



JOSÉ DE MELLO

SUMMARY OF THE ACTIVITY AND INDICATORS

'21

OUR PURPOSE

We nurture our legacy

We actively look after and build on our heritage for future generations.

of excellence, entrepreneurship and talent

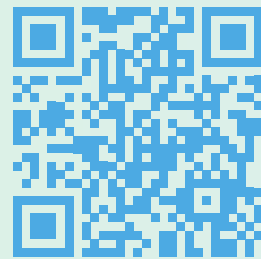
Alfredo da Silva's heritage, nurtured by his successors, is alive today. Excellence, entrepreneurship and talent set us apart and sustain our integrity, resilience and ambition as we face the future, always doing "more and better".

to create prosperity and sustainable development

We will promote more prosperous and developed communities to contribute to social well-being and ensure respect for the environment.

in and beyond Portugal.

While we are committed to Portugal, where we have our roots, we aspire to achieve global impact.



1. Message from the Chairman



Vasco de Mello
Board of Directors' Chairman

We are living in momentous times, marked by events that have significantly impacted life in society and the economic activity, forcing political and business decision-makers to make quick decisions, even when they are critical and complex.

After the pandemic that spread around the world in 2020, causing alarm and unease, with high numbers of infections and loss of life in many geographies, 2021 was marked by a generalised economic recovery, only enabled by the discovery and distribution of vaccines with unprecedented speed, spurred by the exemplary and also unprecedented combined efforts of political and business decision-makers.

This recovery trend also applied in the businesses of the José de Mello Group, which allowed us to close last year with encouraging results, thus reinforcing the cycle of financial solidity and strengthening of our financial structure.

As a result of the recovery, of supply chain constraints and of rising energy costs, we have seen an increase in inflation in 2021, bringing new concerns for central banks, which have begun a phase of planning to raise interest rates and remove monetary stimulus.

The difficult context in the final part of the year became more adverse since the end of February 2022, due to the Russian invasion of Ukraine, which caused a huge refugee crisis,

a profound change in the geopolitical paradigm and a significant increase in the price of many raw materials, especially in Europe. This aggravated the upward trend in inflation and generated an inevitable decrease in the economic growth prospects.

This scenario sets a series of new challenges for political and business decision-makers, who are now facing a retreat from globalisation and the return of protectionism, while still having to meet the challenges of sustainability, on an economic, social and environmental level.

Despite the difficulties, it is crucial to maintain a commitment to sustainability, as we continue to do in the José de Mello Group every day, by contributing to businesses with development potential, implementing environmentally-friendly practices and safeguarding the interests of our People and the communities in which we operate.

In particular, given the constraints in the energy sector, we must also increase efficiency in this area in the short term, and continue to implement the process of decarbonising the economy, in the long term.

1. Message from the Chairman

Given the responsibility that we have in this field, particularly our commitment to the climate transition through Bondalti's participation in the national strategy for hydrogen, we will continue to do everything within the José de Mello Group to contribute to a more sustainable world.

This is, in fact, an area where political and business decision-makers should join forces and, in articulation, devise strategies for action.

While it is up to entrepreneurs to identify investment opportunities and create the conditions for them to materialise, governments are also expected to identify policies, and ensure their implementation, with the aim of ensuring the competitiveness of countries and companies.

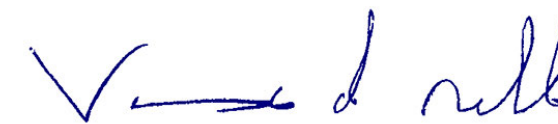
Portugal currently has a government with an absolute parliamentary majority, which offers the prospect of a period of political stability and an excellent opportunity to implement structural reforms that will lead to increased companies productivity, a taxation that incentivizes investment and balanced public accounts.

In summary, I believe that the greatest collective responsibility we face today is to make economic growth the primary national goal, otherwise we will be unable to re-join the group of European countries that create the most wealth and with the greatest economic and social development.

To be able to grow much more than we have in the last two decades, we need to value and develop the skills of the Portuguese, we need to promote the role of the State as a facilitator and regulator of economic activity, and we need resilient companies that are well managed, committed to the future of their stakeholders and have an ambition for growth.

It is for these reasons that, in the José de Mello Group, we consider it more important than ever to have a Purpose, a strategic vision and an ambition for growth, with a long-term outlook, always seeking to create value sustainably.

