax Court of Almada, and the request of the former EP was considered unfounded at first instance in January 2013. The former EP did not agree with the decision and filed an appeal on 6 March 2013.

Regarding the second case, relating to the VAT refund request from July to September and the October 2009 deduction, which was also rejected by the AT, additional VAT and interest assessment notices were issued in the amounts of \in 64.506 thousand and \in 763 thousand, respectively. On 29 July 2011,

the former EP filed a claim with the Administrative and Tax Court of Almada against the ruling of the Hierarchical Appeal. This claim from the former EP was deemed inadmissible in the court of first instance, in January 2013. The former EP did not agree with the decision and filed an appeal on 11 March 2013.

In this second case the appeal was upheld and IP was notified on 17 October 2017 of the Ruling that revoked the contested sentence and considered EP's legal challenge to be fully upheld and annulled in full the additional settlements issued by the AT. About this Ruling:

• Several nullities were alleged by the Treasury, all of which were dismissed on 26 January 2018;

• The Tax Authority on 1 March 2018 filed an appeal with the Supreme Administrative Court, which was accepted for consideration purposes. This is a review appeal, of an exceptional nature, which provides that the decision issued by the Southern Administrative Central Court (TCAS) may be reviewed whenever it concerns the assessment of a question which, due to its legal or social relevance, is of fundamental importance or when admission is necessary for a better application of the law. This appeal was dismissed by the TCAS on 18 October 2018;

• An appeal lodged by the Public Treasury was also admitted by the Supreme Administrative Court (SAC). On 9 December 2021, as there were no new closing arguments after the hearing of witnesses in the court of appeal, the SAC decided on the annulment of the Ruling and the lowering of the case to the Administrative and Tax Court of Almada to address this nullity. IP presented new allegations on 25 February 2022, and the case is awaiting a decision.

In the course of the usual annual tax inspection process, the AT has been making corrections on the same bases as those described for the above processes, and IP has followed the complaint process, maintaining its position also under the terms described above, and the status of the processes for each year inspected is as follows:

YEAR	PROCEEDING PHASE	PHASE DATE	ADDITIONAL TAX SETTLEMENT	INTEREST
2011	Judicial Challenge to the Rejection of the Appeal	22-05-2018	195.514	29.412
2012	First instance decision in favour of EP	28-02-2023	188.756	2.867
2013	Judicial Challenge to the Rejection of the Appeal	28-02-2020	171.213	13.300
2014	Judicial Challenge to the Rejection of the Appeal	30-10-2020	248.308	12.475
2015 (January to May) ^{a)}	Judicial Challenge to the Rejection of the Appeal	11-11-2020	121.043	4.164
2015 (June to December) ^{b)}	Judicial Challenge to the Rejection of the Appeal	27-12-2021	139.415	9.484
2016	Judicial Challenge to the Rejection of the Appeal	29-06-2022	286.873	10.349
2017	Hierarchical Appeal	07-01-2023	287.993	32.495
2018	Hierarchical Appeal	07-01-2023	283.926	34.756
2019	Start of Tax Inspection	21-04-2022	-	-

a) For the period before the merger (TPN ex.EP)b) Referring to the post-merger period

As a result of the evolution of the VAT process described above, the IP Group increased, during 2022, the provision in the amount of \notin 33.449 thousand, bringing its accumulated value at 31 December 2022 to \notin 482.799 thousand, which corresponds to the VAT that the IP Group estimates it would no longer receive from the AT if it were considered that the RSC is not income subject to VAT (note 16).

Additionally, it should be noted that the amounts corrected by the Portuguese Tax Authorities (AT) and not provisioned by the Group result mainly from VAT deducted on the State Concession Network, so that, should the AT's thesis be accepted in Court, the counterpart of the additional cost for the IP Group will always be an increase in its Intangible Asset, with no direct impact on the result of the year and only with an impact on the results of future years through an increase in the amortization of this same asset.



13. DEFERRALS



At 31 December 2022 and 31 December 2021, this heading comprises the following:

	31-12-2022	31-12-2021
Non-current expenses to recognise		
Other services	374	397
	374	397
Current expenses to recognise		
Other services	4 860	4 509
	4 860	4 509



At 31 December 2022 and 31 December 2021, this heading comprises the following:

	NOTES	31-12-2022	31-12-2021
Non-current income to be recognise			
Investment Grants - Road Concession Law	13.2.1	9 864 495	9 913 880
Term sale Brisa Concession		152 300	152 300
Douro Litoral Concession fee		84 562	92 249
Greater Lisbon Concession fee		15 166	16 333
Optical Fibre Contracts		1 098	735
		10 117 622	10 175 498
Current income to be recognise			
Douro Litoral Concession fee	23	7 687	7 687
Greater Lisbon Concession fee	23	1 167	1 167
Optical Fibre Contracts		857	853
Other income		560	604
Road Technical Channel		161	165
		10 432	10 477



13.2.1. INVESTMENT SUBSIDIES - ROAD CONCESSION RIGHT

This item includes investment subsidies received by the IP Group to finance the intangible asset relating to the Road Concession Right and not yet recognised via profit/loss. The movements which occurred during the periods ended 31 December 2022 and 31 December 2021 are as follows:

	NOTES	INVESTMENT SUBSIDIES
31 December 2020		9 975 333
Increases		-
Input to income		- 61 452
31 December 2021	13.2	9 913 880
Increases		16 963
Input to income		- 66 349
31 December 2022	13.2	9 864 495

The increases in 2022 relate to the execution of the amounts received under the Recovery and Resilience Plan.

534 Infraestruturas de Portugal





PARTIV



See accounting policy 2.3.11



The breakdown of financial assets and financial liabilities by category in accordance with IFRS 9 for the years ended 31 December 2022 and 31 December 2021 is as follows:

31-12-2022	NOTES	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	NON-FINANCIAL ASSETS AND LIABILITIES	TOTAL
ASSETS						
Financial Investments		-	104	32	-	135
Grantor - State - Account receivable	14.2.1	4 474 849	-	-	-	4 474 849
Trade receivables	14.2.2	34 703	-	-	-	34 703
Other accounts receivable	14.2.3	137 706	-	-	44 687	182 393
Cash and cash equivalents	14.2.4	248 772	-	-	-	248 772
		4 896 029	104	32	44 687	4 940 852
LIABILITIES						
Trade payables	14.3.3	40 019	-	-	-	40 019
Borrowings	14.3.1	1 812 073	-	-	1643	1 813 717
Shareholder funding/borrowings	14.3.2	2 332 667	-	-	-	2 332 667
Other accounts payable	14.3.4	2 036 115	-	-	105 960	2 142 075
		6 220 875	0	0	107 603	6 328 478



31-12-2021	NOTES	AMORTISED COST	FAIR VALUE THROUGH PROFIT OR LOSS	FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	NON-FINANCIAL ASSETS AND LIABILITIES	TOTAL
ASSETS						
Financial Investments		-	65	32	-	97
Grantor - State - Account receivable	14.2.1	4 136 506	-	-	-	4 136 506
Trade receivables	14.2.2	69 388	-	-	-	69 388
Other accounts receivable	14.2.3	103 473	-	-	41 547	145 020
Cash and cash equivalents	14.2.4	177 785	-	-	-	177 785
		4 487 152	65	32	41 547	4 528 796
LIABILITIES						
Trade payables	14.3.3	40 556	-	-	-	40 556
Borrowings	14.3.1	1 941 544	-	-	6 348	1947892
Shareholder funding/borrowings	14.3.2	2 332 667	-	-	-	2 332 667
Other accounts payable	14.3.4	2 238 501	-	-	55 417	2 293 919
		6 553 268	0	0	61765	6 615 034

Non-financial assets are mainly related to:

- Guarantees provided of around € 31.692 thousand (2021: around € 31.309 thousand) - note 14.2.3;
- Suppliers debit balances of around € 7.787 thousand (2021: around € 5.156 thousand) - note 14.2.3;
- Deposit to the order of the Customs Tax Authority (AT) regarding the dispute with this entity, within the scope of a tax inspection related to VAT of 2006 of around € 2.680 thousand (2021: around € 2.680 thousand) note 14.2.3; and;
- VAT, credit notes pending deduction and reversal of the taxable person € 2.276 thousand (2021).

Regarding non-financial liabilities, the following stand out:

- Accounting overdrafts of € 1.643 thousand (2021: € 6.348 thousand) - note 14.2.4;
- Receipts relating to the RRP for which the investment has not yet been executed, amounting to
 € 39.521 thousand (2021: € 835 thousand) –
 note 14.3.4;
- Advances on account of sales of approximately € 25.699 thousand (2021: € 21.623 thousand) note 14.3.4;
- Guarantees amounting to € 21.147 thousand (2021: € 13.774 thousand) – note 14.3.4;
- Debts with employment benefits (remuneration and other debts) of € 14.799 thousand (2021: € 14.259 thousand); and
- Advances on subsidies of € 2.854 thousand (2021: € 2.886 thousand).

14.2. FINANCIAL ASSETS

14.2.1. GRANTOR STATE ACCOUNT RECEIVABLE

The breakdown of the Financial Asset underlying the rail concession at 31 December 2022 and 31 December 2021 is as follows:

	31-12-2022	31-12-2021
Concession assets (LDI)	10 399 008	9 965 393
Interest charged	1 881 418	1822 204
Grants/subsidies	- 4 857 911	- 4 709 657
Receipts	- 2 623 854	- 2 623 854
Impairments	- 305 200	- 305 200
Return on assets	- 18 612	- 12 380
	4 474 849	4 136 506

Assets under Concession, known as Long Duration Infrastructures (LDI), form part of the Public Railway Domain, with the IP Group having access to these to provide the public service Infrastructure Management. Accordingly, they are recorded under the "Consolidated Statement of Financial Position, "Grantor – State –Account receivable" item, as they constitute an unconditional right to receive money from the State for the investments made.

These assets, in addition to the acquisitions and constructions subsequent to the split-off of *CP* - *Comboios de Portugal, E.P.E.*, through the publication of Decree-Law No. 104/97, of 29 April, also include the assets of the extinct offices (Lisbon Railway Node Office, Oporto Railway Node Office and Office for the Management of the Railway Installation Works on the Tagus Bridge) and assets transferred from that company, which constitute assets of the public railway domain. Of the increase resulting from subsidies directly attributed to the IP Group for the development of the railway infrastructure, the increase of \leq 148.407 thousand from European Structural and Investment Funds (\leq 4.000 thousand from FEDER, \leq 64.556 thousand from the Cohesion Fund, \leq 67.674 thousand from CEF-Cohesion and \in 12.177 thousand from CEF-GERAL), corresponding to reinforcements of advances and reimbursements of applications approved in the 2014-2020 and 2021-2027 programming periods (Programmes COMPETE 2020, POSEUR, CEF 1 and CEF 2), stands out.

The Return on Assets item is the result of the obligation, expressed in the joint Orders of the Ministries of Finance and Economy, to authorise the public railway domain separation and the results of the sales to be deducted from the amounts receivable from the Grantor).

In the current financial year, the Grantor was debited interest in the amount of \notin 59.214



thousand (2021: \leq 59.676 thousand), with the corresponding entry under the heading Financial Gains – interest received – Grantor – State (note 25).

When REFER was set up, its statutory capital was paid up in kind through the delivery of railway infrastructure, then valued at \in 62.350 thousand. From 1998 to 2001, the Portuguese State increased REFER's statutory capital by a total of \notin 242.850 thousand, allocating these increases, as stated in each joint approval order, to the financing of investments in long-duration infrastructures forming part of the public railway domain.

On the date of incorporation, public domain assets were recorded as fixed assets (tangible fixed assets under the then accounting standards – POC) of REFER, so the counterpart of the capital contribution was the recognition of those assets. With the adoption of IFRIC 12, these amounts take the form of the reimbursement made in due time to the investments made in the long duration infrastructure by the Concessionaire REFER, totalling € 305.200 thousand (initial contribution in kind, plus the capital increases that took place between 1998 and 2001).

Consequently, this amount will no longer be reimbursed by the State/Grantor, with the amount of 305,200 thousand€ being recorded as an impairment.

14.2.2. TRADE RECEIVABLES

On 31 December 2022 and 31 December 2021 this item breaks down as follows:

	NOTES	31-12-2022	31-12-2021
Non Current			
Sundry		-	5 258
		-	5 258
Current			
Sundry		25 791	27 887
Tolls		7 993	8 329
Other related parties	27.3	3 411	31 153
		37 195	67 369
Cumulative impairments	22	- 2 492	- 3 239
		34 703	64 130
		34 703	69 388

This item is composed of current balances, so it is close to its fair value.

The exposure of these balances to credit risk is shown in note 14.4.1.

14.2.3. OTHER ACCOUNTS RECEIVABLE

For the years ended 31 December 2022 and 31 December 2021 the details of Other receivables is as follows:

	NOTES	31-12-2022	31-12-2021
Accounts receivables			
Road Service Contribution	27.2	80 092	78 690
Compensatory allowances		31 5 4 9	4 021
Other related parties	27.3	9 566	1462
Other		2 055	2 502
		123 262	86 675
Surety deposits	14.1	31 692	31309
Other Debtors		35 868	37 916
Sundry		35 868	37 916
Comulative impairment		- 8429	- 10 880
		182 393	145 020

Debtors due to income accruals include, among others:

• The revenue collected by the AT and not yet delivered to IP related to the Road Service Contribution;

• Amounts receivable related to outstanding compensatory allowances, the last extension of which occurred in June 2022, through Council of Ministers Resolution No. 13/2022 (Note 16);

• In the caption other related entities, we highlight the substations' traction energy, to be invoiced to the railway operator in the amount of \in 5.497 thousand (2021: \in 822 thousand).

The Escrow Deposits relate essentially to the provision of a suitable guarantee in relation to the VAT process in the amount of \leq 28.126 thousand, and;

Other debtors – sundry, net of impairment, include, among others, protocols with various municipalities for the construction and upgrading of various infrastructures, in particular the municipalities of Fundão, Cascais, Lisbon, Águeda and Espinho, of approximately € 10.000 thousand (2021: € 10.000 thousend), supplier debit balances, in the amount of approx. € 7.787 thousend (2021: € 5.156 thousend), deposit to the order of the Tax and Customs Authority (AT) relating to the dispute with this entity, resulting from the tax inspection relating to VAT for the financial year 2006, which resulted in the instigation of legal proceedings in September 2014, the outcome of which remains pending to date, in the amount of € 2.680 thousand (2021: € 2.680 thousand) and recoverable VAT arising from credit notes and reverse charge, amounting to € 2.276 thousend (2021: € 1.730 thouesand), as per Note 14.1.

The exposure of these balances to credit risk is shown in note 14.4.1.





The components of cash and cash equivalents shown in the Consolidated Statement of Cash Flows for the years ended 31 December 2022 and 31 December 2021 are reconciled to the amounts shown under the item Consolidated Statement of Financial Position as follows:

	NOTES	31-12-2022	31-12-2021
Other investments		170 868	164 407
Bank deposits		77 844	13 264
Cash		59	115
Cash and Cash Equivalents in the Consolidated Statement of Financial Position		248 772	177 785
Accounting Overdrafts	14.1 - 14.3.1	- 1643	- 6348
Cash and Cash Equivalents in the Consolidated Cash Flow Statement		247 128	171 438

Accounting overdrafts in the Consolidated Statement of Financial Position are recorded under liabilities, under the item Borrowings.

According to the DGO information of 20 December 2021, the funds received under the RRP and not used (\leq 39.521 thousand) were converted into off-budget operations, so as of 31 December 2022, these amounts are not available to be moved.

The exposure of these balances to credit risk is shown in note 14.4.1.



The breakdown of current and non-current borrowings obtained as of 31 December 2022 and 31 December 2021 is as follows:

	31-12-2022	31-12-2021
Non-current borrowings		
Borrowings	1 636 752	1 795 355
Current borrowings		
Borrowings	176 965	152 537
	1 813 717	1947 892

The repayment terms and periods of these borrowings are detailed below:

ACTIVITY	NAME		PRINCIPAL	AMORTIZATION SCHEDULE		RINCIPAL CAPITAL				INTEREST RATE REGIME	INTEREST RATE	PERIODICITY
					START DATE	END DATE	PERIODICITY	REGIME				
Railway	CPIII/2 L. North-B	02/06/2004	200 000	110 000	15/12/2014	15/12/2023	Annual	variable EIB, not exceeding Euribor 3M+0.15%	2,176%	15/Mar 15/Jun 15/Sep 15/Dec		
Railway	Suburban	28/10/2004	100 000	33 333	15/06/2009	15/06/2024	Annual	variable EIB, not exceeding Euribor 3M+0.15%	2,176%	15/Mar 15/Jun 15/Sep 15/Dec		
Railway	Suburban B	14/12/2005	100 000	38 095	15/09/2010	15/09/2025	Annual	Revisable Rate	3,615%	15/Sep		
Railway	Suburban C	12/10/2006	55 000	23 571	15/03/2011	15/03/2026	Annual	Revisable Rate	4,247%	15/Mar		
Railway	CP III 2 North-C line	11/12/2006	100 000	70 000	15/06/2017	15/06/2026	Annual	Revisable Rate	1,100%	15/Jun		
Railway	CP III 2 North-D line	12/07/2007	100 000	70 000	15/12/2017	15/12/2026	Annual	Euribor 3M- 0.096%	1,950%	15/Mar 15/Jun 15/Sep 15/Dec		
Railway	BEI- Roads 2009-2019	17/12/2009	200 659	86 952	15/06/2014	15/06/2029	Half-yearly	Fixed	2,189%	15/Jun 15/Dec		
Railway	Refer V	04/08/2008	160 000	88 000	15/03/2014	15/03/2033	Annual	Revisable Rate	2,653%	15/Mar		
Railway	Refer V	10/09/2009	110 000	55 000	15/09/2013	15/09/2032	Annual	Revisable Rate	2,271%	15/Sep		
Railway	Eurobond 06/26	10/11/2006	600 000	599 506	16/11/	2026	Bullet	Fixed	4,047%	16/Nov		
Railway	Eurobond 09/24	16/10/2009	500 000	499 254	16/10/	/2024	Bullet	Fixed	4,675%	16/Oct		
Road	Eurobond 10/30	09/07/2010	125 000	122 060	13/07.	/2030	Bullet	Fixed	6,450%	13/Jul		
	External Financi	ng TOTAL		1795772				÷				
	Accrued interes	st		16 301								
	Accounting ove	rdrafts		1643								
	TOTAL			1 813 717								

The interest associated with these borrowings is paid, in arrears, on a quarterly, half-yearly or annual basis.

In borrowings from the EIB, the principal is repaid periodically after the grace period. The remaining borrowings (Eurobonds) will be repaid in full upon maturity (bullet). At 31 December 2022, the borrowings backed by a State guarantee amounted to a nominal value of \in 1.674.952 thousand (2021: \in 1.804.298 thousand).

The exposure of these balances to liquidity risk is shown in note 14.4.2.



14.3.2. SHAREHOLDER FUNDING / SHAREHOLDER BORROWINGS

As at 31 December 2022 and 31 December 2021, the item shareholder borrowings/supplementary capital was broken down as follows:

	31-12-2022	31-12-2021
Current borrowings		
State borrowings	2 332 667	2 332 667
	2 332 667	2 332 667

These shareholder loan contracts with the State were intended to meet the financing needs of the ex-EP between 2011 and 2013.

The DGTF granted a new moratorium for State borrowings allocated to motorways in the amount of \notin 2.332.667 thousand (\notin 2.215.578 thousand in amortisation and \notin 117.089 thousand in

interest), moving their maturity to 31 November 2023. Deferrals granted in this context are not subject to the payment of interest.

These borrowings pay interest at various fixed annual nominal rates, as agreed with the DGTF according to the amount and dates of the disbursements. Details are shown below:

ACTIVITY	NAME	SIGNATURE	PRINCIPAL AMOUNT	CAPITAL OUTSTANDING	AMORTISATION		INTEREST RATE REGIME	INTEREST RATE	PERIODICITY	
		DATE	AMOUNT	UUTSTANDING	START DATE	END DATE	PERIODICITY	KATE REGINE	RAIE	
Road	Portuguese State Loan	30/12/2011	1 705 000	852 500	31/05/2013	30/11/2016	Half-yearly	Fixed	2,770%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	204 000	153 000	31/05/2014	30/11/2017	Half-yearly	Fixed	3,690%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	230 000	172 500	31/05/2014	30/11/2017	Half-yearly	Fixed	3,440%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	75 000	56 250	31/05/2014	30/11/2017	Half-yearly	Fixed	2,930%	31/mai 30/nov
Road	Portuguese State Loan	27/01/2012	28 000	21 000	31/05/2014	30/11/2017	Half-yearly	Fixed	2,690%	31/mai 30/nov
Road	Portuguese State Loan	30/05/2012	44 000	33 000	31/05/2014	30/11/2017	Half-yearly	Fixed	2,690%	31/mai 30/nov
Road	Portuguese State Loan	30/05/2012	80 000	60 000	31/05/2014	30/11/2017	Half-yearly	Fixed	2,700%	31/mai 30/nov
Road	Portuguese State Loan	30/05/2012	33 500	25 125	31/05/2014	30/11/2017	Half-yearly	Fixed	1,980%	31/mai 30/nov
Road	Portuguese State Loan	26/09/2012	156 800	117 600	31/05/2014	30/11/2017	Half-yearly	Fixed	1,810%	31/mai 30/nov
Road	Portuguese State Loan	29/10/2012	16 000	12 000	31/05/2014	30/11/2017	Half-yearly	Fixed	1,710%	31/mai
Road	Portuguese State Loan	29/10/2012	13 300	9 975	31/05/2014	30/11/2017	Half-yearly	Fixed	1,590%	31/mai 30/nov
Road	Portuguese State Loan	29/01/2013	85 000	85 000	31/05/2015	30/11/2020	Half-yearly	Fixed	2,750%	31/mai 30/nov
Road	Portuguese State Loan	29/01/2013	135 600	135 600	31/05/2015	30/11/2020	Half-yearly	Fixed	2,420%	31/mai 30/nov
Road	Portuguese State Loan	29/01/2013	17 400	17 400	31/05/2015	30/11/2020	Half-yearly	Fixed	2,150%	31/mai 30/nov
Road	Portuguese State Loan	08/03/2013	25 654	25 654	31/05/2015	30/11/2020	Half-yearly	Fixed	2,150%	31/mai 30/nov
Road	Portuguese State Loan	08/03/2013	266 405	266 405	31/05/2015	30/11/2020	Half-yearly	Fixed	2,180%	31/mai 30/nov
Road	Portuguese State Loan	08/03/2013	28 042	28 042	31/05/2015	30/11/2020	Half-yearly	Fixed	2,610%	31/mai 30/nov
Road	Portuguese State Loan	04/09/2013	26 202	26 202	31/05/2015	30/11/2020	Half-yearly	Fixed	2,190%	31/mai 30/nov
Road	Portuguese State Loan	04/09/2013	25 000	25 000	31/05/2015	30/11/2020	Half-yearly	Fixed	2,180%	31/mai 30/nov
Road	Portuguese State Loan	04/09/2013	17 943	17 943	31/05/2015	30/11/2020	Half-yearly	Fixed	2,070%	31/mai 30/nov
Road	Portuguese State Loan	09/10/2013	3 688	3 688	31/05/2015	30/11/2020	Half-yearly	Fixed	2,100%	31/mai 30/nov
Road	Portuguese State Loan	09/10/2013	21805	21 805	31/05/2015	30/11/2020	Half-yearly	Fixed	1,870%	31/mai 30/nov
Road	Portuguese State Loan	09/10/2013	49 891	49 891	31/05/2015	30/11/2020	Half-yearly	Fixed	1,970%	31/mai 30/nov
	Total shareholder finar	ncing		2 215 578						
	TOTAL			2 332 667						



FIXED-RATE FINANCING

The fair value of fixed-rate financing at 31 December 2022 is shown below:

NAME		CAPITAL OUT	INTEREST RATE	
		NOMINAL VALUE	FAIR VALUE	
EIB- Suburban B	100 000	38 095	38 250	3,615%
EIB- Suburban C	55 000	23 571	24 129	4,247%
EIB- REFER V	160 000	88 000	85 737	2,653%
EIB- REFER VI	110 000	55 000	51 548	2,271%
EIB- CPIII2 North Line C	100 000	70 000	68 057	1,887%
BEI- Roads 2009-2019	200 659	86 952	84 182	2,189%
Eurobond 06/26	600 000	600 000	616 987	4,047%
Eurobond 09/24	500 000	500 000	512 887	4,675%
Eurobond 10/30	125 000	125 000	147 468	6,450%
Portuguese State Loan	1 705 000	852 500	828 357	2,770%
Portuguese State Loan	204 000	153 000	148 667	3,690%
Portuguese State Loan	230 000	172 500	167 615	3,440%
Portuguese State Loan	75 000	56 250	54 657	2,930%
Portuguese State Loan	28 000	21 000	20 405	2,690%
Portuguese State Loan	44 000	33 000	32 065	2,690%
Portuguese State Loan	80 000	60 000	58 301	2,700%
Portuguese State Loan	33 500	25 125	24 413	1,980%
Portuguese State Loan	156 800	117 600	114 270	1,810%
Portuguese State Loan	16 000	12 000	11 660	1,710%
Portuguese State Loan	13 300	9 975	9 693	1,590%
Portuguese State Loan	85 000	85 000	82 593	2,750%
Portuguese State Loan	135 600	135 600	131 760	2,420%
Portuguese State Loan	17 400	17 400	16 907	2,150%
Portuguese State Loan	25 654	25 654	24 927	2,150%
Portuguese State Loan	266 405	266 405	258 860	2,180%
Portuguese State Loan	28 042	28 042	27 248	2,610%
Portuguese State Loan	26 202	26 202	25 460	2,190%
Portuguese State Loan	25 000	25 000	24 292	2,180%
Portuguese State Loan	17 943	17 943	17 434	2,070%
Portuguese State Loan	3 688	3 688	3 583	2,100%
Portuguese State Loan	21805	21 805	21 187	1,870%
Portuguese State Loan	49 891	49 891	48 478	1,970%
TOTAL	5 238 887	3 802 197	3 782 078	

14.3.3. SUPPLIERS

On 31 December 2022 and 31 December 2021 this item breaks down as follows:

	NOTES	31-12-2022	31-12-2021
General suppliers		37 582	40 540
Other related parties	27.3	2 437	16
		40 019	40 556

The exposure of these balances to liquidity risk is shown in note 14.4.2.