This is also why we remain true to the values shared by all our companies and People — Competence, Innovation and Human Development - and why we are proud of our business legacy of over 120 years, always seeking to contribute to Portugal's development, without ever losing the ability to adapt to new paradigms and to overcome the challenges that face us.



Vasco de Mello

2. Message from the Chief Executive Officer



Salvador de Mello
Chief Executive Officer

As a result of the global pandemic, which has impacted our lives for the last two years, and the Russian invasion of Ukraine that brought the spectre of war back into Europe in the first quarter of 2022, we are living in uncertain times.

Little more than a month of war was enough to realise the adverse effects it would have on the international economy, but also for us to be touched by the serious humanitarian crisis that has hit millions of citizens.

It was against this background of uncertainty and solidarity that the José de Mello Group expressed from the outset its willingness and availability to respond to the social and humanitarian crisis resulting from the conflict in the Ukraine.

We did so aware of our role in society, at a time of great global economic uncertainty and at a time when our efforts as an economic group were still very much focused on the recovery of our business activity, which was affected by the pandemic in the financial years of 2020 and 2021.

The recovery that we managed to achieve in our companies led to positive results at the end of what was a very difficult year, and was essentially due to a combination of two variables: the robustness, resilience and adaptability of our companies on the one hand, and the willingness, proactivity and professionalism of our teams on the other.

Besides the positive consolidated indicators that, in summary, translated into net profits of 58 million euros and the continued strengthening of our book equity, which amounted to 876 million euros, 2021 was marked by very important initiatives for the future of the José de Mello Group.

Firstly, the reinforcement of José de Mello's Board of Directors and Executive Committee, which led to the strengthening of its management teams.

2. Message from the Chief Executive Officer

Secondly, as a result of a renewed shareholder unity, based on a long-term commitment, together with a moment of financial solidity and a portfolio with strong growth potential, in 2021 we concluded a process of strategic reflection which culminated in the definition of a Purpose and a Strategic Vision for the years to come.

After an ambitious and highly participative process of analysis and discussion, we found the formula to define our Purpose, which allows those who see us from the outside and from within to better understand our way of thinking and acting:

We nurture our legacy of excellence, entrepreneurship and talent to create prosperity and sustainable development in and beyond Portugal.

Regarding the Strategic Vision for the upcoming years, we have defined an ambition to grow our current businesses and to invest in new areas, both within and outside Portugal.

Last year was also marked by the dynamism and the generally positive and successful activity of the main businesses in our portfolio of holdings.

In the case of Bondalti, I would highlight the positive results, achieved in a context of major disruption in value chains and factors affecting the costs of production, the continued investment in the area of water treatment and the commitment made regarding the climate transition, in addition to the best score ever in sustainability practices according to ecoVadis, as well as its active participation in the national strategy for hydrogen.

With regards to CUF, I would underline the capacity it showed in obtaining positive results, despite the strong operating pressure it experienced, particularly in the first quarter of 2021, the strengthening of the digitalisation of the services offered, the continued process of expanding the network of private healthcare units, and the termination of the management of the Vila Franca de Xira Hospital, which marked the end of an accumulated experience of 25 years managing hospital units under a Public Private Partnership regime.

As for Brisa, the year also closed with positive and very consistent results, despite heavy restrictions on mobility, mainly felt in the first quarter. It was also marked by the definition of the Vision 2025, by the continued development of the Via Verde ecosystem, and by being considered as the most sustainable motorway operator in Europe, for the third consecutive year.

2. Message from the Chief Executive Officer

Together, these three business platforms have made investments in Portugal of more than 100 million euros in 2021.

With the aim to reconcile the professional, personal and family lives of our people, I am proud of the fact that, at the end of the year, both José de Mello and CUF were awarded a Responsible Family Entity Certification (EFR), thus joining Bondalti and Brisa, which had already achieved full certification in this area.

Last year was also marked by a number of initiatives that reinforced the José de Mello Group's commitment to innovation and promoting entrepreneurship, on the one hand, and to sustainability on the other, particularly through the signing of the BCSD Portugal's "Companies for Sustainability" manifesto by Bondalti, CUF and Brisa.

As part of our longstanding commitment to Portugal's development, I would highlight the participation of the José de Mello Group as a founding member of the Business Roundtable Portugal Association, an organisation set up

last year by 42 of Portugal's major business groups, whose purpose is to accelerate the economic and social growth of our country, thereby ensuring a fairer, more prosperous and more sustainable society.

As chief executive of the José de Mello Group, I feel enormous satisfaction that we have defined in 2021 the five strategic objectives that will guide our new stage of development:

1. To ensure the excellent performance of businesses within the José de Mello Group, strengthening its position in all the sectors in which it operates;
2. To identify new investment opportunities, broadening its geographical and sectoral base;
3. To promote the development of our people and strengthen the talent of our teams;
4. To intensify the commitment to responsible action in environmental, social and economic terms;
5. To implement an innovation agenda in order to transform, with value creation, our companies and develop new opportunities.

Based on our Purpose, our ambition for growth and our strategic objectives, I am confident that we will overcome, with success, the obstacles that result from the uncertain times in which we live, aggravated by the recent international geopolitical crisis.

I trust in the enthusiasm of our People and our teams to generate prosperity and to continue to build the future together.



Salvador de Mello

3. Main Indicators

In an adverse context marked by contrasts, the José de Mello Group achieved very significant results and indicators in 2021.

In 2021, Turnover totalled 1,033 million euros, Operating Income reached 1,047 million euros and EBITDA was 138 million euros. It should be noted that these indicators are not directly comparable with those from the same period last year, since in 2020, the Group still absorbed Brisa's activity during the first nine months of the year under income and costs categories.

Operating profit increased to 79 million euros, as the 2020 fiscal year had been impacted by the establishment of a significant series of provisions and impairments.

Financial costs registered a notable improvement, and amounted to 44 million euros, while the other financial indicators remained at favourable levels.

Also noteworthy was the positive consolidated net profit of 58 million euros, and the continued robustness of consolidated equity, which at the end of 2021 stood at 876 million euros.

(Thousand euros)	31 Dec 2021	31 Dec 2020
Turnover	1 033 234	1 229 592
Operating profits	1 047 171	1 266 564
Operating cash flow (EBITDA)	138 152	390 651
EBITDA margin, %	13,4%	31,8%
Operating profit (EBIT)	78 956	75 967
Financial costs	(44 343)	(107 482)
Net profit	58 213	355 249
Net assets	2 425 483	2 307 306
Equity	876 393	826 393
Financial liabilities	1 118 290	978 288
Net financial debt	998 902	882 167
EBITDA / Net assets	5,7%	16,9%
Financial autonomy	36,1%	35,8%
Solvency	58,8%	57,6%

4. Activity in 2021

JOSÉ DE MELLO GROUP

The José de Mello Group is one of Portugal's biggest business groups and an active portfolio manager present in various sectors and geographical areas, and playing an important role in the development of the national economy.

The Group's corporate profile is essentially based on three business platforms: the chemical industry, with its stake in Bondalti, health care, with its stake in CUF, and road infrastructures and mobility, with its stake in Brisa. The Group also has holdings in the property sector, in retirement homes (José de Mello Residências e Serviços) and in the area of maintenance (ATM).

During 2021, the Group invested around 50 million euros. A large part of these investments was made by CUF (77%), especially in the replacement of assets, increasing its capacity, and extending its area of activity; Bondalti invested mostly in the replacement of assets, but also in innovation and research and development; the remaining amount invested was applied in the replacement of assets and rights-of-use in the other group companies.

With regard to exports, the José de Mello Group achieved a total volume of approximately 200 million euros, mostly from

Bondalti's sales to markets outside Portugal. Around 80% of this amount was exported to the European market, with Spain as the main destination.

The José de Mello Group maintains a strong commitment to innovation, essentially through Grow, a programme intended to support and accelerate start-ups. Grow includes various initiatives that strengthen the connection between the community of entrepreneurs and the Group's companies, contributing to the development of new businesses and the growth of the economy.

In 2021, Grow completed its fifth year of activity and welcomed five new projects with start-ups. Since 2017, 43 pilots have taken place, including 22 at CUF, 17 at Brisa, 1 at Bondalti and 3 at José de Mello Residências e Serviços.