14.3.4. OTHER ACCOUNTS PAYABLE

For the years ended 31 December 2022 and 31 December 2021 the details of Others payable is as follows:

	NOTES	31-12-2022	31-12-2021
Non-Current			
Creditors by Accrued Expenses			
Sub-concessions		1 073 431	1 2 2 8 4 8 0
		1 073 431	1228 480
Rentals		763	2 995
		1 074 194	1 2 3 1 4 7 5
Current			
Creditors by Accrued Expenses			
Sub-concessions		495 155	596 551
Regular Road Maintenance		355 293	345 095
Other		48 292	29 383
Other related parties	27.3	252	834
		898 991	971 862
Investment Providers		58 730	30 193
RRP		39 521	-
Advances on Sales Account	14.1	25 699	21 623
Remuneration to be settled		14 428	13 893
Bonds	14.1	21 147	13 774
Rentals		2 474	2 327
Other Creditors		6 891	8 771
Other		6 890	8 754
Other related parties	27.3	1	17
		1 067 882	1062 444
		2 142 075	2 293 919



Creditors for accrued expenses include:

 The amount of the IP Group's liabilities to the sub-concessionaires for the construction, operation and maintenance services already carried out by them and pending invoicing, remunerated at rates between 5% and 11% (Note 25).

This liability is measured annually and represents the Executive Board of Directors' best estimate of the value of the services already provided by the sub-concessionaires, based on the estimated future financial flows of these contracts, regardless of their nature, including those resulting from contingencies and litigation:

 Regular road maintenances resulting from the IP Group's responsibility to maintain or restore the road infrastructure to certain levels of service, which is established over the period that elapses until the scheduled date of execution of the works.

The change in the item Regular Road Maintenance results from the increase in the theoretical annual cost for the scheduled maintenance to be carried out in the amount of approximately \leq 55.665 thousand (Note 20) deducted from the Conservation execution, for the year, of approximately \leq 55.665 thousand; and \leq 34.296 thousand), and;

Other accrued creditors include, among others, the amounts payable by the IP Group relating to the Concession Contract with the State, amounting to € 24.000 thousand (2021: € 24.000 thousand), traction energy and miscellaneous uses, amounting to 1€ 13.671 thousand (2021: € 2.239 thousand), current road maintenance for about € 3.539 thousand and the work on the Beira Alta Line for about € 1.253 thousand.

The "Investment Suppliers" item arises mainly from amounts invoiced for the execution of own works.

With regard to the Recovery and Resilience Plan (RRP), during 2022, an amount of \leq 56.485 thousand was received, of which \leq 16.963 thousand was executed, (note 14.1).

The item for remuneration payable mainly includes the estimated holiday pay and holiday bonuses for the year, to be paid in 2023. The amounts under the item "Leases" relate to car rental contracts and various equipment owned by the IP Group.

The exposure of these balances to liquidity risk is shown in note 14.4.2.

14.4. FINANCIAL RISK MANAGEMENT POLICIES

The Group's financial assets essentially relate to accounts receivable from various securities, highlighting the balances due from the railway concession and the Group's various customers, as well as various deposit accounts held by banks and IGCP. The Group has, albeit to a very limited extent, other investments in equity instruments and does not have any derivative instruments.

The Group's financial liabilities include borrowings from the financial system (bank borrowings, debt operations on the capital market), borrowings in the form of shareholder borrowings, accounts payable to suppliers and other entities, the main purpose of which is to finance the Group's operations.

Regarding funding obtained from the financial system, Decree-Law No. 133/2013 of 3 October, amended the autonomy of reclassified public entities (EPR) with regard to access to funding from the financial system and risk management through derivative financial instruments.

Article 29 of the said DL provides that EPR access to commercial banking funding is prohibited, except for banks having a multilateral nature (e.g. the European Investment Bank). Article 72 enshrines the transfer of these companies' derivatives portfolios to the Public Debt and Treasury Management Agency (Agência de Gestão da Tesouraria e da Dívida Pública – IGCP, EPE). (IGCP).

Due to the type of financial assets and liabilities it holds, the Group is exposed to several risks, namely credit risk, liquidity risk, interest rate risk and capital risk.

These risks are managed by the Finance and Markets Division according to the risk mitigation policies stipulated by the Executive Board of Directors.

14.4.1. CREDIT RISK

Credit risk is associated with the risk of another party failing to comply with its contractual obligations resulting in a financial loss for the IP Group. The Group is exposed to this risk both through operational activities (through the sale on credit of goods and services it provides in the form of accounts receivable) and in the performance of its financial function through deposits and financial investments held by financial institutions and IGCP.

The credit risk associated with the Group's operating activities has been managed individually according to the specific characteristics of each business segment and its specific customers. In order to minimize exposure to this risk, the Group obtains credit guarantees from clients in the form of bonds, surety bonds or bank guarantees. Note 14.1 details the maximum exposure of the Group to credit risk.

With regard to customer debts, a brief characterisation is presented according to the invoicing intervals and respective segments:

31-12-2022	TOLLS	[>1000 m€[[1.000 m€ < 10 m€[[10 m€>0]	TOTAL
Number of Trade Receivables (Clients)	-	6	120	858	984
Railway	-	5	-	18	23
Road	Various	-	25	166	191
Property management	-	1	49	513	563
Engineering	-	-	4	-	ζ,
Telecommunications	-	-	42	161	203
		10 570	0.070		
Debt		19 739	8 236	9 220	37 195
Railway		17 679	- 8 236	9 220 6	37 195 17 685
			8236 - 1562		
Railway			-	6	17 685
Railway Toll-free motorway			-	6 240	17 685 1 802
Railway Toll-free motorway Tolls		17 679 - -	- 1562 -	6 240 7 993	17 685 1 802 7 993

31-12-2022	TOLLS	[>1000 m€[[1.000 m€ < 10 m€[[10 m€>0]	TOTAL
Number of Trade Receivables (Clients)	-	6	117	929	1052
Railway	-	4	-	20	24
Road	Várias	1	26	248	275
Property management	-	1	50	513	564
Engineering	-	-	3	-	3
Telecommunications	-	-	38	148	186
Debt		54 212	8 736	9 678	72 627
Railway	-	47 530	-	12	47 542
Toll-free motorway	-	4 622	2 067	280	6 969
Tolls	-	-	-	8 329	8 329
Property management	-	2 060	2 568	800	5 428
Engineering	-	-	565	-	565
Enginooning					

At 31 December 2022, the IP Group has a portfolio of 984 customers (2021: 1052 customers), of which 6 (2021: 6) have balances greater than \in 1.000 thousand corresponding to about 53% (2021: 75%) of the amounts outstanding.



From the previous tables, we highlight the significant decrease in the amounts owed to the Group (-49% compared to 2021), with special relevance for the railway debts (-63%), mainly referring to Railway Operators, as a result of the settlement of historical debt verified in this financial year.

With regard to the debts of the other activities, they show fluctuations within the Group, despite the positive evolution of the turnover of the various segments.

The weight of toll debts in relation to the total customer balance is 21% (2021: 11%).

The age of the Group's customers by category/ type is shown below:

31-12-2022]0-30[[30-60[[60-90[[90-360[[360[GRAND TOTAL
Tolls	7 993	-	-	-	-	7 993
Railway operators	8 117	3 448	104	384	5 707	17 759
Public entities	525	7	22	170	2 104	2 829
Other debtors	2 549	233	156	1 0 9 8	3 727	7 764
Customers with payment plans	77	1	-	11	77	165
Customer Guarantees	-	-	-	-	-	684
	19 262	3 689	283	1662	11 615	37 195
Impairment	- 291			- 470	- 1730	- 2492
	18 971	3 689	282	1 192	9 885	34 703
Average rate	1,51%	0,01%	0,05%	28,28%	14,90%	6,70%

31-12-2021]0-30[[30-60[[60-90[[90-360[[360[GRAND TOTAL
Tolls	8 329	-	-	-	-	8 329
Railway operators	17 965	7 725	7 217	158	14 681	47 746
Public entities	162	3	-	78	2 195	2 439
Other debtors	2 118	759	155	828	9 4 9 1	13 353
Customers with payment plans	27	-	18	19	29	94
Customer Guarantees	-	-	-	-	-	667
	28 601	8 488	7 390	1083	26 397	72 627
Impairment	- 470	- 2	- 2	- 138	- 2626	- 3 239
	28 131	8 486	7 389	945	23 770	69 388
Average rate	1,64%	0,02%	0,02%	12,78%	9,95%	4,46%

The credit risk associated with the IP Group's customer debts shows the following characteristics:

Road Activity - The most relevant component of customer debts is tolls, which have a diversified customer base and comprise low value operations, which, in case of default, will be subject to collection by the Tax Authority (AT), and therefore do not present a significant associated credit risk.

Railway Activity - With regard to customer debts, the risk is essentially related to non-compliance with the responsibilities assumed by the railway operators. CP - Comboios de Portugal, E.P.E. has been the main counterpart as the exclusive passenger operator on the entire network, with the exception of the 25 de Abril Bridge crossing, which is operated by Fertagus. In the current year it should be noted that CP has paid off a large part of its debt.

Commercial space real estate management

activity – This is the most relevant segment of this risk typology and is related to the possibility of default in the payment of responsibilities assumed by the various concessionaires in relation to the leases and sub-leases of commercial spaces belonging to the IP Group.

In order to mitigate this risk it has been the Group's policy, among others:

- the request for credit guarantees, provided by means of sureties or bank guarantees;
- Negotiating payment plans with customers who show difficulties in meeting payment deadlines;
- Providing customers with the possibility of paying invoices using an ATM reference, a procedure that has been considerably adhered to by customers; and
- The use of the direct debit system, since 2019, which has made it possible to guarantee the receipt of invoices on the respective due dates, with evident benefits in the effectiveness of the collection system.

Notwithstanding the above, there was a slight increase in the debt of this segment compared to 2021, which is related to the increase in activity in this segment.

Telecommunications activity – This is a segment where this type of risk is considered low, since the Group's customer portfolio has been very stable over the years. In addition, it has been common practice for customers to provide credit guarantees in the form of collateral or bank guarantees.

Engineering and transport services activity -

Does not present a relevant credit risk in relation to the reality of the IP Group.

However, the increase in third-party debt compared to 2021 is related to a greater amount of the international business.

The impairments recorded relate to customers referred to in the table above as other debtors, and the criteria for calculating them are disclosed in note 2.4 (impairments of Key judgements, estimates and assumptions – impairment of financial assets), being included in this balance with a set of balances that do not have great expression in the Group's customer portfolio, so it is the conviction of the Executive Board of Directors that the impairments considered are appropriate.

With regard to the credit risk associated with other receivables, the most important is the Road Service Contribution (RSC), which is collected and paid to IP by the Tax Authority (AT) and the debts of the Municipalities for which, given their public nature, the associated credit risk is not considered relevant, since it is considered that, despite possible defaults, the probability of recovery is total.

In relation to credit risk associated with financial activity, the IP Group has exposure to the national banking sector, translated by the balances on demand deposits. This exposure is reduced due to the application of the legislation relating to the Principle of Unity of the State Treasury, which provides for the concentration of cash and cash equivalents and financial applications with the IGCP. The IP Group currently holds 99,8% of its cash and cash equivalents with the IGCP.

To date, the IP Group has not incurred any impairment resulting from the non-fulfilment of contractual obligations entered into with financial entities.

The following table provides a summary of the credit quality of the IP Group's deposits on 31 December 2022 and 31 December 2021.

	3	31-12-2022		2-2021
	RATING	BALANCES	RATING	BALANCES
IGCP(*)	BBB+	248 651	BBB	177 383
BANK BPI	BBB+	54	BBB	100
SANTANDER BANK	Д+	5	Α+	61
BBVA	Α	32	A	64
CGD	(-)	3	(-)	36
BCP	BB+	3	BB	26
Novo Banco	(-)	2	(-)	2
		248 751		177 671

Note: The ratings used are those assigned by Standard and Poor's (*) includes€ 170.868 thousand (2021: € 164.407 thousand) of CEDIC applications.



14.4.2 LIQUIDITY RISK

This type of risk is measured by the capacity to obtain financial resources to meet the responsibilities assumed with the different economic agents that interact with The IP Group, such as suppliers, banks, the capital market, etc. This risk is measured by the liquidity available to the Group to meet its liabilities and its capacity to generate cash flow in the course of its business. The IP Group seeks to minimise the probability of defaulting on its commitments through rigorous and planned management of its activity. Prudent liquidity risk management implies maintaining an adequate level of cash and cash equivalents to meet the assumed responsibilities. As IP is financed directly by the Portuguese State, the liquidity risk is considerably low.

The following table shows the IP Group's liabilities by contractual maturity intervals. The amounts shown represent the undiscounted forecast cash flows as at 31 December 2022 and 31 December 2021.

31-12-2022	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS
Borrowings Obtained			
Amortisation of borrowings	129 345	1 579 386	220 566
Interest from borrowings	65 840	216 631	30 957
Amortisations of shareholder borrowings	2 215 578	-	-
Interest on shareholder financing/ borrowings	117 089	-	-
Surety	3 502	10 216	542
Suppliers and accounts payable	1 002 148	1 074 109	-
	3 533 503	2 880 342	252 065

31-12-2021	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS
Borrowings Obtained			
Amortisation of borrowings	129 345	1 579 386	220 566
Interest from borrowings	65 840	216 631	30 957
Amortisations of shareholder borrowings	2 215 578	-	-
Interest on shareholder financing/ borrowings	117 089	-	-
Surety	3 502	10 216	542
Suppliers and accounts payable	1 0 07 4 09	1 2 3 1 4 8 4	-
	3 538 763	3 037 717	252 065



The IP Group is subject to interest rate risk while keeping in its portfolio borrowings obtained from the (national and international) financial system and which seek to finance its activity.

The main goal of interest rate risk management is to protect against rising interest rates, since the Group's revenues are immune to this variable and, therefore, a natural hedge is not possible.

Currently, no financial instruments are used to hedge interest rate risk.

Currently, the goal of the interest rate risk management policy is essentially to monitor the interest rates that influence the financial liabilities contracted on the basis of Euribor.

Sensitivity test to interest rate variation

The IP Group periodically uses sensitivity analyses to measure the impact on results of interest rate variations on the fair value of borrowings. These analyses have been one of the aids for interest rate risk management decisions. The sensitivity analysis is based on the following assumptions:

i. As at 31 December 2022, the IP Group had not recognised any borrowings obtained at fair value;

ii. Changes in the fair value of borrowings and financial liabilities are estimated by discounting future cash flows using market rates at the reporting times; **iii.** On the basis of these assumptions, at 31 December 2022, a 0,5% increase or decrease in the Euro interest rate curves would result in the following changes in the fair value of loans with potential impact on profit and loss:

VARIATION IN THE INTEREST RATE CURVE				
	-0,50%	0,50%		
Impact on fair value of Ioans	36 579	-35 697		
Potential impact on results	-36 579	35 697		

14.4.4 CAPITAL RISK

The IP Group's goal in terms of capital risk management, which is a broader concept than the capital shown on the Consolidated Statement of Financial Position, is to safeguard its ongoing business operation.

The basic instrument for managing this risk is the financing plan (or financial plan) of the companies through which the sources of financing are identified and monitored, highlighting the policy of strengthening the capital structure promoted by the shareholder and materialised through cash capital reinforcement operations.

IP was set up with a share capital of € 2.555.835 thousand represented by 511.167 shares with a nominal value of € 5 thousand each. On 31 December 2022, share capital amounted to € 11.512.155 thousand, represented by 2.230.431 shares with a nominal value of € 5 thousand each.

Capital increases were carried out in 2022, in cash, in the amount of \in 1.281.975 thousand (Note 15), as shown in the table below:

	31-12-2022	31-12-2021
Capital increases	1 281 975	1 612 650
Investment	1 082 239	891 129
Debt service	199 736	721 521



14.5. CHANGES IN LIABILITIES DERIVING FROM FINANCING ACTIVITIES

The reconciliation of the liabilities with flows affect financing activities is presented below:

	FINANCING	SHAREHOLDER'S Borrowings	RENTALS
Balance on December 2021(1)	1947 892	2 332 667	5 322
Cash			
Interest	- 66 488	-	- 218 329
Amortisation (2)	- 129 345	-	- 2507
Other financial charges	- 3 796	-	-
Non Cash			
Effective rate (3)	417	-	-
Specialised interest (4)	- 505	-	-
Other financial charges (5)	- 37	-	-
Other variations (6)	- 4704	-	422
Balance on December 2022 (1)+(2)+(3)+(4)+(5)+(6)	1 813 717	2 332 667	3 236

	FINANCING	SHAREHOLDER'S BORROWINGS	RENTALS
31 December 2020 (1)	2 577 593	2 343 354	7 148
Cash			
Interest	- 88 098	-	- 333
Amortisation(2)	- 629 288	-	- 2 398
Other financial charges	- 4 101	-	-
Non Cash			
Effective rate (3)	806	-	-
Specialised interest (4)	- 1350	- 21	-
Other financial charges (5)	- 37	-	-
Other variations (6)	169	-	572
Amortisation (7)	-	- 10 667	-
31 December 2021 (1) + (2) + (3) + (4) + (5) + (6) +(7)	1947 892	2 332 667	5 322

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INANCIAL ASSETS AND FINANCIAL LIABILITIES PART IV



REPORT AND ACCOUNTS 2022

3 PARIO PARIO



i) SHARE CAPITAL

The share capital is represented by registered shares in book-entry form, belonging to the Portuguese State and held by the General Directorate of Treasury and Finance. On 31 December 2021, the share capital was \in 9.870.180 thousand, fully subscribed and paid up by its shareholder, corresponding to 1.974.036 shares with a nominal value of \in 5 thousand each.

During 2022 the share capital was increased as follows:

MONTHS	31-12-2022			
	NO. OF SHARES	AMOUNT		
January	8 000	40 000		
February	69 894	349 470		
March	19 2 9 0	96 450		
Мау	24 981	124 907		
June	26 333	131 663		
August	24 832	124 160		
September	17 000	85 000		
October	14 400	72 000		
November	32 965	164 825		
December	18 700	93 500		
	256 395	1 2 8 1 9 7 5		

on 31 December 2022, this will total \leq 11.152.155 thousand, corresponding to 2.230.431 fully subscribed and paid-up shares.

The basic /diluted earnings per share are as follows:

	31-12-2022	31-12-2021
Profit attributable to shareholder (in euros)	48 299 002	15 891 729
Average number of shares during the period	2 120 861	1 781 274
Average number of diluted shares during the period	2 120 861	1 781 274
Basic earnings per share (in euros)	22,77	8,92
Diluted earnings per share (in euros)	22,77	8,92

Basic and diluted earnings per share are \in 22,77 as there are no dilution factors.



The IP Group calculates its basic and diluted earnings per share by using the weighted average of the shares in circulation during the reporting period, as follows:

	31-12-2022	31-12-2021	
January	1 982 036	1 651 506	
February	2 051 930	1 651 506	
March	2 071 220	1 730 227	
April	2 071 220	1 730 227	
May	2 096 201	1 765 350	
June	2 122 534	1 765 350	
July	2 122 534	1 795 762	
August	2 147 366	1 795 762	
September	2 164 366	1 825 205	
October	2 178 766	1 825 205	
November	2 211 731	1 865 156	
December	2 230 431	1 974 036	
Weighted average number of shares in circulation	2 120 861	1781274	

ii) RESERVES

Reserves are made up as follows:

	31-12-2022	31-12-2021
Legal reserve	279 709	279 709
Other variations	- 95	- 95
Donations	4	4
	279 618	279 618

With regard to legal reserves, commercial legislation establishes that at least 5% of the annual net income is allocated to increase the legal reserve until it represents at least 20% of the share capital. This reserve is not available for distribution, except upon liquidation of the Group, but can be used to absorb losses once the other reserves have been exhausted, or to increase capital.



REPORT AND ACCOUNTS 2022

16. PROVISIONS

See accounting policy 2.3.14.

The evolution of provisions for other risks and charges as of 31 December 2022 and 31 December 2021 was as follows:

	GENERAL RISKS	LAND Expropriations	CONTRACT WORKS	BENEFITS FOR Employees	DECLASSIFIED ROADS	VAT PROCEDURE	TOTAL
31 December 2020	39 301	15 121	53 783	1 121	408 402	422 377	940 105
Increase/ Reinforcement	3 941	4 988	2 016	-	-	26 874	37 820
Reduction/ Utilisation	- 8929	- 994	- 7914	- 164	- 2613	_	- 20 615
31 December 2021	34 313	19 115	47 885	957	405 789	449 251	957 310
Increase/ Reinforcement	3 281	1548	580	-	-	33 449	38 858
Reduction/ Utilisation	- 12 975	- 2 204	- 8625	- 273	- 4155	-	- 28 231
31 December 2022	24 620	18 459	39 840	684	401634	482 700	967 937

PROVISIONS FOR ONGOING LEGAL PROCEEDINGS

GENERAL RISKS:

The provision for general risks is analysed by the Legal Affairs and Compliance Department and includes:

- Potential liabilities from general litigation processes not connected with building contracts of € 24.107 thousand (2021: € 33.607 thousand);
- A number of lawsuits by workers against the Group, dating back to 2015, resulting from the Group's restructuring, amounting to € 513thousand (2021: € 677 thousand).

LAND EXPROPRIATIONS:

This provision was set up to deal with the risk of the IP Group having to make additional payments in connection with land expropriation proceedings in litigation. The provision was set up following consultations with external and internal lawyers of the cases conducted by the Legal Department.

It should be noted that, by its nature, the total increases and reductions in this provision are offset by the intangible asset – Concession Right.

WORKS CONTRACTS:

Provision set up relating to general litigation proceedings arising from road contract works.

It should be noted that increases /decreases in this provision are made against the intangible asset – Concession Right.

VAT PROCEEDINGS:

In 2010 it was decided that, for conservative reasons, and in light of the developments in the VAT



proceedings described in Note 12, it was decided to set up a provision for the estimated impact of an unfavourable decision against the IP Group concerning these VAT proceedings.

As the issue which originated the dispute between the extinct EP and the AT was the acceptance or not of the RSC as an income subject to VAT, a provision equivalent to the total VAT deducted by the extinct EP and IP on activities financed by the RSC was made. It should also be noted that the counterpart of this provision was made based on the accounting classification of the expense that originated the deductible VAT, i.e., deducted VAT related to expenses for the year was provisioned against expenses of € 23.143 thousand (2021: € 20.635 thousand) and the VAT deducted on the acquisition or construction of assets was provisioned against intangible assets - Concession Right, in the amount of € 10.305 thousand (2021: € 6.239 thousand).

PROVISIONS FOR OTHER NON LITIGATION SITUATIONS

EMPLOYEE BENEFITS:

The IP Group grants temporary early retirement benefits and retirement and survival pension benefits to its employees.

The complementary retirement and survival pension benefits attributed to the employees constitute a defined benefit plan under which the IP Group pays early retirement pensions to a closed group of employees covered by the plan until such time as they retire under the Caixa Geral de Aposentações system.

This provision refers to liabilities on benefits attributed to an already reduced group of beneficiaries (28), for a limited period of time, for which it was the Executive Board of Directors' opinion that an annual assessment of these liabilities by a specialised company was not necessary, as this was carried out by internal means.

The movement in the year corresponded to the revision of the estimated provision to be paid in subsequent periods, with a direct impact on results in the amount of \in 116 thousand (2021: 0) and the use of provision in accordance with payments in the period, amounting to \in 157 thousand (2021: \in 164 thousand).

PROVISION FOR DECLASSIFIED ROADS:

The IP Group is required to transfer declassified roads within the National Road Plan to become the responsibility of Municipalities, having set up a provision which reflects the best estimate to fulfil the obligations of renovating declassified roads still under the Company's responsibility. The implementation of the Transfer Protocols for the Local Authorities led to the use of this provision amounting to \leq 4.155 thousand in 2022, (2021: \leq 2.613 thousand).

PROVISIONS PART IV

63



REPORT AND ACCOUNTS

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17. SALES AND SERVICES RENDERED

See accounting policy 2.3.15.

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, the details of services rendered were as follows:

	NOTES	2022	2021
Road Service Contribution	27.2	665 501	636 392
Tolls		294 646	264 225
Use of Channels (fees)		67 582	66 377
Construction Contracts		50 947	56 370
Construction of New Infrastructure	7, 19	40 289	28 457
Capitalised Financial Expenses	19	10 658	10 959
Sub-concessioned Network - Construction (Revision of estimates)	7	-	16 953
Other		57 920	42 424
Grantor State - LDI Revenue	27.2	34 903	36 0 36
		1 171 499	1 101 825

The unit values of the Road Service Contribution (RSC - fee paid by users for use of the road network) for 2022 remained unaltered compared to 2021, at \in 87/1.000 litres for gasoline, \in 111/1.000 litres for road diesel and \in 63/1,000 litres for LPG vehicles.

In comparison with the same period of the previous year, there was an increase in the RSC (+4,6%). This positive change can be explained by the lifting of restrictions linked to the COV-ID-19 pandemic which, at the beginning of 2021, led to the adoption of strong containment measures with a significant impact on road traffic and consequently lower fuel consumption.

With regard to Tolls, the increase in comparison with the same period of the previous year (€ 30.421 thousand) was essentially due to the increase in road traffic to levels slightly above the pre-COVID-19 period. Reference should be made to the new discount scheme in the ex-SCUT Concessions, which came into force on 1 July 2021, resulting in a 50% reduction in toll

tariffs. If on the one hand this translates into a potential loss of revenue, on the other, motivated by the effect of the price reduction, it may provide a stimulus to circulation.

The largest share of toll income results from the use of the State Concessions network, in which IP is the holder of the revenue from the collection of toll fees, reaching around \notin 233.894 thousand (2021: \notin 208.433 thousand).

The item Use of slots (Tariffs) refers mainly to income from the Infrastructure User Fees (UF). Passenger fares reached \in 60.572 thousand and freight fares reached \in 7,268 thousand, an increase of 3,23% and a decrease of 0,01%, respectively, compared with the same period of the previous year.

Construction Contracts reflect the IP Group's income from its NRN construction activity, as stipulated in the Concession Contract. This includes all the IP Group's construction activities, whether carried out directly or through sub-concession.



The amounts corresponding to the construction of New Infrastructures are construction activities directly managed by the Group and are determined based on the monthly construction monitoring reports, reflecting the physical evolution of the works in progress, plus expenses directly attributable to the preparation of the asset for its intended use.

The construction of the Sub-concession Network is determined based on the construction values contracted for each sub-concession and the percentage of completion reported to IP by each sub-concessionaire. It therefore reflects the physical evolution of the works and is independent from the revenue flow. In the year 2021, and taking into account the new contract signed with the sub-concessionaire Baixo Tejo on 29 July 2021, which reflects the non-construction of some sections provided for in the initial contract, the need to review the estimated construction value of this sub-concession was justified and this value is shown under the heading Sub-concession Network - Construction (Revision of estimates).

Capitalized financial expenses correspond to the financial expenses incurred by the IP Group during the road construction phase and consist of the financial expenses used to finance the acquisition of the State Concession Network.

The item "Others" includes revenue of about \in 30.523 thousand (2021: \in 25.366 thousand) related to the Telecommunications; Real Estate Management of Commercial Spaces; and Transport Engineering Services segments, as shown in note 4.

The item State Grantor – LDI Revenue, corresponds to the repayment of expenses incurred with Long Term Infrastructure to the Grantor, namely, materials and labour for Investment and the respective structural expenses, under the terms of IFRIC 12.

In summary, in 2022, the increase in Services Rendered, with a direct impact on results, of about $+ \notin$ 36,375 thousand compared to December 2021, should be highlighted, being related to RSC ($+ \notin$ 29.109 thousand), IP tolls ($+ \notin$ 4.959 thousand), Rail fare ($+ \notin$ 1.205 thousand) and other miscellaneous items ($+ \notin$ 1.102 thousand).

Additionally, and although without impact on the result, there were increases in revenues from tolls on State Concessions (+ ≤ 25.461 thousand), own construction contracts (+ \leq 11.831 thousand) and traction energy (+ \leq 9.051 thousand), but whose effects are offset under the cost of goods sold and materials consumed (- ≤ 36.723 thousand) and in supplies and external services (- ≤ 9.846 thousand).

REPORT AND ACCOUNTS 2022

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REPORT AND ACCOUNTS

PART V

18. COMPENSATORY ALLOWANCES

See accounting policy 2.3.13.

In compliance with Decree-Law No. 217/2015 of 7 October which transposed into national law Directive No. 2012/34/EU, of the Parliament and of the Council, of 21 November 2012 and through the Resolution of the Council of Ministers No. 10-A/2016, of 11 March, the Programme Contract between the Portuguese State and IP was entered into on 11 March 2016 (retroactive to 1 January 2016), in which the terms and conditions of the provision, by IP, of the public service obligations for the management of the infrastructure that is part of the National Railway Network are defined and regulated, including the setting of the compensatory indemnities, to be paid by the State, during the period 2016-2020.

The attribution of financial compensation by the State is sustained by the fact that IP's activity consubstantiates the provision of a service of public interest, which, by its nature, is distinct from activities of an economic nature that the Company would undertake if it were considering its commercial interests, and which is intended to ensure the coverage of specific costs resulting from the fulfilment of public service obligations.

As it has not yet been possible to conclude the negotiations for the new Programme Contract, this was extended until the first half of 2022 through 3 amendments:

- two amendments entered into in 2021, through Resolution of the Council of Ministers No. 117/2020 relating to the 1st half of the year and Resolution of the Council of Ministers No. 104/2021 relating to the 2nd half of the year; and
- one amendment entered into in 2022, through Resolution of the Council of Ministers No. 13/2022 for the 1st half of 2022.

All additions were made in the logic of applying twelfths in relation to what the Programme Contract 2016-2020 set for 2020.

By 31 December 2022, a new amendment extending the period of force to the second half of 2022 had not been received. Therefore, from a perspective of continuity with this Programme Contract, IP recognised the amount relative to this period in results based on the value attributed in the 1st half of 2022.

In view of the above, the amount allocated in 2022, within the scope of the Program Contract, was \leq 55.055 thousand, an equal amount to the same period in the previous year.

As at 31 December 2022, payments of \in 719 thousand for the 2017 financial year and \in 3.302 thousand for the 2019 financial year are expected (plus VAT).



REPORT AND ACCOUNTS 2022

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See accounting policy 2.3.12.

From 1 January 2022 to 31 December 2022 and in the same period of 2021, the details of this item is as follows:

	NOTES	2022	2021
Tolls Concessions Capitalisation		219 118	192 739
Construction of New Infrastructure	7.17	40 289	28 457
Railway Materials	11.1	21 178	20 992
Telecommunications Materials	11.3	124	160
Sub-concession Network - Estimate Review	17	-	16 953
		280 709	259 301

As mentioned in Note 2.3.15 (revenue) the amounts received from tolls on State concessions (net of collection costs) are deducted from the IP Group's investment in the acquisition of rights over that same concessioned network. This deduction is offset in this item. The change in this item results from the verified increase in toll revenues from State concessions net of toll collection costs (\in 26.379 thousand).

The amounts corresponding to the construction of New Road Infrastructures concern construction activities under the direct management of the IP Group and are calculated based on monthly monitoring reports stating the physical evolution of the works (note 7).

The variation in the current year is essentially due to the construction work on the stretch of the bypass of the EN 14 between Maia and Trofa (\leq 14.794 thousand).

Expenses with railway materials concern mainly various types of materials included in the investment and in the maintenance of railway infrastructures.

Telecommunications equipment is intended for use in the provision of telecommunications services.

The new contract signed with the sub-concession holder Baixo Tejo on 29 July 2021, which reflects the non-construction of some stretches foreseen in the initial contract, justified the need to review the estimated construction value of this sub-concession, which justifies the value of the item Sub-concession Network - Estimate Revision in 2021.

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REPORT AND ACCOUNTS

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20. EXTERNAL SUPPLIES AND SERVICES

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, external supplies and services were detailed as follows:

	NOTES	2022	2021
Current Maintenance and Road Safety		70 918	64 719
Regular Road Maintenance	14.3.4	55 665	55 665
Railway Maintenance		76 425	71 152
Operation and Maintenance Sub-concessions		53 125	42 360
Toll collection charges		17 896	18 904
Electricity		34 626	14 893
RSC collection charges	27.2	13 310	12 728
Surveillance and security		7 646	7 598
Cleanliness, hygiene and comfort		8 073	6 421
Specialised work		5 346	4 4 4 1
Maintenance and repair		3 767	3 334
Software Licences		4 053	3 829
Fuels		2 851	2 107
Insurance		3 625	1 765
Other Supplies and Services		6 734	5 981
		364 058	315 899

The Regular Maintenance and Road Safety item contains the year's expenditure on regular maintenance of roads and engineering structures, road telematics and road safety.

Regular Road Maintenance corresponds to the recognition of the increase in the responsibility of the IP Group with the costs needed to maintain the service level of the routes and road engineering structures which is required of it by the Concession Contract. This value does not correspond to a need for investment in conservation in the period but rather the average annual investment needed to maintain the service level of the network.

The costs of railway maintenance relate essentially to

the outsourcing of maintenance services for:

- i) track in the amount of € 33.785 thousand (€ 32.760 thousand in 2021);
- ii) signalling in the amount of € 13.024 thousand (€ 11.409 thousand in 2021);
- iii) railway telematics which amount to € 8.818 thousand (€ 4.313 thousand in 2021);
- iv) deforestation in the amount of € 5.960 thousand (€ 5.519 thousand in 2021);
- v) building construction in the amount of € 5.946 thousand (€ 3.550 thousand in 2021);



- vi) catenary totalling € 5.508 thousand (€5.342 thousand in 2021);
- vii) low voltage which rose to € 2.322 thousand(€ 1.969 thousand in 2021); and in 2021);

viii) € 1.590 thousand (€ 1.454 thousand in 2021).

Operating costs and maintenance of sub-concessions result from the accounting recognition of the operation and maintenance carried out by sub-concessionaires under the Sub-concession Contracts in force.

Electricity costs showed an increase of about 130% compared to 2021, as a result of the significant adjustments in market tariffs, which not only represented a price increase, but also made it difficult for IP to enter into longer-term contracts, as was previously the case.

The RSC collection charges correspond to 2% of the RSC retained by AT for the provision of the RSC clearance and collection service (note 27.2).

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21. EMPLOYEE BENEFITS EXPENSE

See accounting policy 2.3.16.

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, personnel costs were detailed as follows:

	2022	2021
Wages	111 407	110 275
Wage Expenses	25 217	24 959
Other Personnel Expenses	3 861	3 641
Personal accident insurance	844	1 0 2 9
Social Security Expenses	538	571
Remuneration of members of	672	681
Compensation	85	-
	142 623	141 156

In 2022, IP employee benefits expense \in 142.623 thousand increased by approx. \in 1.467 thousand compared to 2021 (+1,04%), when such costs were \in 141.156 thousand..

The Company's average workforce was made up of 3.643 workers, compared to 3.656 in 2021.

Despite this headcount reduction, Remunerations and employee Costs increased by \leq 1.390 thousand (+1,03%), influenced by the application of the Collective Labour Agreement, which translates into remunerative valorisations foreseen in the Career System and in financial clauses related to the different ways of working.



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See accounting policy 2.3.17.

The evolution of impairment for the years ended at 31 December 2022 and 31 December 2021 was as follows:

	INVESTMENT PROPERTIES	INVENTORIES	GRANTOR	TRADE RECEIVABLES (CLIENTS)	OTHER ACCOUNTS RECEIVABLE	TOTAL
NOTES	9	11	14.2.1	14.2.2	14.2.3	
31 December 2020	1475	4 4 4 9	305 200	3 088	9 226	323 438
Increase / (Reversal)	- 117	- 1372	-	240	1688	440
Transfers of PI'.s	-	9	-	-	-	9
Used	-	- 318	-	- 90	- 34	- 441
31 December 2021	1 358	2 769	305 200	3 239	10 880	323 446
Increase / (Reversal)	-	- 1102	-	- 554	86	- 1570
Used	- 10	-	-	- 193	- 2 536	- 2739
31 December 2022	1 3 4 9	1667	305 200	2 492	8 429	319 137

The most relevant movements relate mainly to:

Inventories - reversals resulting from impairment tests performed on finished products (land and residential and commercial properties in Sines), amounting to \leq 592 thousand (2021: reversals of \leq 650 thousand) \leq 592 thousand (2021: reversals of 650 m \in), see note 11.2 and in the case of raw materials, of around \leq 509 thousand (2021: reversals of around \leq 721 thousand), justified by the sale of obsolete materials as scrap - see notes 11.1 and 23.

Other receivables - Write-off of balances that were previously fully adjusted.



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23. OTHER INCOME AND GAINS

Other income and gains from 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021 can be broken down as follows:

	2022	2021
Allocation of investment grants	66 349	61 452
Concession Signature Fees	8 854	8 854
Gains on the sale of used waste/materials	3 011	1564
Concessions of use and licences	1 997	3 381
Claims	1 618	1 479
Gains Inventory	598	4 496
Other	8 375	8 513
	90 802	89 739

Income is recorded in Allocation of Investment Grants and determined according to the period of the Road Concession, at the same amortisation rate as the related asset.

The item "Concession Signature Fees" refers to the amount recognised in 2022 of the Fee assigned when signing the Grande Lisboa and Douro Litoral Concessions, which have been deferred throughout the period of these concessions.

In the item Gains from the sale of waste/used materials, the most relevant value is related to the sale of ferrous waste in the amount of \notin 2.871 thousand (2021: \notin 1.365 thousand) in which part of these materials were impaired in previous years (Note 22).

The item Concessions of use and licences includes \notin 678 thousand (\notin 2.156 thousand in 2021) relating to the granting of plots of land and other various concessions at the Bobadela terminal, $4 \notin$ 411 thousand (\notin 420 thousand in 2021) relating to the cession of use of the Coina complex to Fertagus and around \notin 148 thousand (\notin 134 thousand in

2021) relating to Investment Properties (note 9). The Accidents item corresponds to the revenue resulting from the reimbursement of damages caused on the National Road Network.



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24. OTHER EXPENSES AND LOSSES

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, other expenses and losses were as follows:

	2022	2021
Road and Railway Regulation Fees	2 929	1 441
Indirect taxes and other charges	1 4 97	984
Compensation	1134	2 425
Other	968	498
Donations and Quotations	700	649
Inventory losses	570	5 486
	7 798	11 482

The amount recorded in the item Road Activity Regulation Fees relates to the Road Infrastructure Regulation Fee, which is due to the AMT – Autoridade da Mobilidade e dos Transportes, I.P (Note 27.2).

The item indirect taxes and other fees includes, among others, the fee related to the mobile land service, the fees paid to the Portuguese Environment Agency, the stamp tax related to civil liability, automobile, health and accidents at work insurance.



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REPORT AND ACCOUNTS 2022



See accounting policy 2.3.11.

From 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021, the financial gains and losses were as follows:

	NOTES	2022	2021
Financial Losses		250 433	280 268
Interest Supported:			
Borrowings		65 983	86 909
Sub-concessions		174 407	184 399
Leases		225	332
Other interest expenses		21	20
Other financial losses		9 797	8 607
Financial Gains		59 216	59 679
Interest earned:			
Other interest income		1	3
Interest earned - State Grantor	14.2.1	59 214	59 676
Financial Results		- 191 217	- 220 589

Interest paid on borrowings relates to interest incurred with the debt contracted for the High-Performance Road, Railway Infrastructure Investment Activity and Railway Infrastructure Management Activity business segments.

Expenses from the financial updating of debts to sub-concessionaires for the works / services provided are recorded in the interest paid by Sub-concessions, which will be invoiced in the future, in accordance with the terms stipulated in the respective Sub-concession Contracts. This amount results from the IP Group's liability towards the sub-concessionaires for road construction, operation and maintenance services already carried out by them and not yet paid, in the amount of \leq 1.568.586 thousand (note 14.3.4, indirect management debt), remunerated at rates between 5% and 11%.

The lowering compared to 2021 is essentially due to the decrease in interest on borrowings through

the reduction of debt and the decrease in sub-concession interest, through reducing the debt to Sub-concessionaires.

The increase in other financial losses is due to the increase in bank guarantees provided in the context of the VAT process with the AT (note 12).

The item interest earned includes interest charged to the State grantor (Note 14.2.1) which is calculated based on the same financing terms as the activity of investing in long-duration infrastructure. The maintenance of the policy of refinancing the debt stock through capital increase operations is reflected in the interest earned from the State grantor, which decreased.

Other financial losses relate to the charges incurred with the fees for the guarantee made by the Portuguese government, bank commissions and the accrual of charges associated with bond issues.



PART IV

26. INCOME TAX

See accounting policy 2.3.10.

The breakdown of the tax amount for the year recognised in the Consolidated Comprehensive Income Statement for the periods ending at 31 December 2022 and 31 December 2021 is as follows:

	NOTES	2022	2021
Current income tax		- 33 280	- 39 089
Deferred income tax	10	36 062	25 946
		2 782	- 13 143

The tax rate used to determine the amount of tax for the year in the Consolidated Financial Statements is as follows:

	2022	2021
Nominal tax rate	21,00%	21,00%
Municipal Surcharge	1,25%	1,25%
State Surcharge (1)	7,18%	9,00%
Income tax	22,25%	31,25%
Taxable temporary differences (2)	28,86%	25,58%
Deductible temporary differences (2)	31,22%	31,21%

(1) 3% on taxable income between € 1.500 thousand and € 7.500 thousand/5% on taxable income between € 7.500 thousand and € 3.,000 thousand / 9% when taxable income exceeds € 35.000 thousand.

(2) The rate applied to temporary differences corresponds to the average rate that the Group expects to reverse these differences in view of their specific origin, bearing in mind that in most of the entities included in the perimeter of the IP Group the state surcharge is not applied or when it is, the values in question remain within the range of the first bracket of the same (€ 1.500 thousand and € 7.500 thousand).



The reconciliation of the effective tax rate for the periods under review is presented below:

	%	2022	%	2021
PRE-TAX EARNINGS		45 517		29 035
CIT - Group average rate	31,25%	- 14 224	31,25%	- 9073
State Surcharge - Portion to be deducted/added	4,84%	2 202	6,83%	1983
Tax losses and RETGS benefits	1,60%	727	1,27%	368
Prior period estimate corrections	-0,21%	- 97	-1,89%	- 550
Deductible permanent differences	0,25%	112	1,65%	480
Taxable permanent differences	-2,44%	- 1 111	-6,06%	- 1759
SIFIDE	0,01%	5	-	-
Undercapitalisation	34,89%	15 882	-	- 3 951
Autonomous taxation	-1,57%	- 713	-2,21%	- 641
Effective CIT - See consolidated statement of comprehensive income	6,11%	2 782	-45,27%	- 13 143

In both years, the change between the effective rate and the nominal rate is mainly explained by the impact of the non-acceptance of net financing expenses, which in 2022 amounted to \notin 15.882 thousand compared to \notin 3.951 thousand in 2021.

Since 2021 these financing costs have been considered as a temporary difference, and the expectation of their future deduction is estimated according to the Company's Activity Plan and Budget, when this estimate is updated and reviewed. The evolution of these costs reflects the expected future decrease in the weight of the Company's financial results, due to both the future maturity of borrowings and the expected decrease in interest from sub-concessions.

The amounts of net financing costs accrued in previous periods, respective expiry periods and expected recovery amounts are presented below.

ACCRUED YEAR	LIMIT YEAR FOR DEDUCTION	INCREASED VALUES	AMOUNTS TO BE DEDUCTED
2017	2022	28 316	-
2018	2023	23 245	-
2019	2024	40 985	10 667
2020	2025	97 664	35 954
2021	2026	55 785	47 342
2022	2027	26 364	26 364
		272 359	120 328





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See accounting policy 2.3.18.

27.1. SUMMARY OF RELATED PARTIES

Entities identified as related parties of the IP Group at 31 December 2022 and 31 December 2021, under the provisions of IAS 24 – Related Parties, are as follows:

	RELATIONSHIP	% SHARE 2022	% SHARE 2021
Associated companies			
RCC (Railway Competence Centre)	Significant influence	31,6500%	31,6500%
Joint operations			
AVEP	-	50,0000%	50,0000%
AEIE, CFM4	-	25,0000%	25,0000%
Other related parties			
AMT	Regulatory Authority	-	-
Portuguese State(*)	Shareholder / Grantor	-	-
CP	Relationship of dominion - State (railway op.)	-	-
Members of the corporate bodies			

(*) In the strict sense.



IP is fully owned by the Portuguese State. The shareholder functions are carried out by the Directorate-General of the Treasury and Finances

(DGTF), the company is under the joint authority of the Ministry of Infrastructures and the Ministry of Finance.