The Group ended 2021 with 7,200 employees, 14% less than in 2020, mainly due to the ending of the management contract of the Public-Private Partnership (PPP) of the Vila Franca de Xira Hospital. During 2021, 1.2 million euros were invested in training, adding to a total of 29.4 million euros invested since 2010, reinforcing its commitment to Portuguese society and the values shared across all the subsidiary companies: Competence, Innovation and Human Development.



Clynx was the winner of the 2nd edition of Grow Innovation Award, an initiative aimed at distinguishing the best startups of pilots undertaken in companies from the José de Mello Group.

4. Activity in 2021

BONDALTI

Bondalti is one of the largest Iberian chemical industry companies, focused on the production and marketing of industrial chemicals, in the organic (aniline and derivatives) and inorganic (chlor-alkali) segments. It is market leader in aniline sales in Europe and the largest chlorine producer on the Iberian Peninsula, playing a key role in the supply of essential products for water treatment, disinfection, the pharmaceutical industry, the automotive and mobility industry, paper production, energy efficiency in buildings, and also in the production of household appliances and articles for the home.

In 2021, Bondalti continued to focus on diversifying its business by acquiring the Spanish group Aguas Alfaro (also known by its trademark AEMA). With this new acquisition, Bondalti has strengthened its position in the Iberian market of water treatment solutions. This movement reflects its commitment to the Sustainable Development Goals of the United Nations, specifically SDG 6 - Efficiency in the use, supply and access to drinking water, reinforced by joining the Pact for Water Management, an initiative coordinated by the Portuguese Catholic University, which aims to put the issue of water at the heart of company agendas in Portugal.

2021 was a very challenging year, still affected by the pandemic, with logistical and supply constraints in various sectors and an exponential escalation in energy prices, mainly in the second part of the year, driving up production costs across the board. However, there has been some economic recovery in the markets served by Bondalti, although in many segments it is still below pre-pandemic levels.

Bondalti achieved very favourable results in 2021, thanks to the commitment of all the people and teams who worked hard to overcome the challenges faced.



The acquisition of the Spanish AEMA strengthen the position of Bondalti in the Iberian market of water treatment solutions.

These efforts generated a significant increase in EBITDA, which reached 61.8 million euros, enabling results to reach an all-time high, notably, the pre-tax results of 24.6 million euros (6.8 million euros more than the previous year).

4. Activity in 2021

An increase in the quantities sold of both chlor-alkali and organic products contributed to this feat, along with entry into new geographical areas, with new applications and serving new customers. The efficient availability of Bondalti's manufacturing units, both in Portugal and Spain, made it possible to respond to commercial challenges, while at the same time increasing industrial efficiency, which translated into improved levels of consumption of raw materials and utilities per unit produced.

The market context implied a generalised increase in prices for acquiring raw materials and utilities, electricity and others, which increased Bondalti's sales prices, but also its production costs. However, Bondalti has adopted a conservative management approach, which seeks to mitigate the effects of variations in prices in its accounts, as exemplified by its use of financial coverage of TTF 101 Natural Gas, thereby recording a cost in financial results offset by an increase of the same amount in operating results; if this impact was disregarded, there would have been an increase in EBITDA of 11.5 million euros compared to 2020.

In managing energy purchases, Bondalti also seeks to establish longer-term contracts and partnerships, so that less energy need be purchased on the spot market, a fact that benefited margins and results in 2021.

In 2021, Bondalti's cash flow continued to demonstrate the consistency and resilience that has characterised it in previous years. There was no significant impact from the continuing pandemic on receipts from costumers or payments to suppliers.

Net debt levels remained similar to those of 2020, despite the fact that a significant series of investments were made, of which the acquisition (mentioned above) of a stake in the Aguas Alfaro Group stands out. Consolidated gross debt fell by about 12 million euros compared with the previous year.

Financial indicators remained robust, with the Financial Autonomy ratio dropping very slightly to 31.9% (32.4% in 2020), while the Net Financial Liabilities/EBITDA ratio improved substantially to 1.8x (2.7x in 2020), reflecting the increase in EBITDA compared to 2020.

As previously mentioned, 2021 was particularly successful for Bondalti, and resulted in various economic and financial indicators forecast for the year being surpassed, with a net profit of 19.1 million euros (about 5 million euros more than expected). The efficiency achieved in the operation of Bondalti's industrial units contributed substantially to this variation, as did activity in the new area of Water Treatment.