The following table shows the main balances and transactions between the IP Group and the State and the Public Entities in the financial years ending on 31 December 2022 and 31 December 2021:



31-12	-2022	NOTES	AS	SET	LIABIL	ITIES	INVESTMENT	INCOME	EXPENDITURE
NATURE	ACCOUNTING ITEMS		CURRENT	NON CURRENT	CURRENT	NON CURRENT		Moone	
Railway Operator Fare	Customers / Suppliers	14.2.2/14.3.3	3 410	-	2 437	-	3 638	72 252	3 688
Railway Operator Fare	trade receivables / trade payables	14.2.3	9 566	-	253	-	-	-	-
Compensatory allowances	Compensatory allowances	18	-	-	-	-	-	55 055	
Grantor State - Account receivable	Grantor - State - Account receivable	14.2.1	4 474 849	-	_	-	-	-	
Grantor State - LDI Revenue	Services provided	17	-	-	-	-	-	34 903	-
Grantor	Interest Earned - Grant- or State	25	-	-	-	-	-	59 214	-
TRIR/F	Other income and gains / Other expenses and losses	24	-	-	-	-	-	-	2 929
RSC	Services provided	17	-	-	-	-	-	665 501	-
RSC	Other accounts receivable - Accrued income debtors	14.2.3	80 092	-	-	-	_	-	
RSC Collection costs	External supplies and services	20	-	-	-	-	-	-	13 310
RSC	Other payables - Accruals and deferred income		-	-	1 602	-	-	-	
Shareholder's borrowings	Shareholder borrowings / funding	14.3.2	-	-	2 332 667	-	-	-	-
Shareholder's borrowings - Interest	Interest paid - Borrowings		-	-	-	-	-	-	-
			4 567 916	0	2 336 958	0	3 638	886 926	19 927

31-12	-2021	NOTES	AS	SET	LIABI	LITIES	INVESTMENT	INCOME	EXPENDITURE
NATURE	ACCOUNTING ITEMS		CURRENT	NON CURRENT	CURRENT	NON CURRENT			
Railway Operator Fare	Trade Receivables/ Trade Payables	14.2.2/14.3.3	31 153	-	16	-	321	61 339	3 500
Railway Operator Fare	Other accounts receivable/ payable	14.2.3	1462	-	851	-	-	-	_
Compensatory allowances	Compensatory allowances	18	-	-	-	-	-	55 055	-
Grantor State - Account receivable	Grantor - State - Account receivable	14.2.1	4 136 506	-		-	-	-	
Grantor State - LDI Revenue	Services provided	17	-	-	-	-	-	36 036	-
Grantor	Interest Earned - Grant- or State	25	-	-	-	-	-	59 676	_
TRIR/F	Other income and gains / Other expenses and losses	24	-	-	-	-	-	-	1 4 41
RSC	Services provided	17	-	-	-	-	-	636 392	-
RSC	Other accounts receivable - Accrued in- come debtors	14.2.3	78 690	-	-	-	-		-
RSC Collection costs	External supplies and services	20	-	-	-	-	-	_	12 728
RSC	Other payables - Accruals and deferred income		-	-	1574	-	-		
Shareholder's borrowings	Shareholder borrowings / funding	14.3.2	-	-	2 332 667	-	-	_	-
Shareholder's borrowings - Interest	Interest paid - borrowings		-	-	-	-	-	-	162
			4 247 812	0	2 335 108	0	321	848 498	17 830



27.3. BALANCES AND TRANSACTIONS WITH OTHER RELATED PARTIES

The balances with railway operators at 31 December 2022 and 31 December 2021 are as follows:

	NOTES	31-12-2022	31-12-2021
ACCOUNTS RECEIVABLE			
Trade receivables	14.2.2	3 411	31 153
Other accounts receivable		9 581	1 462
Debtors owing to income accruals	14.2.3	9 566	1 462
Security Deposit		15	-
		12 992	32 616
BALANCES TO BE PAID			
Trade payable	14.3.3	2 437	16
Other accounts payable		306	85
Creditors by Accrued Expenses	14.3.4	252	834
Bonds		54	-
Other creditors	14.3.4	1	17
		2 743	86

The detail of transactions with railway operators for the periods from 1 January 2022 to 31 December 2022 and from 1 January 2021 to 31 December 2021 is presented below:

	2022	2021
Investment	3 638	321
	3 638	321
Services Provided	71 804	60 995
Other income	449	344
	72 252	61 3 39
External supplies and services	2 187	2 514
Personnel costs	1249	849
Other expenses	252	137
	3 688	3 500

The main transactions with railway operators refer essentially to the following services rendered/ received:

The amounts under the investment item result from road transfers that were carried out following various works/repairs/rehabilitations on the railway line, which caused it to become unusable. The services provided refer mainly to the use of railway infrastructure, requested and unused capacity, traction energy from substations, parking of rolling stock, use of stations and halts, utilities consumption, data transmission of the national network, cloud solutions services, fixed and mobile communications and sub-concession of spaces (rooms).

The item "other income" refers, mainly, to the concession of real estate and railway infrastructure, located in the Guifões Workshop Complex. Supplies and services essentially comprise the supply of electric power and traction, maintenance of rail vehicles and equipment and the provision of services related to the Train Socorro under the scope of the CP/IP Protocol;

The amount under the heading staff costs relates to transport concessions billed under the Contract on "Use of CP Transport by ex-REFER employees and beneficiaries";

27.4. JOINT OPERATIONS

The impacts of the jointly controlled operations on the IP Group's Financial Statements on 31 December 2022 and 31 December 2021 are presented below:

	31-12-2022	31-12-2021
Assets	130	952
Liabilities	7	83

	2022	2021
Services provided	-	127
Profit for the year	26	10

27.5. REMUNERATION OF THE MEMBERS OF THE CORPORATE BODIES

GENERAL ASSEMBLY BOARD

President: (*) Vice-Chairman: (**) Paulo Miguel Garcês Ventura Secretary: Maria Isabel Louro Carla Alcobia

(*) The previous Chairman of the Board of the General Meeting resigned on 24 January 2020 and has not been replaced to date. (**) The Vice-Chairman of the Board of the General Meeting resigned on 19 December 2022.

The members of the Board of the General Meeting were elected for the 2018-2020 term and hold office without remuneration.

EXECUTIVE BOARD OF DIRECTORS

Composition of the PPA for the period from 1 January to 25 August 2022



No Chairman due to the resignation of António Carlos Laranjo da Silva on 31.12.2021.

Vice-Chairman:

José Serrano Gordo and Carlos Alberto João Fernandes

Voting members: Vanda Cristina Loureiro Soares Nogueira, Alberto Manuel de Almeida Diogo and Alexandra Sofia Vieira Nogueira Barbosa

The terms of office and the remuneration status associated with the positions were established at a general meeting held on 29 March 2018.

Composition of the EBD for the period from 26 August to 31 December 2022

Chairman: Miguel Jorge de Campos Cruz. **Vice-Chairman:** Carlos Alberto João Fernandes and Maria Amália Freire de Almeida. **Voting members:** Vanda Cristina Loureiro Soares Nogueira and Alexandra Sofia Vieira Nogueira Barbosa and Ana Isabel Mota da Silva Coelho

The terms of office and the remuneration status associated with the positions were established at a general meeting held on 26 August 2022.

The remuneration status having been defined, the 5% reduction foreseen in article 12 of Law No. 12-A/2010, of 30 June was applied to the gross values calculated.

No variable performance remuneration was awarded to its managers.

The annual remuneration received by the members is presented below:

(amounts in euros - €)

	20	022	20	21		
	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION		
Carlos Alberto João Fernandes	94 188	21943	93 724	21847		
Alexandra Sofia Vieira Nogueira Barbosa	83 861	19 504	83 492	19 420		
Vanda Cristina Loureiro Soares Nogueira	83 793	19 504	83 447	19 420		
José Saturnino Sul Serrano Gordo	78 121	18 248	93 660	21 847		
Alberto Manuel de Almeida Diogo	53 560	12 584	83 492	19 420		
Miguel Jorge de Campos Cruz	36 506	8 556	-	-		
Maria Amália Freire de Almeida	34 341	8 036	-	-		
Ana Isabel Mota da Silva Coelho	29 331	6 845	-	-		
António Carlos Laranjo da Silva	28 413	6 714	103 888	24 274		
	522 114	121 935	541702	126 227		

GENERAL AND SUPERVISORY COUNCIL

The remunerations of the members of the General and Supervisory Board, which includes a Financial Matters Committee, were defined at the general meeting of 28 August 2015.

Following a request to that effect, Duarte Manuel Ivens Pita Ferraz has been in office without remuneration due to his retirement since July 2017.

José Emílio Coutinho Garrido Castel-Branco, did not receive remuneration until October 2022, the date on which he ceased to be a public manager of another entity of the Public Business Sector, and therefore the payment of the respective remuneration is resumed from that date.

			(a	mounts in euros - €)		
	2	022	20	21		
	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION	REMUNERATION	EMPLOYER'S WELFARE CONTRIBUTION		
José Emílio Coutinho Garrido Castel-Branco	5 502	-	-			
	5 502	0	0	(

In accordance with Article 4 para. 4 of the Companies Code, approved by Decree-Law No. 262/86 of 2 September 1986, and by remission of Article 2 para. 2 of the same Code, the members of the General and Supervisory Board shall remain in office until a new appointment is made, therefore, since there was no new designation when the members of the other statutory bodies were elected, there was no change to the elected members of the General and Supervisory Board.

CERTIFIED PUBLIC ACCOUNTANT

With regard to the Statutory Auditor, at the general meeting of 19 March 2019 (Minute of the General Meeting No. 03/2019), an amount equivalent to 35% of the overall remuneration of the Chairman of the Executive Board of Directors was set for this position, as a maximum limit for the fees to be attributed, to which VAT at the legal rate in force shall be added.

	2022	2021			
Vítor Almeida & Associados, SROC, Lda.	35 773	35 773			



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REPORT AND ACCOUNTS

28. RECENTLY ISSUED ACCOUNTING STANDARDS AND INTERPRETATIONS

New standards, interpretations and amendments with an effective date as from 1 January 2022

Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements (Commission Regulation 2021/1080 of 28 June 2021)

This set of minor amendments to IFRS will be effective for annual financial periods beginning on or after 1 January 2022:

- Amendments to IFRS 3: Updating a reference in IFRS 3 to the Standard Financial Reporting Framework without changing the requirements for accounting for business combinations;
- Amendments to IAS 16: It prohibits an entity from deducting from the cost of property, plant and equipment amounts received from the sale of items produced while the entity is preparing the asset for its intended use. Instead, the entity shall recognise the consideration received from those sales and the related cost in profit or loss;
- Amendments to IAS 37: It specifies which costs an entity should include when assessing whether or not a contract is an onerous contract;
- Annual improvements with minor changes to IFRS 1, IFRS 9 and IAS 41, and the illustrative examples in IFRS 16.

These amendments are effective for annual periods beginning on or after 1 January 2022.

There were no relevant impacts of these changes.

Amendments to IFRS 16: Concessions related to COVID at the level of rents beyond 30 June 2021 (Commission Regulation 2021/1421 of 30 August 2021)

These amendments extend the practical expedient available to lessees in accounting

for Covid-19 related rent concessions for one year. The practical expedient provided by the previous amendment to IFRS 16 issued in May 2020 (and endorsed by the European Union on 9 October 2020 by Commission Regulation 2020/1434) was available for reductions in lease payments affecting payments that were originally due on or before 30 June 2021. The present amendment extends that period to 30 June 2022.

Applicable to financial years beginning on or after 1 April 2021, with early adoption permitted, including financial statements that have not yet been authorised for issue by 31 March 2021.

There were no impacts of this change.

New standards, interpretations and amendments with effective dates for annual periods beginning on or after January 1, 2023

IFRS 17: Insurance Contracts (Commission Regulation 2021/2036 of 19 November 2021)

IFRS 17 addresses the comparison problem created by IFRS 4 by requiring all insurance contracts to be accounted for consistently, thus benefiting both investors and insurance companies. Insurance obligations are now accounted for using current values rather than historical cost. The information is now regularly updated, providing more useful information to the users of the financial statements.

Applicable to financial years beginning on or after 1 January 2023.

No impacts from this standard are expected

Amendments to IAS 1 and IAS 8 (Commission Regulation 2022/357 of 2 March 2022)

The amendments to IAS 1 require entities to disclose material information about their accounting policies rather than disclosing significant accounting policies.

The amendments to IAS 8 clarify how entities should distinguish between changes in accounting policies and changes in accounting estimates. This distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other events, but changes in accounting policies are generally applied retrospectively to past transactions and other events.



Applicable to financial years beginning on or after 1 January 2023, with earlier adoption permitted.

No relevant impacts are expected from these changes.

Amendments to IAS 12: Deferred taxes relating to assets and liabilities arising from a single transaction (Commission Regulation 2022/1392 of 11 August 2022)

IAS 12 provides an exemption for entities from recognising deferred taxes when they arise from the initial recognition of assets and liabilities. However, there was some uncertainty about whether this exemption would apply to transactions such as leases and decommissioning obligations in which the entities recognise simultaneously both an asset and a liability. This amendment clarifies that the exemption from initial recognition does not apply to those transactions that result in equal amounts of taxable and deductible differences arising on initial recognise deferred tax associated with such transactions.

Applicable for annual reporting periods beginning on or after 1 January 2023, with earlier adoption permitted.

This amendment will be the subject of our future analysis.

Amendments to IFRS 17: Initial application of IFRS 17 and IFRS 9 - Comparative information (Commission Regulation 2022/1491 of 8 September 2022)

IFRS 17 and IFRS 9 have different transition requirements. For some insurers, these differences may cause accounting mismatches between financial assets and insurance contract liabilities in the comparative information that is presented in their financial statements when IFRS 9 and IFRS 17 is applied for the first time. This amendment, through the introduction of an option for a presentation of comparative information on financial assets, helps insurers to avoid these temporary accounting mismatches and thus enhances the usefulness of comparative information for investors.

Applicable for annual reporting periods beginning on or after 1 January 2023, being permitted to apply this amendment only upon initial application of IFRS 17 Insurance Contracts and IFRS 9 Financial Instruments. No impacts of these changes are expected.

Standards (new or revised) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) not yet endorsed by the European Union

Additionally, up to the approval date of these Financial Statements, the following standards and interpretations, not yet endorsed by the European Union, have been issued by the IASB:

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28 (issued by the IASB on 11 Sep14)

This amendment clarifies the accounting treatment for transactions when a parent loses control in a subsidiary when selling all or part of its interest in that subsidiary to an associate or joint venture accounted for using the equity method. The date of application of these amendments has not yet been defined and the endorsement process by the European Union will only begin after confirmation of the date of application of the amendments by the IASB.

No relevant impacts are expected from this change.

IFRS 14: Accounting for Regulatory Deferrals (issued by the IASB on 30Jan14)

This standard allows first-time adopters of IFRSs to continue to recognise regulatory assets and liabilities in accordance with the policy followed under the previous standard. However to allow comparability with entities that already adopt IFRS and do not recognise regulatory assets / liabilities, the referred amounts have to be disclosed in the Financial Statements separately. Applicable to financial years beginning on or after 1 January 2016, the European Commission having decided not to initiate the process of endorsement of this transitional standard and to wait for the definitive standard to be issued by the IASB. No impacts from this standard are expected.

Amendments to IAS 1 - Presentation of Financial Statements (issued by the IASB on 23Jan20 and updated on 15Jul20 and 310ct2022)

These amendments to IAS 1 - Presentation of Financial Statements clarify the requirements that an entity applies to determine whether a liability is classified as current or as non-current. These amendments, in nature, are intended to be only a reduction in scope, clarifying the requirements of IAS 1, and not a modification to the underlying principles. Applicable to financial years beginning on or after 1 January 2024, with these changes still subject to endorsement by the European Union.

This amendment will be the subject of our future analysis.

Amendments to IFRS 16 - Lease liabilities in a sale and leaseback transaction (issued by the IASB on 22 Sep 22)

The International Accounting Standards Board (IASB) has issued a limited scope amendment to the requirements for sale and leaseback transactions included in IFRS 16 Leases, adding to the existing requirements explanations on how an entity accounts for the sale and leaseback transaction after the respective transaction date.

IFRS 16 includes requirements on how an entity should account for a sale and leaseback transaction at the date when the transaction occurs. However, IFRS 16 did not specify how that transaction should be measured after that date. The amendments now issued are in addition to the sale and leaseback requirements of IFRS 16, thus supporting a consistent application of this accounting standard.

These amendments do not change the accounting for leases other than those resulting from a sale and leaseback transaction.

Applicable for annual financial periods beginning on or after 1 January 2024 and still subject to endorsement by the European Union. This amendment will be the subject of our future analysis.



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REPORT AND ACCOUNTS 2022



29. GUARANTEES AND SURETIES

At 31 December 2022, liabilities for bank guarantees assumed totalled \in 1.366.977 thousand (2021: \notin 982.457 thousand), with the following detail:

- Guarantees amounting to € 1.360.994 thousand (2021:€ 976.918 thousand) provided in favour of the Tax Authority arising from the VAT process (note 12);
- Guarantees amounting to € 5.983 thousand (2021: € 5.539 thousand) provided in favour of courts within the framework of litigation proceedings and to other entities.



REPORT AND ACCOUNTS 2022

30. CONTINGENCIES

See accounting policy in note 2.3.14.

In accordance with current legislation, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security) except when there have been tax losses, tax benefits have been granted, or tax inspections, claims or challenges are in progress, in which cases, depending on the circumstances, the time limits are extended or suspended. The Executive Board of Directors, supported by information from its tax advisors, believes that possible tax contingencies should not have a significant effect on the Consolidated Financial Statements at 31 December 2022, considering the provisions made and the expectations existing at this date, including the situation of the legal challenges relating to VAT disputes, reported in note 12 and in the paragraph below.

VAT PROCEDURES

At the date of disclosure of its accounts, the IP Group presents the following VAT procedure:

• The final decision of the Tax Administration regarding the VAT correction for 2006, involving the amount of € 2.816 thousand, as per note 14.2.3, was partially favoured by the Tax Authority, and IP Património filed a legal challenge with the opinion of a tax expert. Notwithstanding the dismissal of the administrative appeal, the tax opinions on the matter support the Group's conviction that there is reason to refund the said amount, since there was no tax non-compliance by IP Património in the tax calculation and treatment of the operation under the VAT code. In the end, if the case is not won, the amount already deposited at the AT's order (note 14.2.3), plus any default and compensatory interest, will have to be recognised as an expense. On 25 May 2015, IP Património was notified of the Tax Authority's objection and the hearing is awaited. On 2 June 2022, we were notified for the purpose of submitting allegations, which we declined due to the lack of new information, in view of what had already been presented in the judicial challenge.

COURT CASES

On 31 December 2022, the legal proceedings in progress relating to railway expropriations amounted to \leq 51.741 thousand (in 2021: \leq 19.849 thousand), which is not reflected in the Statement of Financial Position. In these cases, only when the amounts are decreed, are deposits made to the order of the court where the proceedings are taking place. These deposits are equivalent to the arbitrated value and are kept by Caixa Geral de Depósitos, and their resolution does not result in a charge for the Group, but rather for the Grantor of the railway infrastructures.

There are also other actions related to accidents that occurred in railway infrastructures of which the Group is manager and damages caused to properties belonging to others and imputable to the IP Group. These actions are covered by the IP Group's activity insurance.

SUBSIDIES

The subsidies allocated to the concession were awarded in accordance with the eligibility conditions applicable to the respective applications, although they are subject to audits and possible correction by the competent authorities. In the case of applications for Community subsidies, these corrections may occur over a period of five years from the payment of the balance. In the case of subsidies allocated to railway investment activity on behalf of the Grantor, the return has repercussion only on the Grantor - State - account receivable.





31. COMMITMENTS

The IP Group's commitments result essentially from the obligation to comply with the commitments assumed in relation to the Road Sub-concession Contracts and the substitution of the State in its payments and receipts of the Road Network Concession. The IP Group's net charges with State Road Concessions and Sub-concessions, including toll revenues after the end of the State Concession Agreements with the private partners, which are Group revenues, according to the IP Concession Agreement, at constant prices and with VAT, in accordance with the values sent to the Directorate General of Treasury and Finance which served as a basis for the values presented in the corresponding table in the State Budget Report for 2023, are summarised in the table below:

CONCESSIONS AND SUB-CONCESSIONS EXPENSES(K€)	2023	2024	2025	2026	2027	2028	2029	2030	2031
Gross Expenses	1 414	1 2 4 1	1 0 9 9	1008	906	821	725	603	538
Revenue	- 352	- 359	- 505	- 637	- 514	- 510	- 472	- 378	- 278
Net Expenses	1062	882	594	371	392	311	254	225	260

CONCESSIONS AND SUB-CONCESSIONS EXPENSES $(K \in)$	2032	2033	2034	2035	2036	2037	2038	2039	2040
Gross Expenses	379	298	287	232	159	135	154	37	11
Revenue	- 223	- 192	- 193	- 195	- 189	- 160	- 172	- 23	- 7
Net Expenses	156	106	94	36	- 31	- 25	- 18	14	4

CONCESSIONS AND SUB-CONCESSIONS EXPENSES(K€)	2041
Gross Expenses	-
Revenue	-
Net Expenses	0

Source: Report on the State Budget 2023

As per State Budget Report 2023:

"With regard to the values relating to road partnerships shown in the table above, the budget forecasts were based on the contracts in force and their current conditions, not considering the expectations regarding the outcome of the negotiation processes in progress.

Only the payment, in 2022, referring to the injunction decision on the arbitration action brought by Rotas do Algarve Litoral, S.A., by which IP was condemned to provisionally pay the sub-concessionaire the sum of approximately 30 million euros (on account of work already carried out by the same, paid in 2021) and a monthly amount of approximately 1.26 million euros, until the decision of the main case, having the public partner brought an action to annul the injunction decision, there being no final decision issued, at the date of drafting this report, in the main arbitration action or in the action to annul the injunction decision.

As mentioned, no estimates were considered regarding the resolution of this process, either in terms of value or in terms of date of resolution, and only the payments resulting from compliance with the aforementioned arbitration injunction regarding 2022 were recognised, in a global amount of about 20 million euros (amount including VAT).

In relation to the Douro Interior, Litoral Oeste and Baixo Tejo sub-concession contracts, the forecasts of the respective net charges do not include, as in previous budget years, the socalled contingent compensations, in line with the position expressed by the Court of Auditors in this regard.



32. INFORMATION REQUIRED BY LAW

a) Under the terms of para. 1 of Article 21 of Decree-Law No. 411/91, of 17th October, the Group confirms that it does not owe any Social Security contributions. The company also informs that it does not owe any debts to the Tax Administration.

b) Impact of the IP Group's activity on National Accounts and Public Accounts (Basis 12, number 3, paragraph c) of Decree-Law No. 110/2009 of 18 May).

i. National Accounts:

After consulting the National Institute of Statistics (INE), it is understood that all IP accounting items have a direct impact on national accounts. The flows that the PI establishes with units outside the general government perimeter will have a direct effect on the general government aggregates (deficit and/or debt), the effect and magnitude of which will depend on the operations in question. Thus, for example, when the PI receives interest from financial investments outside the General Government perimeter, it contributes positively to the General Government balance. When IP pays for services provided by companies outside the General Government perimeter, it increases public expenditure and, consequently, the deficit; if IP finances itself with the financial sector or the Rest of the World, it increases public debt.

By the very nature of the system of national accounts, the estimation of the impact of a single unit should be taken as indicative only. Consisting of an integrated system, to bring out the underlying economic relationships more explicitly, national accounts methodology requires that the transactions of a unit or set of units sometimes undergo transformations whose analytical effect only makes sense in the broader set of the system of accounts.

ii. Public Accounts:

The presentation of accounts in a public accounting perspective adopts the so-called cash basis, in which financial flows – payments and receipts – are recorded.

IP is now integrated in the Reclassified Public Entities and is considered to be an Autonomous Service and Fund, thus being integrated in the universe of the State Budget.

c) Prospective financial information – commitments undertaken, forecast information of a multi-annual nature, for the concession period, on the activity of the concessionaire, particularly with regard to results, funding requirements, dividends payable to shareholders and tax on results (Basis 12, paragraph 4, sub-paragraph b) of Decree-Law No. 110/2009 of 18 May):

FORWARD-LOOKING INFORMATION

Table L refers to Forecast Information on the financial flows for the IP Group as at 31 December 2022, bearing in mind the commitments already made by the Group. It should be noted that it will be necessary to make investments during the course of the IP Group Road Concession Contract in order to comply with the NRP 2000 whose financial flows of expenditure and revenue are not covered by the figures in the following table. The values already include the estimated impacts of the renegotiations of the Subconcession Contracts in progress. The annual net results, annual financing requirements, dividends payable and income taxes (IRC) were projected.