In 2021, Bondalti invested around €11 million, in line with the plan for the year, 9.8 million euros of which in Estarreja, highlighting the continuity of the project to implement the new primary salt treatment unit (2.6 million euros), as well as the replacement of key elements in NaCl electrolysis (1.4 million euros). The purchase of a new transformer/rectifier for this electrolysis (0.8 million euros) should also be mentioned.

4. Activity in 2021

CUF

CUF has been providing excellent healthcare for over 75 years in Portugal, based on a patient-centred clinical model, through a local network of hospitals and clinics, which include sub-specialties in preeminent and convenient areas.

After an extraordinarily adverse year in 2020, the health sector in Portugal, and medical staff, once again experienced one of the most demanding periods in their history. The close collaboration between public, private and social health institutions with the entire National Health System, united in the response to the needs of the country and the Portuguese, remains in the memory of all.

2021 was a challenging year for CUF, for its employees and for society in general. After a first quarter marked by an acute worsening of the pandemic, the months of resilience and dedication that followed were positively reflected in the overall balance of the year, which was marked by a strong recovery in activity.

CUF Network – COVID-19 Response

1.000

patients with COVID-19 admitted to the CUF network in 2020 and 2021

>300

patients referred by the NHS to CUF hospitals

7.000

follow-up patients in outpatient clinics

>440.000

tests carried out in 2020 and 2021

CUF assumed a central role in the fight against the pandemic, at the service of patients, the community and the National Health Service, with four hospitals of its network made available, as was its recently created Home Healthcare Unit, ensuring much needed support to COVID and non-COVID patients in different regions of the country.

If it was indisputably the pandemic, once again, that marked 2021, it is equally true that CUF and its staff mobilised to support its patients in all the other pathologies, responding to around 1.1 million patients who sought the CUF network in 2021.

Consultations, emergencies and surgeries showed growth of between 16% and almost 26%, compared to 2020, results that owe much to the commitment and dedication of the teams in the resumption of activity and in their response to the health needs of the population, and also reflect CUF's increasing focus on strengthening its clinical project, in its differentiation and specialisation, in the development of its staff, but also in the expansion of its clinical offer, throughout the care continuum.

Continued investment in innovation has been a priority, rising to 2.7 million euros in 2021, almost tripling the amount invested in 2020, and exceeding the 2.4 million euros invested in 2019. This investment translates into a permanent search for the best solutions for patients, both from a clinical point of view – promoting access to innovative treatments, providing new technologies, and the latest-generation equipment in areas such as Oncology, Operating Rooms and Imaging – and from the point of view of innovation in customer experience, in the organisation of processes, and in its own management of human resource.

4. Activity in 2021

CUF has innovated in cancer treatment, in the monitoring of chronic diseases, in Cardiac Surgery, Cardiovascular Surgery, Urology, Gastroenterology, Ophthalmology, Otorhinolaryngology, and in so many other specialties, but it has also innovated in digital terms, ensuring patient follow-up, even during periods of confinement, with the development of new solutions, such as Programmed Teleconsultation, Day Teleconsultation, and COVID-19 Teleconsultation. It has also ensured that patients continue to have access to safe and reliable information, even at a distance, through the pioneering launch of a new digital symptom evaluator, which is free of charge and integrated into the care network, and combines artificial intelligence with medical knowledge and scientific evidence, to enable recommendations to be obtained on the most appropriate clinical follow-up.

Despite the demands and difficulties of the 2021 financial year, CUF also pursued its growth plan, and inaugurated its first Dental Medicine clinic, in Lisbon, thus strengthening its position in this specialty.



**Febre?
Não pergunte
à Dra. Internet,
pergunte
à CUF.**

 **My CUF** **AVALIADOR DE SINTOMAS**

O My CUF responde, a CUF trata.
O avaliador de Sintomas My CUF é uma nova ferramenta clínica criada por médicos e suportada por inteligência artificial. Através dela consegue perceber as possíveis causas para os seus sintomas e receber uma orientação para os cuidados mais adequados, com 97% de precisão. Já está disponível para adultos e crianças gratuitamente, a qualquer hora, 365 dias por ano.



The Symptoms Evaluator is a digital clinical solution designed by doctors based on artificial intelligence which allows to guide the users towards the appropriate healthcare.