					FO	RECAS	r in	FORMAT	101	•			
Figures at current prices thousand€													
		2023	2024	2025		2035		2045		2055	 2065	 2075	 2082
Net Income		86.252	93.786	108.949		567.300		1.702.955		2.418.960	 3.445.480	 4.776.079	 5.893.194
Annual Borrowing Requirements		1.247.708	1.064.174	678.730		-		-		-	 -	 -	 -
Dividends payable	(a)	-	-	-		504.158		1.648.145		2.334.988	 3.337.392	 4.631.792	 5.721.610
Income tax(CIT)	(b)	(43.585)	(46.701)	(52.367)		(231.404)		(676.733)		(956.160)	 (1.354.753)	 (1.872.117)	 (2.301.616)
Financial streams from the State	(c)	657.874	665.982	672.431		(37.819)		(1.474.334)		(2.254.338)	 (3.428.280)	 (4.963.265)	 (6.253.510)

					FO	RECAS	r in	FORMAT	101	1			
Values at constant prices thousand€													
		2023	2024	2025		2035		2045		2055	 2065	 2075	 2082
Net Income		81.678	87.071	99.165		423.589		1.043.117		1.215.505	 1.420.287	 1.615.088	 1.734.899
Annual Borrowing Requirements		1.181.535	987.976	617.775		-		-		-	 -	 -	 -
Dividends payable	(a)	-	-	-		376.442		1.009.544		1.173.310	 1.375.731	 1.566.296	 1.684.386
Income tax(CIT)	(b)	(41.274)	(43.357)	(47.664)		(172.783)		(414.522)		(480.461)	 (558.453)	 (633.079)	 (677.573)
Financial streams from the State	(c)	622.983	618.295	612.042		(28.238)		(903.079)		(1.132.784)	 (1.413.197)	 (1.678.387)	 (1.840.973)

(a) For these activities exclusively and since the equity restriction exercise was not performed, it is assumed that the available cash flow, from debt repayments, can be distributed as dividend cannot be higher than the net profit for the year.

(b) On a cash-flow basis.

(c) From IP's perspective. Includes outflows: Corporate Income Tax, Road Concession Income and Dividends and Inflows: Reduction of ISP(by creation of RSC), from a cash-flow perspective.

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INFORMATION REQUIRED BY LAW PART IV

Infraestruturas de Portugal REPORT AND ACCOUNTS 2022

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• • PART IC 5

33. OTHER RELEVANT FACTS

COMPENSATION, RESERVATION OF RIGHTS, REQUESTS FOR RESTORING THE FINANCIAL BALANCE (REF) AND CHAL-LENGES TO FINES IN SUB-CONCESSIONS AND SERVICE PROVISION CONTRACTS. Under the terms of the Sub-concession Agreements, even before the presentation of any specific request for the restatement of financial equilibrium (REF), the IP Group counterparty must formulate what is called a "reservation of right", i.e. it must inform the Group that it understands that a certain fact is eligible for REF purposes.

After this reservation, REF applications are or can be submitted. It should also be noted that if the reservation of rights is not made within 30 days of the event occurring, the putative and possible entitlement to REF lapses.

The following REF applications were submitted by 31 December 2022:

SUB-CONCESSION	TYPE OF REQUEST MADE	EVENT GIVING RISE TO THE REQUEST	SITUATION REPORT
Transmontana Motorway (AEXXI)	Interest on late payment of remuner- ation	Interest on arrears due to late payment of remuneration	IP's EBD suspended payments, at least until CA's decision on AL's CSA appeal; payments resumed after Audit Court's decision (non-submission decision following resubmission).
Transmontana Motorway (AEXXI)	Interest on late payment of remuner- ation	Interest on arrears due to late payment of remuneration	IP did not pay the remuneration due, the deadline for which was 31 August 2021; On 7 and 10 September 2021 the situation was fully regularised.
Baixo Alentejo	Interest on late payment of remuner- ation	Interest on arrears due to late payment of remuneration	IP did not pay the remuneration due, the deadline for which was 31 August 2021; On 7 and 10 September 2021 the situation was fully regularised.
West Coast (AELO)	Restoring financial equilibrium (based on unilateral modification of the Re- formed SCC)	IC9-Alburitel/ Carregueiros and IC9 - Carregueiros/ Tomar stretches; repairs on the em- bankments of the stretches transferred to the AELO	Unilateral modification of the reformed SCC, IP decision. There is consensus between IP/ AELO on REF and requested value; IP has triggered the procedure provided for in DL 111/2012 of 23 May, letter SET of 24.10.2019; awaits Government decision (for constitu- tion of negotiation commission).
West Coast (AELO)	Interest on late payment of remuner- ation	Interest on arrears due to late payment of remuneration	IP did not pay the remuneration due, the deadline for which was 31 August 2021; On 7 and 10 September 2021 the situation was fully regularised.
Pinhal Interior (Ascendi PI)	Interest on late payment of remuner- ation	Interest on arrears due to late payment of remuneration	IP's EBD suspended payments, at least until CA's decision on AL's CSA appeal; payments resumed after Audit Court's decision (non-submission decision following resubmission).
Coastal Algarve	Action for damages	Action proposed by the Financing Banks	In progress.
Coastal Algarve	Termination of the Reformed Sub-concession Contract	Termination of the Reformed Sub-concession Contract for reasons attributable to IP	In progress.
Coastal Algarve	Injunction in the context of the ac- tion for termination of the reformed sub-concession contract	Injunction in the context of the ac- tion for termination of the amended Sub-concession Contract	Decision: IP ordered to pay 30.007.923,12 euros, plus a monthly amount until the final decision is rendered, in the mini- mum amount of 1.162.805,95 euros, and 1.262.805,95 euros after 45 days from the referred arbitration decision; IP asked for the partial annulment of the decision (on the decision of the Arbitration Court consider- ing itself competent)

CONTRACT FOR THE	TYPE OF	EVENT GIVING RISE	SITUATION REPORT
PROVISION OF SERVICES	REQUEST MADE	TO THE REQUEST	
Via Livre - Norte Litoral	Restoring financial balance	Specific legislative amendment - Alteration of Law No. 25/2006, materialised in the approval of Law No. 64-B/2011 of 30 December.	The IP has accepted the eligibility of the expenditure submitted, which will be approved or not on a case-by-case basis.



"OFFSETS, RIGHTS RESERVATIONS AND REQUESTS FOR FINANCIAL BALANCE REPLACEMENT (REF) IN STATE CONCESSIONS"

As these are State concessions that are negotiated by the State with the Concessionaires, IP is not a party to the contracts and only has knowledge of these situations through the State's representative, the IMT. Under its Concession Agreement with the State, IP may eventually be called upon to pay for REF situations, if the Grantor so determines.

In 2022, IP recorded costs in the net amount of \in 1.518 thousand of contributions, compensation and rebalancing, of which we highlight the following:

 i. Compensation to the concessionaire AEDL – Auto-Estradas do Douro Litoral, in the amount of € 9.020 thousand, under the terms of the sentence of the Arbitration Court of 7 February 2017;

ii. Execution of the Financial Rebalancing Agreements with Lusoponte, resulting in a balance of € 8.178 thousand in favour of IP.

iii. Reimbursement of the Road Infrastructure Regulation Charge (TRIR) and Electronic Transaction Fee to the various concessionaires, totalling € 676 thousand.

COVID-19

After two years heavily impacted by the COVID-19 pandemic, 2022 saw a very significant increase in the use of the road-rail network to levels identical to those seen in 2019.

In terms of expenditure on measures to prevent and combat the pandemic, there was also a significant decrease to \leq 128 thousand, of which \leq 126 thousand in the 1st half of the year.

From an operational point of view, the company maintained normal activity, without any type of operational conditioning due to the pandemic context.

International Geopolitical Situation

The current international geopolitical situation, motivated by the invasion of Ukraine by Russia,

has led to the escalation of the inflation rate in the year 2022, with an even more significant impact on electricity, oil and gas.

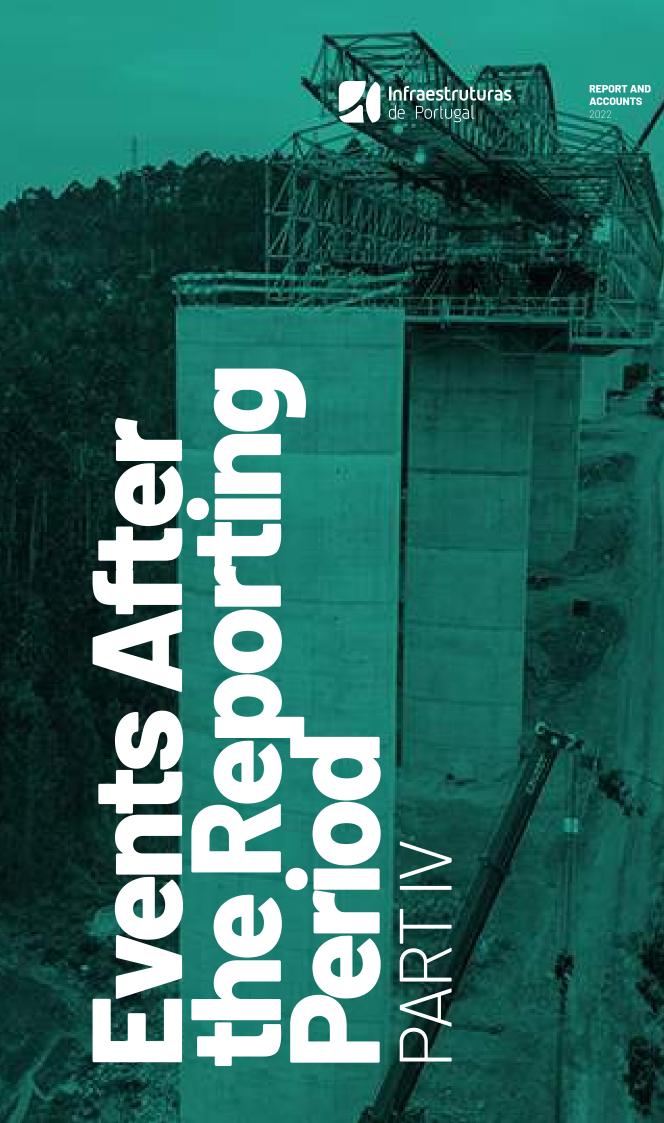
This impact was inevitably reflected in the costs of Supplies and External Services, in particular the electricity consumed by the IP Group.

This new geopolitical scenario also had an impact on the construction sector, with its impact on the cost of materials and labour, which is reflected in the cost of construction work, both in new projects, through the adjustment of base prices, and in projects already underway, through the increase in the value of contractually established price revisions.

Another potential impact of the price increase, particularly with regard to road fuels (diesel and petrol), would be a reduction in the use of the National Road Network, with an impact on associated revenues (RSC and tolls). However, existing indicators show that this is not happening, to which we can add the fact that currently the average price of petrol and diesel are already significantly lower compared to the values practised in mid 2022.

We can thus conclude that the greatest impact on the IP Group's activity, motivated by the global geopolitical situation, was at the level of spending on electricity and construction costs, not affecting, at least in an evident manner, the demand for the road network under the IP Group's management.





34. EVENTS AFTER THE REPORTING PERIOD

See accounting policy 2.3.19.

i) Capital Increase

Through a Unanimous Social Deliberation, dated 24 February 2023, it was decided to increase IP's share capital by \leq 422.630 thousand, corresponding to 84.526 new shares.

By unanimous Social Deliberations, dated 6 March 2023, it was decided to increase IP's share capital by € 88.500 thousand, corresponding to 17.700 new shares.

ii) Extension of the programme contract

As disclosed in note 18, and after three amendments, the negotiations of the new Contract Railway Programme 2023-2027 have not yet been concluded.

iii) LAW No. 24-E/2022 of 30 December 2022

The approved diploma, which comes into force from 1 January 2023, determines that the RSC is incorporated into the ISP and will be consigned to the road service assigned to IP.

The law also determines that part of the revenue from the tax on oil and energy products (ISP) is transferred from the State sub-sector Budget to IP, constituting the latter's own revenue, and that this revenue is compensation for the use of the national road network, constituting a source of funding for the national road network under the responsibility of IP, with respect to the respective conception, design, construction, maintenance, operation, requalification and widening.

This Law also revoked the previous article 5 of Law No. 55/2007, of 31 August, which mentioned that the liquidation and collection costs incurred by the Directorate General of Customs and Excise would be compensated through the retention of 2% of the product of the RSC, which still corresponded to \leq 13.310 thousand this year note 20.

iv) Increase in tolls

In accordance with the decision taken in the Council of Ministers meeting of 22 December 2022, the Government established an exceptional regime for updating toll rates for 2023, setting this update at 4,9% for rates to be borne by users, by applying a coefficient of 1.049 to the rates in force in 2022, without prejudice to the rounding-off provided for in the contract.

v) Toll compensation mechanism

Due to the high and unpredictable increase in the inflation rate during 2022, justified by the current international situation related to the war in Ukraine, the Government decided to adopt an exceptional updating scheme for toll tariffs and fees, by setting an updating coefficient for the calculation of tariffs and toll fees for the calendar year 2023, complemented by support for the use of toll road infrastructure, consisting of a payment to be made by the State, via the State Budget, to the concessionaires of the amount corresponding to the difference between 7,7% and the coefficient now set via De-Decree-Law No. 87-A/2022 (4,9%).

vi) Moratorium on State borrowings originating from the highway

Under the Order of the Minister of Finance No. 77/2023/MF of 10 April 2023, the Directorate General of Treasury and Finance (DGTF), granted IP a new moratorium on the payment of the debt service of the State borrowings allocated to the road component, which matured on 30 November 2022, extending until 30 November 2023. This deferral is not subject to the payment of interest.

vii) Amendment EBD

Alteration to the constitution of the Executive Board of Directors, with registration on 31 March 2023 of the cessation of functions of the Member of the Board of Directors, Ana Isabel Mota da Silva Coelho.



Almada, 13 April 2023

THE EXECUTIVE BOARD OF DIRECTORS

Financial Director

Maria do Carmo Almiro do Vale Duarte Ferreira (Digitally Signed Document) **Chairman** Miguel Jorge de Campos Cruz (Digitally Signed Document)

Vice-Chairman Carlos Alberto João Fernandes (Digitally Signed Document)

Vice-Chairman Maria Amália Freire de Almeida (Digitally Signed Document)

Certified Accountant

Diogo Mendonça Lopes Monteiro (Digitally Signed Document)

Member

Vanda Cristina Loureiro Soares Nogueira (Digitally Signed Document)

Member

Alexandra Sofia Vieira Nogueira Barbosa (Digitally Signed Document)





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REPORT AND ACCOUNTS 2022





General and Supervisory Board

OPINION OF THE GENERAL AND SUPERVISORY BOARD Report and Accounts 2022 Financial Year

- In compliance with the legal and statutory provisions applicable to Infraestruturas de Portugal, S. A. (IP), we hereby share our Opinion on the "Report and Accounts 2022 of IP", which contains the Management Report 2022, the Separate and Consolidated Financial Statements and Notes attached thereto, the Budgetary Statements and Annexes and the Corporate Governance Report of IP 2022, as well as the GRI Standard Table 2022 and the corresponding Audit Reports and Legal Certifications of the Accounts, all for the year ended 31 December 2022, as well as the Proposal for the Appropriation of Profits.
- 2. During the financial year, we monitored the Company's activity as often and as extensively as we considered appropriate. We have verified the timeliness of book-keeping and related documentation, as well as the effectiveness of the internal control system insofar as it is relevant to the activity of IP, the presentation of the separate and consolidated financial statements, corporate governance, the risk management system, compliance, contracts and logistics and internal audit. We also verified compliance with the law and the statutes.
- 3. Within this scope we report the following:
 - The EBD produced the quarterly budget execution reports (4th quarter of 2021 and 1st, 2nd and 3rd quarters of 2022, as well as, in 2023, the 4th quarter of 2022), under the terms of Article 13 para. 1 sub-paragraph f) of the IP Articles of Association 44 para. 1



sub-paragraph i) of the RJSPE, and the General and Supervisory Board (GSB) issued the corresponding reports.

- In 2022, the State Budget Law establishes that the global growth of the indebtedness of public companies is limited to 2%, considering the remunerated financing corrected by the paid-up share capital and excluding investments. thus, if the amount of the capital increase is excluded from the amounts allocated to cover the payments of State Concessions and Road Sub-concessions, the ratio stands at 2.8%.
- Regarding the principle of the State Treasury Unit, as at 31 December 2022, IP held at IGCP - Treasury and Public Debt Management Agency, the amount of 234,6 million of its available financial resources. The remaining amount, residual, was deposited in the national financial system under the authorisation granted by IGCP, through information no. 242/2022 of 4 April, which authorised the exemption from compliance with UTE, for the years 2022 and 2023, for some banking services.
- 4. The adequacy of the understanding of IP's financial position, its results, comprehensive income, changes in equity and cash flows on an individual and consolidated basis, expressed in the respective financial statements and in the Notes to the Financial Statements, complemented by the Legal Certifications of the Accounts issued by "Vítor Almeida & Associados, SROC, Lda." and by the External Audit Reports issued by BDO & Associados, Sociedade de Revisores Oficiais de Contas, Lda. was verified, under the terms required by sub-paragraph b), para. 1 of article 245 of the Portuguese Securities Code.
- 5. IP's net profit for the 2022 financial year is 47.8 million euros, which, compared to the net profit recorded in 2021, corresponds to an improvement of 34.3 million euros. The Executive Board of Directors proposes that the mentioned profit of €47,783,531.12 (forty seven million, seven hundred and eighty three thousand, five hundred and thirty one euros and twelve



cents) in the financial year 2022 be applied to Cumulative Results (€30,757,726.19) and Reserves (€17,025,804.93).

6. The consolidated financial information for the year ended 31 December 2022 includes the Consolidated Statement of Financial Position on 31 December 2022 (Total Assets of 28,920.3 euros and total Equity of 11,487.2 euros) and the Consolidated Statements of Profit and Loss, Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, as well as the Notes to the Consolidated Financial Statements. This information was complemented with the Legal Certification of Accounts and the Audit Report issued by "Vitor Almeida & Associados, SROC, Lda." and "BDO & Associados, Sociedade de Revisores Oficiais de Contas, Lda." respectively, which include a report on the audit of the consolidated financial statements.

IP's net profit for the 2022 financial year is 48.3 million euros, which, compared to the net profit recorded in 2021, corresponds to an improvement of 32.4 million euros.

- 7. The GSB and its individual members declare that, to the best of their knowledge, the financial information analysed, including in particular the separate and consolidated accounts, has been prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets, liabilities and equity and cash flows, as well as the financial position and results of the Company, which the GSB considers to be adequately included in the Annual Report, as well as the information concerning the evolution of the business, the performance and position of IP, and the description of the main risks and uncertainties.
- 8. The GSB followed the work carried out by the Statutory Auditor "Vítor Almeida & Associados, SROC, Lda." and by the External Auditor, "BDO & Associados, Sociedade de Revisores Oficiais de Contas, Lda.", having analysed the Legal Certifications of the Accounts and the Audit Reports on the Separate and Consolidated Financial Information, as well as the



Relevant Audit Matters and the Emphasis expressed in said Certifications and Reports, which were considered in the work carried out and in the formation of the opinion.

- 9. We express our agreement with the Legal Certifications of Accounts and the Audit Reports on the Separate and Consolidated Financial Information, which were issued without reservations, but with emphasis and mention of the Relevant Audit Matters, which we consider reproduced here and constitute an integral part of this Opinion, also underlining the importance of the content of the Annual Activity Report of the General and Supervisory Board - Financial Year 2022, dated 27 April 2022, which should be read in addition to and together with this Opinion.
- 10. Inview of the Shareholder's recommendation, at the General Meeting held on 26 August, toinclude in the 2022 financial statements the budget statements, in accordance with NCP 26 of the Accounting Standardisation System for Public Administrations, Part III Budgetary Statements and Annexes was included in the Annual Report, thus complying with the aforementioned recommendation.
- 11. The GSB emphasises the importance of the State Shareholder's support for the Continuity of IP's Operations and consequently the performance of the EBD in defining the following situations:
 - a) Diligence with the Government for the receipt of the compensatory indemnities owed by the State to IP for the management of the National Railway Network infrastructure for the 2nd half of 2022;
 - b) Clarification in 2023, with the Grantor State, of the main assumptions to be considered in the revision of the financial model of the road activity, namely, taking into account the compensatory measures for the loss of revenue associated with toll discounts and its increase from 2026 onwards by the inclusion of sections of Brisa concessions and the collection model;



- c) Seek a solution to avoid the escalation of the situation regarding the dispute with the AT regarding the right to deduct VAT on inputs that contribute to the road activity;
- d) Progress in the dispute with the Sub-concessionária do Algarve Litoral, regarding the contract in force, under the scope of the arbitration process against the Company, in progress, whose main lawsuit, aims at the rescission of the reformed contract, and a second one regarding a claim for damages, filed by the financing entities, as mentioned in point 32 of the notes on the financial statements, unknown yet, eventual impacts arising from its outcome;
- e) Streamlining the multi-annual expenditure authorisation processes with the Government, in particular the Ministry of Finance, that place a burden on meeting deadlines for launching tender procedures, particularly those for investment expenditure;
- f) Maintenance of the financing obtained from the shareholder for the financing activities, as well as the fulfilment of the respective debt service or timely issuance of the respective moratoriums by the shareholder;
- g) Under the terms of Order 140/2023/SET, IP must propose a way of regularising the claims held by the State on the Company. Following the same effort made in previous years and successive recommendations of the GSB, we consider this regularisation to be of the utmost importance, not only to demonstrate the autonomous capacity of I.P. but also to help clarify the situation of the company's balance sheet.
- 12. In compliance with the Shareholder's recommendation, at the last General Meeting, the Budgetary Statements, which comprise the statement of budgetary performance, the statement of budgetary execution of revenue, the statement of budgetary execution of expenditure and the statement of implementation of the multi-annual investment plan for the year ended 31 December 2022 and whose preparation and approval are the responsibility of the management body, in the opinion of the GSB were prepared, in all material respects, in



accordance with NCP 26 of the Accounting Standardisation System for Public Administrations.

- 13. In compliance with article 451, paragraph 3, sub-paragraph e) of the Portuguese Companies Code, the GSB is of the opinion that the Management Report, which corresponds to a single report, was prepared in accordance with the applicable legal and regulatory requirements in force and the information contained therein is in accordance with the financial statements presented. Therefore, considering the knowledge and judgement about the Company, no material misstatements were identified.
- 14. In compliance with article 451, para. 6, of the Commercial Companies Code, the GSB refers to that the Company has included in its Management Report the non-financial statement referred in article 66-B of the Commercial Companies Code.
- 15. The financial statements of Infraestruturas de Portugal, SA for the year ended 31 December 2022 must comply with the applicable requirements set out in Delegated (EU) Regulation 2019/815 of 17 December 2018 (ESEF Regulation). In GSB's opinion, the financial statements, included in the annual report, are presented, in all material respects, in conformity with the requirements set out in the ESEF Regulation.
- 16. As a result of the work carried out and taking into account the above, the General and Supervisory Board gives a favourable opinion on IP's Annual Report and Accounts for the year ended 31 December 2022, presented by the Executive Board of Directors in its assessment of the accounts for the year.
- 17. Following the assessment of the 2022 Corporate Governance Report, presented by the EBD, in Part IV of the 2022 Annual Report, the GSB confirms that this document contains the required, current and complete information on all matters provided for in Chapter II of the RJSPE and that IP followed the instructions sent by the DGTF Directorate-General for Treasury and Finance, through Official Letter SAI_DGTF/2023/631, of 10 February 2023, for

the preparation of the aforementioned report. The GSB also certifies that the same Report includes the elements set out in Article 245-A of the Portuguese Securities Market Code, in the part that applies to it as an issuing entity, held exclusively by the State.

- 18. Accordingly, taking into account the information received from the Executive Board of Directors and other IP bodies and management, and the opinions and emphases and mention of the Relevant Audit Matters expressed in the Legal Certifications of Accounts and in the Audit Reports, on the consolidated and individual financial information, we are of the opinion that the General Meeting approves:
 - a. The 2022 Report and Accounts, which includes the Management Report, the separate and consolidated Financial Statements and related notes, the Budgetary Statements (Part III) and the 2022 Corporate Governance Report (Part V of the Report and Accounts);
 - b. The Proposal for the Appropriation of Profits presented by the EBD, under which the net profit for the financial year 2022 is applied to Retained Earnings (€30,757,726.19) and Reserves (€17,025,804.93).

Pursuant to Article 376 para. 1, sub-paragraph c) of the Companies Code, the General Meeting is also responsible for the general appraisal of the Company's management and its supervision.