VIDEO

In parallel, CUF took another step in the expansion and consolidation of its national healthcare network, with the presentation of the project for the future CUF Leiria Hospital, which will open in 2025, representing an investment of 50 million euros and creating 300 jobs, while the opening of a CUF Clinic in Leiria is planned for the end of 2022.

To close the year, CUF obtained certification as a Family-Responsible Organisation (EFR), thus becoming the first health operator to join the list of Portuguese companies with this distinction, awarded by the MásFamilia Foundation, the reference institution that created the most widespread management standard of this kind in the professional world. It is a reflection of more than 50 initiatives that promote an essential balance in the lives of more than 6,000 CUF employees.

2021 was also marked by the ending of the management contract of the Public-Private Partnership (PPP) of Vila Franca de Xira Hospital on 31 May, thus closing a 25-year cycle of CUF's participation in health PPPs in Portugal.

4. Activity in 2021

Other highlights

- ▶ CUF Hospitals websites in the top 10 of the best hospital websites in Portugal.
- ▶ “Trusted Brand” award, in the Private Hospitals category, for the 7th consecutive year.
- ▶ Recognition, in 2021, of the CUF brand as the best rated private healthcare institution in the category of most relevant brands in corporate social responsibility in Portugal, according to the annual RepScore study, by the consultancy firm OnStrategy (5th place in the ranking at national level).
- ▶ Reaccreditation of the CUF Porto Hospital by the Joint Commission International, one of the world’s most prestigious independent accrediting bodies.
- ▶ Renewal of international certification by the European Society of Breast Cancer Specialists for the Lisbon Breast Unit of CUF Oncology.
- ▶ Re-accreditation of the CUF Rectal Cancer Adult Oncology Referral Centre by ACSA International - Andalusian Agency for Healthcare Quality.

In terms of activity, the 19 units of the CUF Group carried out 2.4 million consultations, 53 thousand surgeries and 161 thousand days of hospitalisation.

In financial terms, 2021 saw a 25.5% increase in Consolidated Revenues (excluding PPP for comparison purposes), which reached 584.2 million euros, and a 93.7% increase in EBITDA, which stood at 90.9 million euros (corresponding to an EBITDA margin of 16%). Net income, which in 2020 had been negative due to the impact of the pandemic, was up by 58.5 million euros in 2021 and stood at 34.7 million euros, 19.6% higher than the net income recorded in 2019.

The total investment made in 2021 was 39.0 million euros (vs. 96.8 million euros in 2020, the year the CUF Tejo Hospital was completed, along with other expansion projects).

Gross Financial Debt stood at 553.1 million euros at the end of the 2021 financial year, having been reduced by 23.9 million euros compared to 2020. Net Financial Debt also decreased from 509.5 million euros to 489.7 million euros (a decrease of 19.8 million euros), settling at 5.39x EBITDA.

For 2022, CUF will maintain its focus on clinical differentiation, in terms of both clinical staff and equipment, as well as on deepening the relationship with the patient, without losing focus on the patient experience, but broadening points of contact with CUF, both in digital terms and in terms of improving and expanding CUF units.

4. Activity in 2021

BRISA

Brisa is a mobility operator with solid experience and performance in the management of motorway concessions, providing its customer with a wide range of mobility services under the Via Verde brand.

Brisa has developed a culture strongly geared towards the promotion of mobility and accessibility, based on the values of Ethics, Excellence, Innovation and People, with important economic and social benefits for the activities and communities it serves.

Brisa's business model is based on an integrated approach to the main business segments. Each segment has its own characteristic model and, together, they allow for the sustainable growth of the company.

Its portfolio is divided into the following business segments:

Motorway Concessions

Management of motorway concessions and overall support services, including operation and maintenance (O&M), asset management and other services (service areas, for example). It includes companies such as Brisa Concessão Rodoviária (BCR), Brisa Operação & Manutenção (Brisa O&M), Brisa Gestão de Infraestruturas (BGI) and Brisa Áreas de Serviço (BAS).

Technologies for Mobility

Development and marketing of technological solutions for the efficient management of infrastructures and mobility, including the A-to-Be segment.

Mobility Services and Payments

Electronic management and charging for services in road and other infrastructures, consisting of an integrated ecosystem of service provision and advanced mobility solutions. It includes companies such as Via Verde Portugal (VVP) and Via Verde Serviços (VVS).

Automotive Services

Provision of automotive related services, including inspection, telematics or shared use. It includes companies such as Controlauto (CTA) and Via Verde Connected Cars (VVCC).

Others

Logistical support services and administrative and financial management.

Brisa's three strategic pillars are management focused on customer mobility that offers greater diversification and sophistication; the modernisation and optimisation of the operation with accelerated digitalisation and technological adoption; and the proactive management of the financial component, with an optimized, balanced and sustainable financing structure. The pursuit of its objectives is combined with an awareness of its social and environmental responsibility.



The Via Verde Electric service, valid nationwide, allows quick and safe access to any charging station from the public network Mobi.E, promoting and facilitating the transaction of the Portuguese to electric mobility.

VIDEO

4. Activity in 2021

2021 began with a newly-imposed “State of Emergency” in Portugal, limiting the free movement of goods and people, due to a recurrence of Covid-19 outbreaks. As the year progressed, along with the process of national vaccination, there was a decrease in the number of infections and hospitalisations, allowing for the gradual easing of some restrictive measures. However, the end of 2021 brought further surprises with a new variant of the virus, more infectious but less aggressive, raising doubts about the recovery of economic activity.

The easing of restrictions compared to the same period in the previous year enabled a 15.7% increase in circulation on the BCR network, but it is still considerably below the levels recorded in 2019. Average Daily Traffic (ADT) in the year was 18,550 vehicles/day, which corresponds to a positive variation of 16.0% compared to 2020, but was still 13.2% below pre-pandemic levels. Circulation increased slightly less than the ADT as 2020 was a leap year. The variation in organic traffic was 14.8%. All the motorways in the concession recorded positive growth in demand.

The main financial indicators for 2021 show Brisa’s strong financial solidity, despite the impact of the pandemic. In particular, there was a reduction of Net Financial Debt and a favourable evolution of the “Net Financial Debt / EBITDA” and “EBITDA / Financial Expenses” ratios, which reflected the trend of recovery in the company’s activity.

The rating assigned to BCR by Fitch was “A-” with Outlook “Stable”, which has not changed since 2019. Moody’s revised its assigned rating from “Baa2” to “Baa1”, maintaining its position for Outlook of the company as “Stable”.

Brisa’s operating income increased by 96.9 million euros (15.5%) to 721 million euros, significantly buoyed by the recovery in traffic on the BCR network. Despite the growth seen, the performance of operating income still reflected the prevailing pandemic, and fell short of pre-pandemic levels.

2021 was marked by the definition of a new strategic plan, focused essentially on maintaining operational resilience. Thus, measures to optimise and rationalise the cost structure were once again implemented, which allowed operating costs to be reduced by 0.6%, to 188.8 million euros.

The recovery of activity associated with strict cost control allowed EBITDA to reach 532.2 million euros, and growth of 98 million euros was recorded compared to 2020. The EBITDA margin increased 4.3 p.p. to 73.8%.

The financial result for 2021 was negative by 17.6 million euros, an improvement compared to 2020, reflecting the reduction in the weighted average cost of debt and net consolidated debt and the increase in results related to investments in associated companies. Consolidated EBT grew by 68.3% to 353.2 million euros, also improving its margin by 15.4 p.p. to 49%. In 2021, net profit grew by 51.3% compared to 2020, and reached 190.6 million euros.

Throughout 2021 Brisa made investments (Capex) totaling 54.8 million euros. This amount was distributed between investment in the BCR network, totaling 41.6 million euros, and 13.2 million euros of investment in permanent innovation and adaptation to new challenges in the areas of mobility and technology.

Thus, the cash generation indicator (EBITDA - Capex) amounted to 477.4 million euros, reflecting the recovery of economic activity and the implementation of measures to ensure the maintenance of operational resilience, although not yet recovering to pre-pandemic levels.

4. Activity in 2021

JOSÉ DE MELLO RESIDÊNCIAS E SERVIÇOS

José de Mello Residências e Serviços (JMRS) holds 70% of SPSI - Sociedade Portuguesa de Serviços de Apoio e Assistência a Idosos (Portuguese Society for Support and Care Services for the Elderly), whose objectives are the promotion, development, operation and management of social support establishments for the elderly, assisted living accommodation, residential condominiums and medicalised residences, the management of condominiums, as well as the provision of home support services, and the provision of consultancy and/or technical advisory services for projects of the same nature. In turn, SPSI owns 100% of Burkina, S. A., which operates in the property business, and whose purpose is the purchase, sale and leasing of properties.