Almada, 27 April 2023

The General and Supervisory Board



José Emílio Castel-Branco

Duarte Ivens Pitta Ferraz



LEGAL CERTIFICATION OF ACCOUNTS

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the accompanying financial statements of **INFRAESTRUTURAS DE PORTUGAL, S.A.** (the Entity), which comprise the statement of financial position as of 31 December 2022 (showing total equity of 28,874,983 euros and total equity of 11,448,166 euros, including a net income of 47,784 thousand euros), the comprehensive income statement, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes on the financial statements, which include a summary of significant accounting policies.

In our opinion, the attached financial statements fairly present the financial position of **INFRAESTRUTURAS DE PORTUGAL**, **S.A.**, in all material respects, as of December 31, 2022 and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

BASES FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) and with other standards and technical and ethical guidelines of the *Ordem dos Revisores Oficiais de Contas* (Portuguese Institute 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 Entity under the law and we comply with the other ethical requirements under the code of ethics of the Ordem dos Revisores Oficiais de Contas (Portuguese Institute of Statutory Auditory Auditory).

We believe that the auditing evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASES

 As reported in point 5.6.1. of the management report, the Court of Auditors, through Ruling No. 13/2019, confirmed the refusal to grant a Visa to the Algarve Litoral Amended Sub-concession Contract, agreed with the Subconcessionaires within the scope of a renegotiation process. The Entity appealed the decision to the Constitutional Court.

In 2020, and after an initial decision not to admit the appeal, the Entity submited a complaint to the plenary, which, through Ruling no. 58/2021, of 22 January, took the final and definitive decision not to admit the appeal. Given the exhaustion of the means of appeal against the decision of the Court of Auditors, the Entity understands that the

previous Reformed Sub-concession Contract of 28 May 2010, is in force, according to which payments would only be due to the Sub-concessionaire when the construction of the initial object was completed, which did not happen, nor is it expected to happen.

The Sub-concessionaire, disagreeing with this understanding, requested that the sub-concession contract be declared terminated, due to the impossibility of its execution, which was not accepted by the Entity and led to the launch of an arbitration process against the Entity, which is still ongoing. In this same process, the Sub-concessionaire made an injunction, whose decision, dated March 9, 2021, ordered the Entity to pay 30,007,923 euros, plus a minimum monthly amount, until a final decision is issued, of 1,162,806 euros, which was increased to 1,262,806 euros, after the Sub-concessionaire resumes operation and maintenance works on all sections included in theReformed Sub-concession Contract, which came to be on July 18, 2021. The amounts in question are being paid by the Entity. It should be noted, however, that these are payments related to investments already made by the Sub-concessionaire and, as such, are already recognised in the assets of the Entity, as well as the respective liability, which is reduced in accordance with the payments made.

The main lawsuit, regarding the rescission of the retired contract, as well as another lawsuit with indemnity claim, filed by the financing entities, are still in progress, as mentioned in point 32 of the notes on the financial statements, so the possible impacts arising from their outcome are unknown.

 As disclosed in point 10 of the notes on the financial statements, the item State and Other Public bodies, positioned under current assets, of 2,048,074 euros, relates to VAT - Value Added Tax to be recovered, of which a reimbursement of 227,562 euros has already been requested, relating to the period from January 2008 to October 2009.

As a result of inspections carried out by the Tax Authority, several additional VAT assessments were issued, amounting to 2,264,671 euros. To this should be added the total amount of 161,762 euros of interest, calculated at the date of the respective additional payments.

All these assessments are being contested both in court and in administrative appeals, which is why the potential liabilities were not recognised in the accounts. These additional assessments result from the Tax Authority's assumption that, contrary to the Entity's position, the Road Service Contribution is not a revenue subject to VAT, and therefore does not confer the right to deduct the VAT borne with the activities funded by this revenue.



As disclosed in the same point 10, the Entity was notified, on 17 October 2017, of the Judgement revoking the appealed sentence regarding one of the judicial proceedings (tax of 64,506 Euros) considering the judicial challenge fully upheld and annulling the additional assessments issued by the Tax Authority, which appealed to the Supreme Administrative Court that, on 9 December 2021, decided for the annulment of this Judgement and the write-off of the records to the Administrative and Tax Court of Almada, in order to be suppressed several nullities that were invoked by the Tax Authority, with the practice of the omitted acts. The Entity presented, on 25 February 2022, new allegations and the process is awaiting a decision.

Adopting a prudential view, and as disclosed in point 14 of the Notes to the Financial Statements, the Entity includes in Non Current Liabilities, under the item Provisions, the amount of 482,700 euros that refers to VAT deducted over the years, associated to activities funded by the Road Service Contribution, not including in this provision the effect of interest that may be calculated, if the final decision is unfavourable to the Entity.

It should be noted, however, that if the understanding adopted by the Tax Authority prevails in the final instance, the impact resulting from a possible non-recovery of VAT deducted over the years would essentially result in its recognition as a component of the acquisition cost of the Intangible Asset, not generating immediate consequences in terms of the result for the period in which such a decision would be known, since this would only be reflected in a reclassification of accounts, at the asset level. However, there would be small impacts over the remaining period of the concession, through increased amortisation of the Intangible Asset to be recognised in each of the remaining financial years of the road network concession until 2082.

3. As mentioned in point 12.3.2. of the notes on the financial statements, the State, as a shareholder, granted loans to the Entity, the amount of which, at 31 December 2022, totalled 2,332,667 euros, including 117,089 euros of accrued interest, positioned under current liabilities and whose initially contracted date for repayment has already been exceeded, having obtained a new moratorium until 30 November 2023, without charging interest.

However, this situation does not undermine the contractual compliance by the Entity, since, in assets, there is also a receivable from the State, in the net amount of 4,474,940 euros, positioned in current assets, as mentioned in section 12.2.1. of the notes on the financial statements, relating to investments made by the Entity, on behalf of the State, in LDI- Long Duration Infrastructures, less subsidies, receipts and impairments recognized.

4. As mentioned in point 2.2.7, 2.3 and 6 of the notes on the financial statements, the Entity depreciates its road concession right, recognised in Intangible Assets amounting to 21,359,029 euros, using the equivalent production

units method, being such amortisation based on: *i*) estimated total income to be generated by the concession until its term and *ii*) valuation of all investments already made, and to be made in the future, by the Entity.

In particular, in point 2.3 of the notes on the financial statements the main assumptions considered for the estimate of the total income to be generated by the concession until its end, which involve a high degree of uncertainty, are explained, disclosing in this same note, in a context of sensitivity analysis, the net impacts that would be generated in the result for the year, if changes in some of these assumptions occurred.

The most significant negative impacts will result from the possible non-allocation of compensatory measures by the Grantor to offset the loss of revenue arising from the new toll discount scheme, determined by articles 425 and 426 of Law no. 75-B/2020, regulated by Ordinance no. 138-D/2021.

It is important to bear in mind, however, that in relation to the legal provisions that established these discounts, they may fall under the provisions of paragraph c) of Clause 87.1 of the Concession Agreement signed between the Grantor and the Entity on 23 November 2007, which states that "*legislative amendments of a specific nature that have a direct impact on revenues or costs relating to activities under the* Concession" may entitle the Concessionaire to restoring the financial balance of the Concession.

Our opinion is not modified in relation to these matters.

RELEVANT AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit. 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.

Description of the most significant identified risks of material misstatement	Summary of the response to the most significant risks of material misstatement analysed	
Recognition of Intangible As	ssets - Road Concession Rights	
As mentioned in the notes on the financial statements,	In order to mitigate the risks of material misstatement at the	
particularly in items 2.2.7, 2.3 and 6, the Entity signed a	level of Intangible Assets - Concession Rights, an adjusted	
Concession Agreement with the State (sole shareholder) that	audit methodology was developed, based on the understanding	
allows the recognition of the Concession Right of the National	of the controls and procedures implemented and maintained by	
Road Network until the end of 2082.	the Entity.	



Description of the most significant identified risks of material misstatement

As a result of the referred contract, the Entity recognises this concession right as an intangible asset, in accordance with IFRIC12, which is increased, either by the investment already made, or by the estimated investment to be made, both in the National Road Network and in the Concession Network, thus corresponding to the total amount of costs incurred and liabilities assumed under the general concession of the national road infrastructure.

Associated to this concession right is the obligation to maintain the average quality index of the road network, considering for this purpose an annual estimate of 55,665 euros, with an accumulated total of 355,293 euros, based on internal estimates that consider the type of network and the specific intervention strategies.

The amortization of intangible assets is based on the units of production method, considering as unit of production the best estimate of revenue inherent to the revenues directly associated to the rights already acquired by the Entity.

Given the implicit high level of judgements and estimates over a very long time period necessary for road service concession, which are based on macroeconomic and management assumptions, as well as future investment policies, and given that future events often do not occur as expected due to factors beyond the Entity's control, namely the evolution of variables. political auidelines macroeconomic or socioeconomic changes, with potentially significant impacts on its economic and financial performance, which is particularly relevant given the fact that these assets represent 74.0% of total assets, this set of issues is considered a relevant auditing matter.

Summary of the response to the most significant risks of material misstatement analysed

Additionally, a set of substantive auditing procedures were developed, of which we highlight the following:

- Analysis of the information supporting accounting movements, validation of the underlying assumptions and replication of the calculations of increases and decreases in gross assets and the respective amortisation;
- Analysis of the Entity's business model that supports the measurement of intangible assets and the recognition of their amortisation, with particular attention to the coherence and consistency of the inherent assumptions and their evolution in relation to the previous year;
- Request for additional sensitivity analyses, considering less favourable assumptions regarding the estimation of future revenues and evaluation of the respective net impact on the result for the year;
- Recalculation of the effects associated with the various sensitivity analysis scenarios considered;
- Analysis of contracts and their relevant annexes, including validation of their consistency and conformity with the amounts recognised in the accounts;
- Document verification, on a sample basis, of the amount of investment for the year, as well as the capitalisation of financial expenditure on construction;
- Validation of the external confirmation of Concessionaire and Sub-concessionaire Entities with the respective balances and analysis of the reconciliations made;
- Verification of the accuracy and completeness of the disclosures in the notes on the financial statements, in accordance with the applicable accounting standards.

Description of the most significant identified risks of material misstatement	Summary of the response to the most significant risks of material misstatement analysed	
Recognition of Financial Assets - Accounts receivable - State Grantor (Railroad)		
As mentioned in the notes on the financial statements,	In order to mitigate the risks of material misstatement at the	
particularly in items 2.2.11, 2.3 and 12.2.1, the Entity ensures	level of Financial Assets - Accounts Receivable - Grantor State	
the construction and renovation of long duration railway	(Railway), we have developed the following substantive audi	
infrastructures, in accordance with the State's guidelines, and	procedures:	
its financing is ensured through capital, subsidies and loans		
endorsed by the shareholder, with the Entity assuming the role	 Analysis of the information supporting the accounting 	
of "agent".	movements associated to the valuation of this financial asset	
	validation of the underlying assumptions and replication o	
In this context, the effects related to this activity are recognised	the calculations of increases and decreases occurred with	
and measured in accordance with IFRIC 12, considering that	this financial asset;	
the activity of investments in Long Duration Infrastructures		
(LDI) embodies the existence of a concession with the State,	 Analysis of the contracts and validation of their consistency 	
taking the form of a "receivable" (financial asset) imputed to	and conformity with the calculations and assumptions made	
the entity "State Grantor".	Document verification, on a sample basis of the amount o	
Financial assets, which amount to a net value of 4,474,940	investment made in the year in LDI;	
euros at the end of 2022, reflect the net value receivable from		
the State, generated by the charges incurred with the	 Documentary verification and analysis of the financing 	
investment made in the railway infrastructure, plus interest	considered as allocated to the financing of LDI, as well as the	
paid on borrowings which are considered as allocated to the	imputation of the respective financial expenses;	
concession and deducted from the subsidies that are received.		
related to the investments in question and the amounts arising	 Confirmation of the approval of the separate and 	
from the profitability of these assets.	consolidated financial statements for previous years by the	
	State as a shareholder, which also assumes the role o	
Considering that the financial asset results from the unilateral	Grantor of the railway infrastructure, assuming that, by	
direct imputation by the Entity, of costs associated to the	systematically approving these financial statements, it is	
investment in the National Railway Network, including financial	implicitly recognising the value of the costs incurred with the	
charges, the associated risk results from the imputation of	investment of LDI that it has not yet repaid to the Entity.	
these amounts to the State Grantor, as well as from their		
recognition by the latter, being thus considered a relevant		
auditing matter.		
Recognition of revenue associated with	relevant activities undertaken by the Entity	
As referred to in the notes of the financial statements, in	In order to mitigate the risks of material distortion at the level o	

particular in point 2.2.15, point 3 and point 15, the revenue recognition of the relevant activities developed to	v the
particular in point 2.2.15, point 5 and point 15, the revenue a second recognition of the relation determined determined	y uno
associated with the road sector recognized in 2022, amounting Entity, a methodology based on the understanding of	
to 1,014,550 euros, is noteworthy, which arises essentially controls and procedures implemented and maintained b	y the



Description of the most significant identified risks of material misstatement	Summary of the response to the most significant risks of material misstatement analysed
from the RSC - Road Service Contribution (66%) and toll revenue (29%), it should also be noted that the portion of this toll revenue generated in the State Concessions is also recognized in expenses and, consequently, deducted from the cost of the Intangible Asset - Concession Right, which will happen until the end of the initial period of each of these concessions, which are part of the Entity's overall Concession. Associated to the railway sector, the revenue recognised in 2022, in the amount of 123,886 euros, resulting essentially from the railway infrastructure management, to which must be added the value of the compensatory indemnity recognised in the year, in the amount of 55,055 euros, of which only the portion relative to the 1st half of the year has been contracted, as disclosed in point 16 of the notes on the financial statements. Considering the impact of revenue in the statement of comprehensive income and the specificities associated to it, this subject is considered a relevant auditing matter.	 Entity and the development of a set of substantive audit procedures was adopted, of which we highlight: Confirmation of the revenue collected relating to the RSC, by checking the transfers that occurred and replication of the respective calculations. In addition, the overall calculation of this revenue recognised in the period was replicated, based on the information available on the Tax Authority's website, relative to the volume of fuels introduced for consumption, to which the applicable amounts per product type were applied, for the purposes of assessing the RSC, and the necessary clarifications arising from this analysis were requested and obtained; With regard to revenue from tolls, external confirmation was carried out with the concessionary and sub-concessionary Entities, in order to confirm the amounts recognised in the accounts for the year and, when necessary, information reported by them to the Entity itself was analysed; With regard to the revenue associated with the road infrastructure construction services, its validation was ensured through analysis of the costs incurred and external confirmation of those costs; With regard to revenue from railway infrastructure management, documentation was checked, on a sample basis, of the amount recognised and its conformity with the accounting records.

RESPONSIBILITIES OF THE MANAGEMENT BODY AND THE SUPERVISORY BODY FOR THE FINANCIAL STATEMENTS

The governing body is responsible for:

- preparation of financial statements that fairly present, in all material respects, the financial position, financial performance and cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- preparation of the sole management report, including the corporate governance report and the non-financial statement, in accordance with the applicable laws and regulations;

- establishing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- adopting appropriate accounting policies and criteria in the circumstances; and
- assessment of the Entity's ability to maintain its continuity, 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.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Distortions may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISA, we make professional judgements and maintain professional scepticism during the audit and also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the auditing 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 auditing evidence obtained up to the date of our report. However, future events or conditions may cause the Entity to discontinue its activities;

- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control identified during the audit;
- of the matters we have communicated 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 where law or regulation prohibits
 their public disclosure;
- declare to the Authorities that we comply with the relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may be perceived as threats to our independence and, where applicable, the steps taken to eliminate those threats or the safeguards applied.

Our responsibility also includes verifying that the information contained in the management report is consistent with the financial statements, and the verifications foreseen in article 451, paragraph 4 and 5 of the Commercial Companies Code in matters of corporate governance, as well as verifying that the non-financial statement has been presented.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

ON THE BUDGETSTATEMENTS

We have audited the attached budgetary statements of the Entity which comprise the statement of budgetary performance, the statement of budgetary execution of revenue (showing total net revenue collected of 2,875,748 euros), the statement of budgetary execution of expenditure (showing total expenditure paid net of repositions of 2,816,838 euros) and the statement of execution 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 as part of the entity's accountability. Our responsibility is to verify that the accounting and reporting requirements established in the Public Accounting Standard (NCP 26) of the Public Administration Accounting Standardisation System have been fulfilled.

In our opinion, the attached budgetary statements are prepared, in all material respects, in accordance with NCP 26 of the Accounting Standard System for Public Administrations.

ABOUT THE MANAGEMENT REPORT

Pursuant to article 451, paragraph 3, sub-paragraph e) of the Commercial Companies Code, it is our opinion that the consolidated management report has been prepared in accordance with applicable legal and regulatory requirements in force, the information contained therein is consistent with the audited financial statements and, taking into account our knowledge and assessment of the Entity, we have not identified any material misstatements. It should be noted that the Entity chose to present a single management report, encompassing the separate and consolidated accounts, as permitted by article 508-C, para. 6 of that code. As stated in Article 451 para. 7 of the same code, this opinion is not applicable to the non-financial statement included in the consolidated management report.

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 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 sub-paragraphs c), d), f), h), i) and I) of paragraph 1 of that article.

ABOUT THE NON-FINANCIAL STATEMENT

In compliance with article 451, para. 6 of the Commercial Companies Code, we inform that the Entity has included in its management report the non-financial statement foreseen in article 66-B and article 508-G, both of the Commercial Companies Code.

EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

The financial statements of **INFRAESTRUTURAS DE PORTUGAL**, **S.A.** for the year ended 31 December 2022 must comply with the applicable requirements set out in Commission Delegated (EU) Regulation 2019/815 of 17 December 2018 (ESEF Regulation).



The management body is responsible for the preparation and dissemination of the annual report in accordance with ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on reporting in ESEF and included, among others, the 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 respects, in conformity with the requirements set out in the ESEF Regulation.

ON THE ADDITIONAL ELEMENTS PROVIDED FOR IN ARTICLE 10 OF (EU) REGULATION NO 537/2014

In compliance with Article 10 of (EU) Regulation No. 537/2014 of the European Parliament and Council of 16 April 2014, and in addition to the relevant audit matters indicated above, we also report the following:

- We were appointed as Statutory Auditors of the Entity for the first time on 13 April 2017, by unanimous Deliberation in Writing, for a term comprising the financial years 2016 and 2017. We were appointed at the general meeting of shareholders held on 19 March 2019 for a second term of office from 2018 to 2020, and no further resolutions have been passed in this regard.
- Management has confirmed to us that it is not aware of the occurrence of any fraud or suspected fraud with a material effect on the financial statements. In planning and performing our audit in accordance with ISA we maintained professional scepticism and designed audit procedures to respond to the possibility of material misstatement of the financial statements due to fraud. As a result of our work we have not identified any material misstatement in the financial statements due to fraud.
- We confirm that the audit opinion we have issued is consistent with the additional report we have prepared and already delivered to the Entity's Supervisory Body, on this same date.
- We declare that we have not provided any services prohibited under Article 5 para. 1 of (EU) Regulation 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, in addition to the audit, during the 2022 financial year we provided the Entity with services
 permitted by law and regulations in force, related to the certification of expense statements relative to investment

projects that benefited from community funds, in the road and rail domains, whose global fees amounted to 19,020 euros.

Lisbon, 27 April 2023

VITOR ALMEIDA & ASSOCIADOS, SROC, LDA.

Represented by:

Vitor Manuel Batista de Almeida (Registered with the OROC under no. 691 and on the CMVM list of auditors no. 20160331)



LEGAL CERTIFICATION OF ACCOUNTS

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

OPINION

LEGAL CERTIFICATION OF ACCOUUNTS 2022 PART V

We have audited the accompanying consolidated financial statements of **INFRAESTRUTURAS DE PORTUGAL, S.A.** (the Group), which comprise the consolidated statement of financial position on 31 December 2022 (which shows total equity of 28,920,266 euros and total equity of 11,487,184 euros, including a net profit of 48,299 euros), 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 on the consolidated financial statements which include a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements fairly present, in all material respects, the consolidated financial position of **INFRAESTRUTURAS DE PORTUGAL, S.A.** on 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

BASES FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (ISA) and with other standards and technical and ethical guidelines of the *Ordem dos Revisores Oficiais de Contas* (Portuguese Institute 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 comprise the Group in accordance with the law and we comply with the other ethical requirements in accordance with the code of ethics of the Ordem dos Revisores Oficiais de Contas (Portuguese Institute of Statutory Auditors).

We believe that the auditing evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

EMPHASES

 As reported in point 5.6.1. of the management report, the Court of Auditors, through Ruling No. 13/2019, confirmed the refusal to grant Visa to the Amended Algarve Litoral Sub-concession Contract, agreed with the Subconcessionaire within the scope of a renegotiation process. The Group's Parent Entity has appealed the decision to the Constitutional Court.

In 2020, and after an initial decision not to admit the appeal, the Group's Parent Entity submited a complaint to the Plenary, which, through Ruling no. 58/2021, of 22 January, took the final and definitive decision not to admit the

appeal. Given the exhaustion of the means of appeal against the decision of the Court of Auditors, the Group's Parent Entity understands that the previous Reformed Sub-concession Contract of 28 May 2010, is in force, according to which payments would only be due to the Sub-concessionaire when the construction of the initial object was completed, which did not happen, nor is it expected to happen.

The Sub-concessionaire, disagreeing with this understanding, requested that the sub-concession contract be declared terminated, due to the impossibility of its execution, which was not accepted by the Group's Parent Entity and led to the launch of an arbitration process against the Group's Parent Entity, which is still ongoing. In this same process, the Sub-concessionary made a precautionary request, whose decision, dated March 9, 2021, ordered the Entity to pay 30,007,923 euros, plus a minimum monthly amount until a final decision is issued, of 1,162,806 euros, which was increased to 1,262,806 euros, after the Sub-concessionary resumes operation and maintenance works on all sections included in the Reformed Sub-concession Agreement, which came to be July 18, 2021. The amounts in question are being paid by the Group's Parent Entity. It should be noted, however, that these are payments on investments already made by the Sub-concessionaire and, as such, are already recognised under assets, as well as the corresponding liability, which is reduced in accordance with the payments made.

The main lawsuit, regarding the rescission of the retired contract, as well as another lawsuit with indemnity claim, filed by the financing entities, are still in progress, as mentioned in point 33 of the notes on the consolidated financial statements, so the possible impacts arising from their outcome are unknown.

 As disclosed in point 12 of the Notes to the Consolidated Financial Statements, the item State and Other Public bodies, under current assets, of 2,048,244 euros relates to VAT - Value Added Tax to be recovered, of which a reimbursement of 227,562 euros has already been requested, relating to the period from January 2008 to October 2009.

As a result of inspections carried out by the Tax Authority, several additional VAT assessments were issued, amounting to 2,264,671 euros. To this should be added the total amount of 161,762 euros of interest, calculated at the date of the respective additional payments.

All these assessments are being contested both in court and in administrative appeals, which is why the potential liabilities were not recognised in the accounts. These additional assessments result from the Tax Authority's assumption that, contrary to the opinion of the Board of Directors of the Group's Parent Entity, the Road Service



Contribution is not revenue subject to VAT, therefore not giving the right to deduct the VAT borne with the activities financed by this revenue.

As disclosed in the same point 12, the Group's Parent Entity was notified, on 17 October 2017, of the Ruling revoking the contested sentence regarding one of the legal proceedings (tax of 64,506 thousand euros) considering the judicial challenge fully upheld and annulling the additional assessments issued by the Tax Authority, which appealed to the Supreme Administrative Court that, on 9 December 2021 decided for the annulment of this Judgement and the return of the records to the Administrative and Tax Court of Almada, in order to be suppressed several nullities that were invoked by the Tax Authority, with the practice of the omitted acts. The Group's Parent Company submitted, on 25 February 2022, new allegations awaiting the respective decision.

Adopting a prudential approach and as disclosed in point 16 of the Notes to the Consolidated Financial Statements, the Group's Parent Entity includes in Non-Current Liabilities, under the item Provisions, the amount of 482,700 thousand euros related to VAT deducted over the years, associated to activities funded by the Road Service Contribution. This provision does not include the effect of interest that may be calculated if the final decision is unfavourable to the Group's parent entity.

It should be noted, however, that if the understanding adopted by the Tax Authority prevails in the final instance, the impact resulting from a possible non-recovery of VAT deducted over the years would essentially result in its recognition as a component of the acquisition cost of the Intangible Asset, not generating immediate consequences in terms of the result for the period in which such a decision would be known, since this would only be reflected in a reclassification of accounts, at the asset level. However, there would be impacts which would be dilluted over the remaining period of the concession, through increased amortisation of the Intangible Asset to be recognised in each of the remaining years of the road network concession until 2082.

3. As mentioned in point 14.3.2. of the Notes to the Consolidated Financial Statements, the State, as a shareholder, granted financing to the Group's parent Entity, the amount of which, on 31 December 2022, amounted to 2,332,667 euros, including 117,089 euros of accrued interest, positioned under current liabilities and whose initially contracted date for repayment has already been exceeded, having obtained a new moratorium until 30 November 2023, without charging interest.

However, this situation does not undermine contractual compliance by the parent company of the Group, since the assets also include a receivable from the State, for the net amount of 4,474,849 euros, positioned under current assets, as mentioned in point 14.2.1. of the Notes of the Consolidated Financial Statements, relating to investments made by the Group on behalf of the State, in LDI - Long Duration Infrastructures, minus subsidies, receivables and impairments.

4. As mentioned in point 2.3.7, 2.4 and 7 of the notes on the consolidated financial statements, the Group's Parent Company depreciates its road concession right, whose value recognised in Intangible assets amounts to 21,359,029 euros, using the equivalent production units method, based on: *i*) estimated total income to be generated by the concession until its maturity and *ii*) the valuation of all investments already made and to be made in the future by the Group's Parent Company.

In particular, in point 2.4 of the notes on the financial statements the main assumptions considered for the estimate of the total income to be generated by the concession until its end, which involve a high degree of uncertainty, are explained, disclosing in this same note, in a context of sensitivity analysis, the net impacts that would be generated in the result for the year, if changes in some of these assumptions occurred.

The most significant negative impacts will result from the possible non-allocation of compensatory measures by the Grantor to offset the loss of revenue arising from the new toll discount scheme, determined by articles 425 and 426 of Law no. 75-B/2020, regulated by Ordinance no. 138-D/2021.

It is important to bear in mind, however, that in relation to the legal provisions that established these discounts, they may fall under the provisions of paragraph c) of Clause 87.1 of the Concession Agreement signed between the Grantor and the Entity on 23 November 2007, which states that "*legislative amendments of a specific nature that have a direct impact on revenues or costs relating to activities under the* Concession" may entitle the Concessionaire to restoring the financial balance of the Concession.

Our opinion is not modified in relation to these matters.

RELEVANT AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were considered in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the most significant identified risks of material misstatement	Summary of the response to the most significant risks of material misstatement analysed
Recognition of Intangible Assets - Road Concession Rights	



In order to mitigate the risks of material misstatement at the level of Intangible Assets - Concession Rights, an adjusted auditing methodology was developed, based on the understanding of the controls and procedures implemented and maintained by the Group.
auditing methodology was developed, based on the understanding of the controls and procedures implemented and
understanding of the controls and procedures implemented and
maintained by the Group.
Additionally, a set of substantive auditing procedures were
developed, of which we highlight the following:
 Analysis of the information supporting accounting movements, validation of the underlying assumptions and replication of the calculations of increases and decreases in gross assets and the respective amortisation; Analysis of the business model of the Group's parent Entity
that supports the measurement of intangible assets and the recognition of its amortization, with particular attention to the coherence and consistency of the inherent assumptions and their evolution in relation to the previous year;
 Request for additional sensitivity analyses, considering less favourable assumptions regarding the estimation of future
revenues and evaluation of the respective net impact on the result for the year;
 Recalculation of the effects associated with the various sensitivity analysis scenarios considered; Analysis of contracts and their relevant annexes, including validation of their consistency and conformity with the amounts recognised in the accounts; Document verification, on a sample basis, of the amount of investment for the year, as well as the capitalisation of financial expenditure on construction;

Description of the most significant identified risks of material misstatement	Summary of the response to the most significant risks of material misstatement analysed
73.9% of total assets, this set of issues is considered a relevant auditing matter.	 Validation of the external confirmation of Concessionaire and Sub-concessionaire Entities with the respective balances and analysis of the reconciliations made. Verification of the accuracy and completeness of the disclosures in the notes on the consolidated financial statements, in accordance with the applicable accounting standards.
Recognition of Financial Assets - Acco	unts receivable - State Grantor (Railroad)
As mentioned in point 2.3.11, 2.4 and 14.2.1 of the notes on the consolidated financial statements, the Parent Company is responsible for the construction and renovation of long- distance railway infrastructures in accordance with the State's directives, which are financed through capital, subsidies and loans guaranteed by the majority shareholder, with the Group acting as an "agent". In this context, the effects related to this activity are recognised and measured in accordance with IFRIC 12, considering that	 In order to mitigate the risks of material misstatement at the level of Financial Assets - Accounts Receivable - State Grantor (Railway), we have developed the following substantive audit procedures: Analysis of the information supporting the accounting movements associated to the valuation of this financial asset, validation of the underlying assumptions and replication of the calculations of increases and decreases occurred with this financial asset;
the Long Duration Infrastructure (LDI) investment activity embodies the existence of a concession with the State, taking the form of a "receivable" (financial asset) attributed to the entity "State Grantor".	 Analysis of the contracts and validation of their consistency and conformity with the calculations and assumptions made;
The financial assets, which amount to a net value of 4,474,849 euros at the end of 2022, reflect the net value to be received from the State, generated by the charges incurred with the investment made in the railway infrastructure, plus interest on borrowings which are considered as allocated to the concession and deducted from the subsidies that are received, related to the investments in question and the amounts arising from the profitability of these assets.	 Document verification, on a sample basis of the amount of investment made in the year in LDI; Document verification and analysis of the financing considered as allocated to the financing of LDI, as well as the imputation of the respective financial expenses; Confirmation of the approval of the separate and consolidated financial statements for previous years by the State, which also assumes the role of Grantor of the railway
Considering that the financial asset results from the unilateral direct imputation by the Group's parent Entity, of costs associated to the investment in the National Railway Network, including financial charges, the associated risk results from the	infrastructure, assuming that, by systematically approving these separate and consolidated financial statements, it is implicitly recognising the value of the costs incurred with the



Description of the most significant identified risks of material misstatement	Summary of the response to the most significant risks of material misstatement analysed
imputation of these amounts to the State Grantor, as well as	investment of the LDI that it has not yet reimbursed to the
from their recognition by the latter, being thus considered a	Group.
relevant auditing matter.	
Recognition of revenue associated with relevant activities developed by the Group	

As referred to in the notes of the financial statements, in In order to mitigate the risks of ma

As referred to in the notes of the initial statements, in particular in point 2.3.15, 4 and 17, the revenue associated with the road sector recognized in 2022, amounting to 1,014,550 euros, is noteworthy, which arises essentially from the RSC - Road Service Contribution (66%) and toll revenue (29%), it should also be noted that the portion of this toll revenue generated in the State Concessions is also recognized in expenses and, consequently, deducted from the cost of the Intangible Asset - Concession Right, which will happen until the end of the initial period of each of these concessions, which are part of the Parent Entity's overall Concession.

Associated to the railway sector, the revenue recognised in 2022, in the amount of 156,949 euros, resulting mainly from the railway infrastructure management, to which must be added the value of the compensatory allowance attributed during the year, in the amount of 55,055 euros, of which only the portion related to the 1st half of the year has been contracted, as disclosed in point 18 of the notes on the consolidated financial statements.

Considering the impact of revenue on the consolidated statement of comprehensive income and the specificity arising from the fact that not all income is recognised as revenue, namely that arising from the concession network, this subject is considered a relevant auditing matter. In order to mitigate the risks of material distortion at the level of revenue recognition of the relevant activities developed by the Group, a methodology based on the understanding of the controls and procedures implemented and maintained by the Group and the development of a set of substantive audit procedures was adopted, of which we highlight:

- Confirmation of the revenue collected relating to the RSC, by checking the transfers that occurred and replication of the respective calculations. In addition, the overall calculation of this revenue recognised in the period was replicated, based on the information available on the Tax Authority's website, relative to the volume of fuels introduced for consumption, to which the applicable amounts per product type were applied, for the purposes of assessing the RSC, and the necessary clarifications arising from this analysis were requested and obtained;
- With regard to revenue from tolls, external confirmation was carried out with the concessionary and subconcessionary Entities, in order to confirm the amounts recognised in the accounts for the year and, when necessary, information reported by them to the Group itself was analysed;
- With regard to the revenue associated with the road infrastructure construction services, its validation was ensured through analysis of the costs incurred and external confirmation of those costs;
- With regard to revenue from railway infrastructure management, documentation was checked, on a sample basis, of the amount recognised and its conformity with the accounting records.

Description of the most significant identified risks of material misstatement	Summary of the response to the most significant risks of material misstatement analysed
Goodwill	recognition
As disclosed in point 2.3.1. and 5. of the notes on the consolidated financial statements, the Goodwill item shown in the balance sheet in the amount of 21,687 euros, results from the acquisition in 2014 of the remaining capital of GIL - Gare Intermodal de Lisboa, S.A., thus being a cash-generating unit, in accordance with IAS 36, and its recoverable amount is recoverable amount in the statement is recoverable amount is recoverable amou	 In order to mitigate the risks of material misstatement at the level of Goodwill recognition, we have developed the following substantive audit procedures: Confirmation of the acquisition value of the shareholding and the inherent calculation of goodwill at the date of acquisition;
recognised based on its value in use. Impairment tests are performed annually, in accordance with the assumptions defined in point 5 of the notes on the Consolidated Financial Statements.	 Validation of the assumptions underlying the calculation of goodwill; Analysis of projected cash flows and other assumptions used in the calculation of the recoverable amount of this cash-generating unit;
Considering the high level of estimates and judgements associated with the determination of the recoverable amount of <i>goodwill</i> , it is considered a relevant auditing matter.	 Verification of impairment tests carried out on the value of goodwill; Analysis of other information supporting the accounting movements associated with this recognition and review of the calculations made and the conclusions obtained.

RESPONSIBILITIES OF THE MANAGEMENT BODY AND THE SUPERVISORY BODY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The governing body is responsible for:

- preparation of consolidated financial statements that fairly present, in all material respects, the financial position, financial performance and cash flows of the Entity in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- preparation of the management report, the corporate governance report and the consolidated non-financial statement, in accordance with the applicable laws and regulations;
- establishing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- adopting appropriate accounting policies and criteria in the circumstances; and



 assessment of the Group's ability to continue as a going concern, disclosing, when 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 Group's financial information.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Distortions may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISA, we make professional judgements and maintain professional scepticism during the audit and also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- 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 direction, oversight and performance of the Group's audit and are ultimately responsible for our audit opinion;
- communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control identified during the audit;
- of the matters we have communicated to those charged with governance, including the supervisory body, we
 determine those matters that were of most significance in the audit of the consolidated financial statements of
 the current year and are the key audit matters. We describe these matters in our report, except where law or
 regulation prohibits their public disclosure;
- declare to the Authorities that we comply with the relevant ethical requirements regarding independence and communicate to the Authority all relationships and other matters that may be perceived as threats to our independence and, where applicable, the steps taken to eliminate those threats or the safeguards applied.

Our responsibility also includes verifying that the information contained in the management report is consistent with the consolidated financial statements, and the verifications foreseen in article 451, paragraph 4 and 5 of the Commercial Companies Code in matters of corporate governance, as well as verifying that the consolidated non-financial statement has been presented.

REPORTING ON OTHER LEGAL AND REGULATORY REQUIREMENTS

ABOUT THE MANAGEMENT REPORT

Pursuant to article 451, paragraph 3, sub-paragraph e) of the Commercial Companies Code, it is our opinion that the management report has been prepared in accordance with 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 Entity, we have not identified any material misstatements. It should be noted that the Entity chose to present a single management report, encompassing both the separate and consolidated accounts, as permitted by article 508-C, para. 6 of the Commercial Companies Code. As stated in Article 451 para. 7 of the same code, this opinion is not applicable to the non-financial statement included in the consolidated management report.

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 the Group, under the terms of article 29-H of the Portuguese Securities Market Code, and no material inaccuracies were identified in the information disclosed therein, complying with sub-paragraphs c), d), f), h), i) and l) of paragraph 1 of that article.

ABOUT THE CONSOLIDATED NON-FINANCIAL STATEMENT

In compliance with article 451, para. 6 of the Commercial Companies Code, we inform that the Group has included in its management report the non-financial statement foreseen in article 66-B and article 508-G, both of the Commercial Companies Code.

EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

The consolidated financial statements of **INFRAESTRUTURAS DE PORTUGAL, S.A.** for the year ended 31 December 2022 must comply with the applicable requirements set out in Delegated (EU) Regulation 2019/815 of 17 December 2018 (ESEF Regulation).

The management body is responsible for the preparation and dissemination of the annual report in accordance with ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements and related notes, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on reporting in ESFS and included, among others:

- Improving understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format;
- The identification and assessment of the risks of material misstatement associated with the tagging of the consolidated financial statement information in XBRL format using iXBRL technology. This assessment was based around the process implemented by the Group to tag information.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in conformity with the requirements set out in ESEF Regulation.

ON THE ADDITIONAL ELEMENTS PROVIDED FOR IN ARTICLE 10 OF (EU) REGULATION NO 537/2014

In compliance with Article 10 of (EU) Regulation No. 537/2014 of the European Parliament and of the Council of 16 April 2014, and in addition to the relevant audit matters indicated above, we also report the following:

- We were appointed as Statutory Auditors of the Group's parent Entity for the first time on 13 April 2017, by unanimous Deliberation in Writing, for a term of office comprising the financial years 2016 and 2017. We were appointed at the general meeting of shareholders held on 19 March 2019 for a second term of office from 2018 to 2020, and no further resolutions have been passed in this regard.
- The management has 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 ISA 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 work we have not identified any material misstatement in the consolidated financial statements due to fraud.
- We confirm that the audit opinion we have issued is consistent with the additional report we have prepared and already delivered to the Group's Parent Entity's Supervisory Body, on this same date.
- We declare that we have not provided any services prohibited under Article 5 para.1 of (EU) Regulation 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, in addition to the audit, during the 2022 financial year we provided the Group's Parent Entity
 with services permitted by law and regulations in force, related to the certification of expense statements relative



to investment projects that benefited from community support, in the road and rail domains, whose global fees amounted to 19,020 euros.

Lisbon, 27 April 2023

VITOR ALMEIDA & ASSOCIADOS, SROC, LDA. Represented by:

Vitor Manuel Batista de Almeida (Registered with the OROC under no. 691 and on the CMVM list of auditors no. 20160331)

AUDIT REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Infraestruturas de Portugal, SA (hereinafter IP or Company), which comprise the statement of financial position on 31 December 2022 (showing total equity of 28 874 983 euro and total equity of 11 448 166 euro, including a net profit of 47 784 euro), the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes on the financial statements which include a summary of significant accounting policies.

In our opinion, the attached financial statements give a true and fair view, in all material respects, of the financial position of Infraestruturas de Portugal, SA, as of 31 December 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and further technical and ethical standards and guidelines of the Ordem dos Revisores Oficiais de Contas (the Portuguese Institute 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 Portuguese Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis

1. As disclosed in point 5.6.1 of the Management Report and in Note 32 to the financial statements, the Court of Auditors confirmed, through the judgement decision no. 13/2019 of 31 May, and following an appeal filed by IP against judgement decision no. 29/2018, the refusal to grant approval to the Amended Algarve Litoral Sub-concession Agreement, agreed with the Sub-concessionaire under a renegotiation process. IP appealed the decision to the Constitutional Court, which, in September 2020, was rejected, and IP filed a complaint to the



Plenary of the Constitutional Court, which, through judgement decision no. 58/2021, of 22 January, made the final and definitive decision to not accept the appeal. On 17 July 2019, the Sub-concessionaire submitted a request for the declaration of termination of the sub-concession contract, under the terms of the applicable law, which, not having been accepted, led to the Sub-concessionaire triggering, at the beginning of September 2019, arbitration proceedings against IP, whose Arbitration Court was formally constituted in 2020 and is still ongoing. Additionally, the financing entities filed a lawsuit for damages which, as disclosed in the referred Note 32, is still in progress.

2. As disclosed in Note 10 of the Notes to the financial statements, current assets recorded under the heading State and Other Public Entities refer, practically in their entirety, to VAT assessed under the road concession by former EP - Estradas de Portugal, SA (EP) and by IP, since the merger with REFER, totalling 2 048 074 euro. Due to the framework given by the Tax Authority to the activity carried out by IP, and in particular the Road Service Contribution (RSC), VAT corrections have been made, the amount of which, for the years inspected up to 2018 amounts to 2 264 671 euro, plus interest of 161 762 euro to date, which were subject to judicial challenge (processes concerning the years 2008 to 2016) and hierarchical appeal (processes concerning the years 2017 and 2018). As disclosed in the same Note 10, IP was notified, in October 2017, of the judgement revoking the contested sentence of one of the legal proceedings (tax of 64,506 euro) and which considers EP's legal challenge to be fully upheld and annuls the additional assessments issued by the Tax Authority, which appealed to the Supreme Administrative Court. As disclosed in Note 10 IP has been setting up a specific provision corresponding to the total VAT deducted on activities financed by the CSR, the amount of which at 31 December 2022 amounts to 482,700 euro. It should be noted that any risk associated with deducted VAT not taken into account under the provision will essentially have accounting repercussions on the cost of the concession right for the national road network.

3. As disclosed in Note 12.3.2 to the financial statements, a significant part of IP's financing has been assured by the State, being the total financing/supplementary loans, on 31 December 2022, including interest, of 2 332 667 euro, including 2 215 578 euro of financing related to the road segment, with maturity already reached, in relation to which a moratorium was granted with suspension of interest until 30 November 2023. As also mentioned in Note 12.2.1, current assets include 4,474,940 euro of investments made by IP, on behalf of the State, in long duration railway infrastructures.

4. As mentioned in Notes 2.2.7. and 2.3. and 6. to the Financial Statements, IP amortises the road concession right by the equivalent production units method, being the amortisation based on i) the estimated total income to be generated by the concession until its term and ii) the valuation of all the investments to be made by IP. As disclosed in Note 2.3 to the Financial Statements, the effect of the 50% reduction in toll rates in several concessions designated ex-SCUT, and discounts, although less significant, on other motorways in IP's own network, determined by articles 425 and 426 of Law no. 75-B/2020, and regulated by Ordinance no. 138-D/2021, were considered at the assumptions level until the end of 2025, as provided for in the Activity Plan 2023-2025, which came into force on 01 July 2021, were considered at the level of assumptions until the end of 2025, as provided for in the Activity Plan and Budget for 2023-2025, as well as a mechanism to ensure compensation for the loss of revenue associated with these toll discounts will be considered until the end of 2025 between the Grantor and IP, considering the provisions of subparagraph c) of Clause 87.1. of the Concession Agreement signed between the Grantor and IP on 23 November 2007. On the other hand, the assumptions

of the base scenario of the financial model consider from 2026 and for the period of the Concession, an evolution of the collection model in some of these concessions with efficiency gains and regarding the sections in which IP already holds the right arising from the toll collection regime contained in the Concession Contract, this regime will be applied with the recognition of the resulting revenues. If the referred compensation and revenue increase measures considered in the baseline scenario do not occur as foreseen, it would imply the estimated impact in scenario d) of the sensitivity analysis presented in Note 2.3. to the Financial Statements.

5. As disclosed in point 11 of the Management Report and in Note 32 to the Financial Statements, the current conflict situation in Ukraine has reflected on the world and national economy and consequently on IP's activity. Although it is not possible to predict all the possible effects resulting from it, the greatest impact on IP's activity was seen in the increase in spending on electricity and in the costs of construction work, without evidently affecting the demand for the road network under IP's management. The Management continues to monitor the evolution of this situation in conjunction with the State shareholder, considering that the principle of continuity of IP's operations continues to apply.

Our opinion is not modified in relation to these matters.



Key audit matters

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.

Key audit matters	Summary of the Audit Response
1. Intangible assets - Road concession rights	
As disclosed in Notes 2.2.7, 2.3 and 6 to the Financial Statements, the Road Concession Right attributed by the Road Concession Contract entered into with the State and classified as intangible asset, under the terms of IFRIC 12 - Service Concession Arrangements, represents 74% of IP's assets, is measured according to the cost model, and is annually increased by the provision of direct construction services or through sub- concessions, including financial expenses, and by availability and service payments, net of toll receipts relating to the network under concession. The concession right is amortised using the unit of	The audit response involved, in summary, carrying out the following procedures: i) Analysis of the model adopted by IP in the measurement of intangible assets and recognition of amortisation, verification of the coherence and consistency of the assumptions and evolution compared with the previous financial year; ii) Analysis of the controls in place and carrying out audit tests on a sample basis of the additions and reductions recorded in the concession right and analysis of the concession and sub-concession contracts, including, among others, analysis of availability and service payments to validate the
production method provided by IFRIC 12, being the amortisation based on the estimated total income to be generated by the concession until its term and on the valuation of all the investments to be made by IP while the concession contract is in force. The annual amortisation is calculated by applying the rate resulting from the proportion of the estimated total eligible income for the period, compared to the estimated total eligible income for the term of the concession right, to the estimated total costs of that right. The same criteria are applied to the recognition of investment subsidies in the income statement. The expected income and costs that support the	 annual remunerations recognised in the accounts, construction costs, interest, financial rebalancing and toll income; iii) Verification of the calculation of the amortisation expense of the concession right; iv) Analysis of the impact of the legislative measures taken, relative to toll charges, on the Entity's Business Plan and its framework in the Concession Agreement; v) External confirmations of balances and other information with the Concessionary and Subconcessionary Entities and analysis of reconciliations;
amortisation of the period are based on assumptions and estimates involving a high degree of judgement and are contained in economic and financial projections revised annually by the Board of Directors, taking into consideration the impacts of the economic environment. The concession right involves the obligation to	 vi) Analysis of the periodic maintenance costs charged to the financial year and the use of the respective accrued expenses for work carried out during the year; vii) Confirmation by the Management Body that the assumptions and estimates used were based on the best information available and studies carried
maintain the average quality index of the road network, so every year an estimate is recorded for periodic maintenance costs, which in 2022 amounted to 55,665 thousand euro, with the total amount recorded up to 31 December 2022 being 355,293 thousand euro. The internal estimates take into account the network typology and specific intervention strategies with periodic	 the best information available and studies carried out at the date of the financial report; viii) Review of the effects associated with the various sensitivity analysis scenarios; ix) Verification of the disclosures in the financial statements in accordance with the applicable accounting standards.

maintenance based on the study carried out for the implementation of the business plan.	
Considering the amounts involved and the high level of judgments and assumptions implicit in the calculation of the amortization rate of the intangible asset, such as the global amount of the investments and revenues expected until the end of the concession, and considering that often future events may not occur as expected, namely due to exogenous factors to IP, such as the evolution of macroeconomic variables, political decisions and socioeconomic changes, the financial and economic performance of the Concession may be significantly affected, if the assumptions considered suffer changes, this	
matter constitutes a relevant matter of audit.	

Key audit matters	Summary of the Audit Response
2. Long duration railway infrastructure: Granto	r - State - Account receivable
As disclosed in Notes 2.2.11, 2.3 and 12.2.1 to the Financial Statements, IP ensures the construction and renovation of the long duration railway infrastructures in accordance with the directives of the State shareholder, and this activity is financed through capital, subsidies and loans guaranteed mainly by the State, with IP assuming the role of "Agent". The railway infrastructures belong to the Railway Public Domain, and IP has access to them for the provision of the public service of infrastructure management. The assets are recorded in the Statement of Financial Position under the caption Grantor - State - Account Receivable, since they consist of an unconditional right to receive money from the State for the investments made, and therefore this activity was included in the scope of the service concession agreements in accordance with IFRIC 12, considering for this purpose the financial asset model. The financial assets amount to 4,474,940 euro on 31 December 2022 and correspond basically to the value of the concession assets existing on the merger date, plus the value of the assets acquired or constructed afterwards and the financing interest charged to the State - Grantor, less the value of subsidies received and also compensations made with overdue loans. This receivable has no defined maturity and so it is considered to be past due on the date of the debit, being classified under current assets. The risk of material misstatement associated to this matter is related to the allocation of costs incurred with railway infrastructure including the financing costs of this activity.	The audit response essentially involved the following procedures: i) Confirmation of the approval of the financial statements for previous years by the shareholder State and Concessionaire of the railway infrastructures; ii) Analysis of the controls put in place and the carrying out of audit tests on a sample basis to the acquisitions of goods and services recorded in the period as debt receivable from the Grantor, and verification of the criteria used in the imputation of the financing costs to the long duration railway infrastructures; iii) Confirmation by the Management Body of the adequacy of the assumptions associated with the debit of expenses to the Grantor - State; iv) Verification of the disclosures in the financial statements in accordance with the applicable accounting standards.