2021 was a year of challenges for JMRS, as its activity took place in a very difficult context due to the impact of the pandemic.

As in 2020, the priority continued to be to maintain a safe environment for all residents and staff.

The beginning of the year saw the most aggressive wave of the pandemic that tested its capacity for screening through continuous testing, and for intervention, made possible by

the provision of preventative isolation in previously prepared apartments. Following the vaccination of residents and staff, the safety of family visits was ensured by making on-site testing available for visitors.

Despite these difficulties, JMRS could rely on the extraordinary dedication of all its employees, who exemplified the company's values in the provision of care to their clients. This attitude of resilience and excellence made it possible to maintain levels of safety in the face of the pandemic and quality in the provision of services to residents.

The market for permanent stays continued to be non-existent until June, so occupancy of residences continued on a downward trend during the first half of the year. Sales suffered a 5% drop compared to the same period last year. The excellent commercial work and the prestige of the DomusVida brand allowed a strong recovery in activity during the second half of the year, with significant growth in the recoveries segment, which currently corresponds to 8.5% of stays.

Based on the Expansion Plan, Burkina defined the preferred model of financing, project risk management and lease agreement. It also adapted the base programme and technical specifications of future buildings to optimise construction and operating costs. In parallel, it proactively analysed opportunities in its preferred regions.

In terms of results, it was able to exceed an ambitious budget, minimising economic impacts and reaching a negative net result of 170.200 euros.

The normalised occupancy levels reached at the end of 2021, together with excellent occupancy at the beginning of 2022, provide an optimistic prospect for the coming financial year, notwithstanding high inflation and the uncertainties arising from the war in the Ukraine.



The Domus Vida units in Lisbon and Estoril focused their efforts on implementing safety and protection measures for residents and their families in the context of the pandemic.

4. Activity in 2021

JOSÉ DE MELLO IMOBILIÁRIA

José de Mello Imobiliária is active in overseeing and developing the projects in its portfolio of holdings: Herdade Vale da Fonte and the Aveiro Centrum development.

The Herdade Vale da Fonte, located in Sesimbra, occupies an area of 370 hectares and has been approved for a tourism and residential project by the Sesimbra City Council. The Environmental Impact Declaration expired in October 2021, and the process for its renewal is underway.

The Aveiro Centrum is a development with a built area of 27,308 m² divided into residential, commercial and parking zones. The residential area, comprising 80 apartments, has been completely divested. Regarding the commercial area with 30 shops, 16 were divested, 2 are leased and 9 shops have promissory sale agreements that should be concluded in 2022. Of the remaining 3 vacant units, one was divested in the first quarter of 2022. The car park continues to operate as planned, supporting the development of commercial activity.

MGI CAPITAL

The José de Mello and Têxtil Manuel Gonçalves groups indirectly hold 100% of the capital of MGI Capital, which, in turn, has a minority stake in Efacec Power Solutions (EPS) and a portfolio of holdings with special focus on the Maintenance and Renewable Energy sectors (wind farms in Spain and Bulgaria). In geographical terms, it is present in Europe, Asia and South America.

During 2021, MGI Capital maintained its 28.27% stake in EPS. On 2 July 2020, the Government of the Portuguese Republic announced the nationalisation of 71.7% of EPS' capital, with a view to resolving the impasse experienced in the shareholder reconfiguration process, enabling the company to continue and ensuring the stability of its financial and operational value. The Government assumed that the reprivatisation process should be concluded before the end of 2021. The activity of EPS in 2021 showed very negative results, which had a very significant impact on MGI's results.

The maintenance area continued its operational restructuring process, with ATM - Assistência Total em Manutenção positioning itself as one of the main maintenance service operators in the market sectors in which it operates: industry, energy, health and services.

MGI Capital continues to pursue its strategy of corporate restructuring and management of its shareholdings, and has actively sought to align its holdings with the new strategic framework.

MGI Capital's 2021 accounts reflect this phase of consolidating its activity, with consolidated turnover amounting to 42 million euros.



JOSÉ DE MELLO

José de Mello Capital, S.A.
Av. 24 de Julho, 24
1200-480 Lisboa

josedemello.pt