2



Responsibilities of the management and the supervisory body for the financial statements

Management is responsible for:

- preparation of financial statements that give a true and fair view of the financial position, the financial performance and the cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union;
- preparation of the management report, the corporate governance report and the nonfinancial statement in accordance with the applicable legal and regulatory terms;
- establishing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- adopting appropriate accounting policies and criteria in the circumstances; and
- assessment of the Company's ability to continue as a going concern, disclosing, as applicable, the matters that may cast significant doubt on the continuity of its operations.

The supervisory body is responsible for supervising the process of preparation and disclosure of the Company's financial information.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Distortions may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISA, we make professional judgement and maintain professional scepticism during the audit and also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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 Company's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- 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;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control identified during the audit;
- of the matters we have communicated 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 where law or regulation prohibits their public disclosure;
- we declare to the supervisory body that we comply with the relevant ethical requirements regarding independence and communicate to it all relationships and other matters that may be perceived as threats to our independence and, where applicable, the steps taken to eliminate the threats or the safeguards applied.

Our responsibility also includes the verification that the information contained in the management report is in accordance with the financial statements, and the verifications foreseen in article 451, number 4 and 5 of the Commercial Companies Code in respect of corporate governance, as well the verification that the non-financial statement has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

On the budgetary statements

We have audited the attached budgetary statements of the Entity which comprise the statement of budgetary performance, the statement of budgetary execution of revenue (showing total net revenue collected of 2,875,748 euro), the statement of budgetary execution of expenditure (showing total expenditure paid net of repositions of 2,816,838 euro) and the statement of execution 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 as part of the entity's accountability. Our responsibility is to verify that the accounting and reporting requirements established in the Public Accounting Standard (NCP 26) - Budgetary



Accounting and Reporting of the Public Administration Accounting Standardisation System have been fulfilled.

In our opinion, the attached budgetary statements are prepared, in all material respects, in accordance with NCP 26 of the Accounting Standard System for Public Administrations.

About the management report

In compliance with article 451, para. 3, sub-paragraph e) of the Commercial Companies Code, in our opinion, the management report, which corresponds to a single report as permitted by article 508°-C, para. 6 of the Commercial Companies Code, 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, taking into account our knowledge and assessment of the Company, we have not identified any material misstatements. As referred in article 451, para. 7 of the Commercial Companies Code this opinion is not applicable to the non-financial statement included in the management report.

About the corporate governance report

In compliance with article 451, paragraph 4 of the Commercial Companies Code, our opinion is that the corporate governance report includes the information required to IP under the terms of paragraph 1 of article 29-H of the Portuguese Securities Code, and that no material inaccuracies were identified in the information disclosed, complying with the provisions of sub-paragraphs c), d), f), h), i) and l) of that article.

On the non-financial statement

In compliance with article 451, para. 6, of the Commercial Companies Code, we inform that the Company has included in its Management Report the non-financial statement referred in article 66°-B of the Commercial Companies Code.

European Single Electronic Format (ESEF)

The financial statements of Infraestruturas de Portugal, SA, for the year ended 31 December 2022 must comply with the applicable requirements set out in Delegated (EU) Regulation 2019/815 of 17 December 2018 (ESEF Regulation).

The management body is responsible for the preparation and dissemination of the annual report in accordance with ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the financial statements, included in the annual report, are presented in accordance with the requirements set out in the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on reporting in ESEF and included 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 respects, in accordance with the requirements set out in the ESEF Regulation.

On the additional matters provided for in Article 10 of (EU) Regulation No 537/2014

Pursuant the compliance with Article 10 of (EU) Regulation No. 537/2014 of the European Parliament and of the Council of 16 April 2014, and in addition to the relevant audit matters indicated above, we also report the following:

- We were appointed as auditors of the Entity for the first time on 08 February 2016 for the 2015 financial year and on 24 June 2020 for the 2020, 2021 and 2022 financial years.
- The management has confirmed to us that it is not aware of the occurrence of any fraud or suspected fraud with a material effect on the financial statements. In planning and performing our audit in accordance with ISA we maintained professional scepticism and designed audit procedures to respond to the possibility of material misstatement of the financial statements due to fraud. As a result of our work we have not identified any material misstatement in the financial statements due to fraud.
- We confirm that the audit opinion we have issued is consistent with the additional report we have prepared and delivered to IP's supervisory body, on this same date.
- We declare that we have not provided any services prohibited under Article 5 para. 1 of (EU) Regulation No 537/2014 of the European Parliament and of the Council and that we have maintained our independence from the Company during the course of the audit.
- We inform you that, in addition to our audit, we have carried out, in accordance with the tender procedure, a limited review of the half-yearly consolidated financial statements and a review of the separate prospective financial statements of IP.

Lisbon, 27 April 2023

António José Carvalho Barros (Registered Auditor no. 966, registered with the CMVM under no. 20160583) on behalf of BDO & Associados, SROC, Lda.



AUDIT REPORT

(Free translation from a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of Infraestruturas de Portugal, S.A. (IP or Group), which comprise the consolidated statement of financial position on 31 December 2022 (which shows total equity of 28,920,266 euro and total equity of 11,487,184 euro, including a net profit of 48299 euro), the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of statement of cash flows for the year then ended, and the annexed notes on the consolidated financial statements which include a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of the consolidated financial position of Infraestruturas de Portugal, SA as at 31 December 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA) and further technical and ethical standards and guidelines of the *Ordem dos Revisores Oficiais de Contas* (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are described in the "Auditor's responsibilities for the Audit of the consolidated financial statements" section below. We are independent from the entities that comprise the Group under the terms of the law and we comply with the other ethical requirements in accordance with the code of ethics of the Portuguese Institute of Statutory Auditors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis

1. As disclosed in point 5.6.1 of the Management Report and in Note 33 to the financial statements, the Court of Auditors confirmed, through the judgement decision no. 13/2019 of 31 May, and following an appeal filed by the Group against judgement decision no. 29/2018, the refusal to grant approval to the Amended Algarve Litoral Sub-concession Contract, agreed with the Sub-concessionaire under a renegotiation process. IP appealed the decision to the

Constitutional Court, which, in September 2020, was rejected, and IP filed a complaint to the Plenary of the Constitutional Court, which, through judgement decision no. 58/2021, of 22 January, made the final and definitive decision to not accept the appeal. On 17 July 2019, the Sub-concessionaire submitted a request for the declaration of termination of the sub-concession contract, under the terms of the applicable law, which, not having been accepted, led to the Sub-concessionaire triggering, at the beginning of September 2019, arbitration proceedings against IP, whose Arbitration Court was formally constituted in 2020 and is still ongoing. Additionally, the financing entities filed a lawsuit for damages which, as disclosed in the referred Note 33, is still in progress.

2. As disclosed in Note 12 of the Notes to the financial statements, current assets recorded under the heading State and Other Public Entities refer, practically in their entirety, to VAT assessed under the road concession by the former EP - Estradas de Portugal, SA (EP) and by IP, since the merger with REFER, totalling 2 048 074 euro. Due to the framework given by the Tax Authority to the activity carried out by IP, and in particular the Road Service Contribution (RSC), VAT corrections have been made, the amount of which, for the years inspected up to 2018 amounts to 2 264 671 euro, plus interest of 161 762 euro to date, which were subject to judicial challenge (processes concerning the years 2008 to 2016) and hierarchical appeal (processes concerning the years 2017 and 2018). As disclosed in the same Note 10, IP was notified, in October 2017, of the judgement revoking the contested sentence of one of the legal proceedings (tax of 64,506 euro) and which considers EP's legal challenge to be fully upheld and annuls the additional assessments issued by the Tax Authority, which appealed to the Supreme Administrative Court. As disclosed in Note 12 IP has been constituting a specific provision corresponding to the total VAT deducted on activities financed by the Road Service Contribution, the amount of which at 31 December 2022 amounts to 482,700 euro. It should be noted that any risk associated with deducted VAT not taken into account under the provision will essentially have accounting repercussions on the cost of the concession right for the national road network.

3. As disclosed in Note 14.3.2 to the financial statements, a significant part of the Group's financing has been provided by the State, and the total financing/borrowings as of December 31, 2022, including interest, was 2,332,667 euro, including 2,215,578 euro of financing related to the highway segment, with maturity already reached, for which a moratorium was granted with suspension of interest until November 30, 2023. As also mentioned in Point 14.2.1, current assets include 4,474,849 euro of investments made by the Group on behalf of the State in long-term railway infrastructures.

4. As mentioned in Notes 2.3.7. and 2.4. and 7. to the Financial Statements, IP amortises the road concession right by the equivalent production units method, being the amortisation based on i) the estimated total income to be generated by the concession until its term and ii) the valuation of all the investments to be made by IP. As disclosed in Note 2.4 to the Financial Statements, the effect of the 50% reduction in toll rates in several concessions designated ex-SCUT, and discounts, although less significant, on other motorways in IP's own network, determined by articles 425 and 426 of Law no. 75-B/2020, and regulated by Ordinance no. 138-D/2021, were considered at the assumptions level until the end of 2025, as provided for in the Activity Plan 2023-2025 , which came into force on 01 July 2021, were considered at the level of assumptions until the end of 2025, as provided for in the Activity Plan and Budget for 2023-2025, as well as a mechanism to ensure compensation for the loss of revenue associated with these toll discounts will be considered until the end of 2025 between the Grantor and IP, considering the provisions of subparagraph c) of Clause 87.1. of the Concession Agreement



signed between the Grantor and IP on 23 November 2007. On the other hand, the assumptions of the base scenario of the financial model consider from 2026 and for the period of the Concession, an evolution of the collection model in some of these concessions with efficiency gains and regarding the sections in which IP already holds the right arising from the toll collection regime contained in the Concession Contract, this regime will be applied with the recognition of the resulting revenues. If the referred compensation and revenue increase measures considered in the baseline scenario do not occur as foreseen, it would imply the estimated impact in scenario d) of the sensitivity analysis presented in Note 2.4. To the Financial Statements.

5. As disclosed in point 11 of the Management Report and in Note 33 to the Consolidated Financial Statements, the current conflict situation in Ukraine has reflected on the world and national economy and consequently on the IP Group's activity. Although it is not possible to predict all the possible effects resulting from it, the greatest impact on the IP Group's activity was seen in the increase in spending on electricity and in the costs of construction work, with no obvious effect on demand for the road network under the IP Group's management. The Management continues to monitor the evolution of this situation in conjunction with the State shareholder, considering that the principle of continuity of the IP Group's operations continues to apply.

Our opinion is not modified in relation to these matters.

Key audit matters

Key audit matters are those that, in our professional judgement, were of most significance in the audit of the consolidated financial statements of the current year. These matters were considered in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	Summary of the Audit Response
1. Intangible assets - Road concession rights	
As disclosed in Notes 2.3.7, 2.4 and 7 to the Consolidated Financial Statements, the Road Concession Right attributed by the Road Concession Agreement entered into with the State and classified as intangible assets, under the terms of IFRIC 12 - Service Concession Arrangements, represents 74% of the Group's assets, is measured according to the cost model,	The audit response involved, in summary, carrying out the following procedures:
	i) Analysis of the model adopted by the Group in the measurement of intangible assets and recognition of amortisation, verification of the coherence and consistency of the assumptions and evolution compared with the previous year;
and is annually increased by the provision of direct construction services or through sub- concessions, including financial expenses, and by availability and service payments, net of toll receipts relating to the network under concession.	ii) Analysis of the controls in place and carrying out audit tests on a sample basis of the additions and reductions recorded in the concession right and analysis of the concession and sub-concession contracts, including, among others, analysis of availability and service payments to validate the
The concession right is amortised using the unit of production method foreseen in IFRIC 12, being the amortisation based on the estimated total income	annual remunerations recognised in the accounts, construction costs, interest, financial rebalancing and toll income;
to be generated by the concession until its term and on the valuation of all the investments to be made by the Group while the concession contract	iii) Verification of the calculation of the amortisation expense of the concession right;
is in force. The annual amortisation is calculated by applying the rate resulting from the proportion of the estimated total eligible income for the period, compared to the estimated total eligible	iv) Analysis of the impact of the legislative measures taken, relative to toll charges, on the Entity's Business Plan and its framework in the Concession Agreement;
income for the term of the concession right, to the estimated total costs of that right. The same criteria are applied to the recognition of investment subsidies in the income statement.	v) External confirmations of balances and other information with the Concessionary and Subconcessionary Entities and analysis of reconciliations;
The expected income and costs that support the amortisation of the period are based on assumptions and estimates involving a high degree of judgement and are contained in economic and	vi) Analysis of the periodic maintenance costs charged to the financial year and the use of the respective accrued expenses for work carried out during the year;
financial projections revised annually by the Board of Directors, taking into consideration the impacts of the economic environment.	vii) Confirmation by the Management Body that the assumptions and estimates used were based on the best information available and studies carried
The concession right involves the obligation to maintain the average quality index of the road network, so an estimate is recorded annually for periodic maintenance costs, which in the year	the best information available and studies carried out at the date of the financial report; viii) Review of the effects associated with the various sensitivity analysis scenarios;
2022 amounted to 55,665 thousand euro, with the total amount recorded up to 31 December 2022 being 355,293 thousand euro. The internal estimates take into account the network typology and specific intervention strategies with periodic	xi) Verification of the disclosures in the financial statements in accordance with the applicable accounting standards.



maintenance based on the study carried out for the implementation of the business plan.
Considering the amounts involved and the high level of judgments and assumptions implicit in the calculation of the amortization rate of the intangible asset, such as the global amount of the investments and the expected income until the end of the concession, and considering that often future events may not occur as expected, namely due to exogenous factors to the Group, such as the evolution of macroeconomic variables, political decisions and socioeconomic changes, the financial and economic performance of the Concession may be significantly affected, should the assumptions considered suffer changes, this matter constitutes a relevant auditing matter.

Key audit matters	Summary of the Audit Response
2. Long duration railway infrastructure: Granto	r - State - Account receivable
As disclosed in Notes 2.3.11, 2.4 and 14.2.1 to the Consolidated Financial Statements, the Parent Company is responsible for the construction and renovation of long-distance railway infrastructures in accordance with the directives of the State, this activity being financed through capital, subsidies and loans guaranteed mainly by the State, the Parent Company assuming the role of "Agent". The railway infrastructures belong to the Railway Public Domain, and the Parent Company has access to them for the provision of the public service of infrastructure management. The assets are recorded in the Consolidated Statement of Financial Position under the caption Grantor - State - Receivables, as they consist of an unconditional right to receive money from the State for the investments made. Therefore, this activity was included in the scope of the service concession agreements in accordance with IFRIC 12, considering for this purpose the financial asset model.	The audit response essentially involved the following procedures: i) Confirmation of the approval of the consolidated financial statements for the previous years by the State and rail infrastructures concessionary shareholder; ii) Analysis of the controls put in place and the carrying out of audit tests on a sample basis to the acquisitions of goods and services recorded in the period as debt receivable from the Grantor, and verification of the criteria used in the imputation of the financing costs to the long duration railway infrastructures; iii) Confirmation by the Management Body of the adequacy of the assumptions associated with the debit of expenses to the Grantor - State; iv) Verification of the disclosures in the financial statements in accordance with the applicable accounting standards.
The consolidated financial assets amount to 4,474,849 euro on 31 December 2022 and correspond basically to the value of the concession assets existing on the merger date, plus the value of the assets acquired or constructed afterwards and the financing interest charged to the State - Grantor, less the value of subsidies received and also compensations made with overdue loans. This receivable has no defined maturity and so it is considered to be past due on the date of the debit, being classified under current assets. The risk of material misstatement associated to this matter is related to the allocation of costs incurred with railway infrastructure including the financing costs of this activity.	



Key audit matters	Summary of the Audit Response
3. Recognition of revenue from sales and service	ces rendered
The Group's revenue results mainly from the road activity arising from the road concession contract signed by the State with the former - EP, on 23 November 2007, and from the management of the railway infrastructure under the programme contract signed with the State, on 11 March 2016. As disclosed in Notes 2.3.15 and 17 to the Consolidated Financial Statements, the consolidated revenue with sales and services provided amounts to 1,171,499 euro, being the most significant values related to revenue from the Road Service Contribution (RSC), of 665 501 euro; road toll revenues of 294,646 euro; income from Infrastructure Charges Ferlands Infrastructure Charges, 67 582 euro; contracts for the construction of new road infrastructures and capitalised financial costs of 50 947 euro; and the long duration railway investments (LDI) debited to the Grantor - State, of 34 903 euro. Given the significance of revenue in the Statement of Comprehensive Income and the fact that amounts received in respect of tolls on state concessions (net of collection costs) are deducted from the Group's investment in the acquisition this deduction is recorded against the item Cost of Goods Sold and Consumed (Note 19), and is considered relevant for auditing purposes.	The audit response involved, in summary, carrying out the following procedures: i) Analysis of the main revenue components foreseen in the Activity Plan and Budget of IP for 2022 and the income obtained; ii) Verification of the transfers of funds made by the Directorate General of Budget related to the RSC, analysis and confrontation of the revenue recognized in the period with the information available on the website of the Tax Authority and external confirmation of the revenue collected relating to the RSC; iii) With regard to toll revenue the audit procedures included analysis of the controls followed by the Group to ensure full recognition of revenue, audit tests on a sample basis and external confirmations of balances with sub- concessionaires and analysis of balance reconciliations. iv) Regarding the revenue from road infrastructure construction services and long duration railway investments (LDI) debited to the Grantor - State, the costs incurred were tested on a sample basis and external balance confirmations were performed; v) Verification on a sample basis of the amount of revenue associated with the management of the railway infrastructure and other sales and services provided, including external confirmations of the balances of the main customers.

Key audit matters	Summary of the Audit Response
4. Measurement of Goodwill	
The <i>goodwill</i> , amounting to 21,687 euro, recorded in the consolidated statement of financial position	The audit response essentially involved the following procedures:
resulted from the acquisition in 2014 of the remaining capital of GIL-Gare Intermodal de Lisboa, SA, incorporated in 2018 in IP Património, as disclosed in Notes 2.3.1 and 5 to the	 i) Confirmation of the acquisition value of the participation and the calculation of goodwill at the date of acquisition;
Consolidated Financial Statements. Goodwill is associated with the cash-generating unit of the commercial spaces exploration activity and was subject to impairment tests in accordance with the assumptions described in Note 5 to the Consolidated Financial Statements.	 ii) Analysis of the cash-flows forecast and of the assumptions used in calculating the recoverable amount of this cash-generating unit and the conclusions of the impairment test; iii) Verification of the disclosures in the financial statements in accordance with the applicable accounting standards.
The recoverable amount of this cash-generating unit has been calculated based on its value in use in accordance with IAS 36.	accounting standards.
The risk of material misstatement is related to the estimates used to determine the respective recoverable amount, calculated based on its value in use.	



Responsibilities of the management and the supervisory body for the consolidated financial statements

Management is responsible for:

- preparation of consolidated financial statements give a true and fair view of the Group's financial position, financial performance and cash flows in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union;
- preparation of the consolidated management report, corporate governance report and the consolidated non-financial statement in accordance with the applicable laws and regulations;
- establishing and maintaining an appropriate internal control system to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error;
- adopting appropriate accounting policies and criteria in the circumstances; and
- assessment of the Group'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 Group's financial information.

Auditor's responsibilities for the audit of the consolidated financial statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Distortions may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the ISA, we make professional judgement and maintain professional scepticism during the audit and also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

- 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 direction, oversight and performance of the Group's audit and are ultimately responsible for our audit opinion;
- we communicate with those charged with governance, including the supervisory body, regarding, among other matters, the planned scope and timing of the audit, and significant audit findings including any significant deficiencies in internal control identified during the audit;
- of the matters we have communicated to those charged with governance, including the supervisory body, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are the key audit matters. We describe these matters in our report, except where law or regulation prohibits their public disclosure;
- we declare to the supervisory body that we comply with the relevant ethical requirements regarding independence and communicate to it all relationships and other matters that may be perceived as threats to our independence and, where applicable, the steps taken to eliminate the threats or the safeguards applied.

Our responsibility also includes the verification that the information included in the management report is consistent with the consolidated financial statements, and the verifications foreseen in article 451, number 4 and 5 of the Portuguese Commercial Companies Code in respect of corporate governance, as well the verification that the consolidated non-financial statement has been presented.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the management report

In compliance with article 451°, para. 3, sub-paragraph e) of the Commercial Companies Code, in our opinion, the management report, which corresponds to a single report as permitted by article 508°-C, para. 6 of the Commercial Companies Code, was prepared in accordance with the applicable legal and regulatory requirements in force, the information contained therein is consistent with the audited consolidated financial statements and, taking into account the knowledge and assessment of the Group, we did not identify any material misstatements. As



About the corporate governance report

In compliance with article 451, paragraph 4 of the Commercial Companies Code, our opinion is that the corporate governance report includes the information required to IP under the terms of paragraph 1 of article 29-H of the Portuguese Securities Code, and that no material inaccuracies were identified in the information disclosed, complying with the provisions of sub-paragraphs c), d), f), h), i) and l) of that article.

On the consolidated non-financial statement

In compliance with article 451, para. 6, of the Commercial Companies Code, we inform that the Group has included in its management report the consolidated non-financial statement foreseen in article 508°-G of the Commercial Companies Code.

European Single Electronic Format (ESEF)

The consolidated financial statements of Infraestruturas de Portugal, SA, for the year ended 31 December 2022 must comply with the applicable requirements set out in Delegated (EU) Regulation 2019/815 of 17 December 2018 (ESEF Regulation).

The management body is responsible for the preparation and dissemination of the annual report in accordance with ESEF Regulation.

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements included in the annual report are presented in accordance with the requirements of the ESEF Regulation.

Our procedures took into account the OROC Technical Application Guide on reporting in ESFS and included, among others:

Gaining an understanding of the financial reporting process, including the presentation of the annual report in valid XHTML format;

The identification and assessment of the risks of material misstatement associated with the tagging of the financial statement information in XBRL format using iXBRL technology. This assessment was based on an understanding of the the process implemented by the entity to tag information.

In our opinion, the consolidated financial statements, included in the annual report, are presented, in all material respects, in accordance with the requirements set out in ESEF Regulation.

On the additional matters provided for in Article 10 of (EU) Regulation No 537/2014

Pursuant to Article 10 of (EU) Regulation 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:

- We were appointed as auditors of the Entity for the first time on 08 February 2016 for the 2015 financial year and on 24 June 2020 for the 2020, 2021 and 2022 financial years.
- The management has confirmed to us that it is not aware of the occurrence of any fraud or suspected fraud with a material effect on the financial statements. In planning and performing our audit in accordance with ISA 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 work we have not identified any material misstatement in the consolidated financial statements due to fraud.
- We confirm that the audit opinion we have issued is consistent with the additional report we prepared and delivered to the Group's supervisory body on this same date.
- We declare that we have not provided any services prohibited under Article 5 para. 1 of (EU) Regulation No 537/2014 of the European Parliament and of the Council and that we have maintained our independence from the Group during the course of the audit.
- We inform you that, in addition to the audit, we have carried out, in accordance with the tender procedure, a limited review of the half-yearly consolidated financial statements and a review of the separate prospective financial statements of the Parent Company.

Lisbon, 27 April 2023

António José Carvalho Barros (Registered Auditor no. 966, registered with the CMVM under no. 20160583) on behalf of BDO & Associados, SROC, Lda.



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100

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58

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